



**SUNFLAG IRON & STEEL CO. LTD.**  
**THIRTY-NINTH (39<sup>TH</sup>) ANNUAL REPORT**  
**2024 - 2025**



**SUNFLAG IRON AND STEEL COMPANY LIMITED**

<b>BOARD OF DIRECTORS</b>	Mr. RAVI BHUSHAN BHARDWAJ [Non-executive Chairman] Mr. PRANAV BHARDWAJ [Managing Director] CA NEELAM KOTHARI [Non-executive, Independent Director] Mr. SAJIV DHAWAN [Non-executive, Independent Director] (upto 10.08.2025) Mr. ANAND SADASHIV KAPRE [Non-executive, Independent Director] CA VINITA BAHRI [Non-executive, Independent Director] Mr. RAMCHANDRA VASANT DALVI [Director (Technical)] Mr. SUHRIT BHARDWAJ [Non-executive Director] CA M. A. V. GOUTHAM [Non-executive, Independent Director] Mr. TIRTHNATH JHA [Non-executive, Independent Director]
<b>CHIEF FINANCIAL OFFICER</b>	Mr. S. MAHADEVAN IYER
<b>HEAD COMPANY SECRETARY</b>	CS ASHUTOSH MISHRA
<b>STATUTORY AUDITORS</b>	M/s. NSBP & CO. CHARTERED ACCOUNTANTS, NEW DELHI
<b>SECRETARIAL AUDITORS</b>	M/s. DM & ASSOCIATES COMPANY SECRETARIES LLP, MUMBAI
<b>COST AUDITORS</b>	M/s. G. R. PALIWAL & COMPANY COST ACCOUNTANTS, NAGPUR
<b>INTERNAL AUDITORS</b>	M/s. S. S. KOTHARI MEHTA & CO. CHARTERED ACCOUNTANTS, NEW DELHI
<b>LENDERS</b>	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
<b>REGISTERED OFFICE</b>	33/1, MOUNT ROAD, SADAR, NAGPUR - 440001, MH, IN
<b>WORKS</b>	WARTH, BHANDARA ROAD, BHANDARA - 441905, MH, IN
<b>WEBSITE &amp; E-MAIL</b>	www.sunflagsteel.com / e-mail - investor@sunflagsteel.com
<b>REGISTRAR &amp; SHARE TRANSFER AGENT</b>	BIGSHARE SERVICES PRIVATE LIMITED, MUMBAI.

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**SUNFLAG IRON AND STEEL COMPANY LIMITED****REGISTERED OFFICE : 33/1, 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-ninth (39<sup>th</sup>) Annual General Meeting ('AGM')** of the Members of **Sunflag Iron and Steel Company Limited** will be held on **Friday, the 26<sup>th</sup> day of September, 2025 at 12.00 P.M.** through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) to transact the following business:

**ORDINARY BUSINESS****1. Adoption of Audited Financial Statements**

To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the Financial Year 2024-25 ended 31<sup>st</sup> March, 2025, including, the Balance Sheet as at 31<sup>st</sup> March, 2025, Statement of Profit and Loss and Cash Flow for the Financial Year 2024-25, together with the Board's Report and Report of the Statutory Auditors thereon.

**2. Declaration of Dividend for the Financial Year ended 31<sup>st</sup> March, 2025**

To declare final dividend @7.5% (i.e. ₹ 0.75/- per share) on Equity Share of face value of ₹ 10/- (₹ Ten) each for the Financial Year ended 31<sup>st</sup> March, 2025.

**3. Appointment of Director retiring by Rotation**

To appoint a director in place of Mr. Suhrit Bhardwaj (DIN - 02318190), who retires by rotation and, being eligible, offers himself for re-appointment.

**4. Appointment of Statutory Auditors in place of the retiring Auditors.**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and as per the recommendation of the Audit Committee, M/s. Lodha & Co. LLP, Chartered Accountants, New Delhi (ICAI Firm Registration No. 301051E/E300284 ; Peer Review Certificate No. 016523), be and are hereby appointed as the Statutory Auditors of the Company for a period of five (5) consecutive years i.e. to hold office from the conclusion of 39<sup>th</sup> Annual General Meeting until the conclusion of the 44<sup>th</sup> Annual General Meeting to be held for the financial year 2029-30, in place of the retiring auditors M/s. N S B P & Co., Chartered Accountants, New Delhi (ICAI Firm Registration No. 001075N), whose term of 5 years has been completed and on such remuneration as may be decided by the Board of Directors of the Company.”

**“RESOLVED FURTHER THAT** 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.”

**SPECIAL BUSINESS****5. Re-appointment of CA Vinita Bahri (DIN – 03109454), as a Director (Category- Non-executive, Independent) of the Company for a fixed second term of five (5) consecutive years.**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ["Listing Regulations"], CA Vinita Bahri (DIN – 03109454), who was appointed as a Director (Category - Non-executive, Independent) of the Company and who holds office up to 20<sup>th</sup> September, 2025 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 intention to propose her 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 five (5) consecutive years from 21<sup>st</sup> September, 2025 till 20<sup>th</sup> September, 2030.”

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

**6. Re-appointment of CA Mattegunta Anjani Venkatramana Goutham (DIN – 00101447), as a Director (Category - Non-executive, Independent) of the Company for a fixed second term of five (5) consecutive years.**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 16(1)(b) of the Securities and Exchange

Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ["Listing Regulations"], CA Mattegunta Anjani Venkatramana Goutham (DIN – 00101447), who was appointed as a Director (Category - Non-executive, Independent) of the Company and who holds office up to 11<sup>th</sup> August, 2025 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 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 five (5) consecutive years from 12<sup>th</sup> August, 2025 till 11<sup>th</sup> August, 2030."

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

**7. Re-appointment of Mr. Tirthnath Indranath Jha (DIN – 07593002), as a Director (Category - Non-executive, Independent) of the Company for a fixed second term of five (5) consecutive years.**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ["Listing Regulations"], Mr. Tirthnath Indranath Jha (DIN – 07593002), who was appointed as a Director (Category - Non-executive, Independent) of the Company and who holds office up to 2<sup>nd</sup> September, 2025 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 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 five (5) consecutive years from 3<sup>rd</sup> September, 2025 till 2<sup>nd</sup> September, 2030."

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

**8. Re-appointment of Mr. Pranav Bhardwaj (DIN– 00054805) as the Managing Director (Category –Non-independent, Executive), designated Key Managerial Personnel, of the Company not liable to retire by rotation, for a further period of Five (5) years effective 17<sup>th</sup> January, 2026.**

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, Schedule V to the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), (including any statutory modifications and / or re-enactment thereof for the time being in force), Article 151 to 154 of the Articles of Association of the Company and on the basis of recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors, consent of the members be and is hereby accorded to the re-appointment of Mr. Pranav Bhardwaj (DIN – 00054805), as the Managing Director (Category - Non- independent, Executive), designated Key Managerial Personnel of the Company, not liable to retire by rotation, for a further period of Five (5) years effective 17<sup>th</sup> January, 2026, on the terms and conditions including remuneration as set out in the explanatory statement, with an authority to the Board of Directors to modify / alter / revise on the recommendation of the Nomination and Remuneration Committee 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 Companies Act, 2013 read with Schedule V to the Act."

**"RESOLVED FURTHER THAT** 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."

**9. Appointment of M/s. DM & Associates Company Secretaries LLP, Mumbai [Firm Registration Number L2017MH003500 and Peer Review Certificate No. 6584/2025], as Secretarial Auditors of the Company.**

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

**"RESOLVED THAT** pursuant to provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 framed thereunder, Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s), re-enactment thereof for time being in force) and circulars issued thereunder from time to time, and based on the recommendation of the Audit Committee and the Board of Directors of the Company, M/s. DM & Associates Company Secretaries LLP, Mumbai [Firm Registration Number L2017MH003500 and Peer Review Certificate No. 6584/2025], be and are hereby appointed as the Secretarial Auditors of the Company for a period of Five (5) years to hold office from the conclusion of 39<sup>th</sup> Annual General Meeting till the conclusion of 44<sup>th</sup> Annual General Meeting to be held for the Financial Year 2029-2030 on such remuneration as may be decided by the Board of Directors of the Company."

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matters and things as may be deemed necessary and/or expedient to give effect to this resolution.”

**10. 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 2025-26, 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 2025-26, 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<sup>th</sup> August, 2025**

**CS Ashutosh Mishra**  
**Head 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, Circular No. 10/2022 dated December 28, 2022, Circular No. 09/2023 dated September 25, 2023 and Circular No. 09/2024 dated September 19, 2024 (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; SEBI/HO/CFD/POD-2/P/CIR/2023/4 Dated January 5, 2023, SEBI/HO/CFD/CFD-POD-2/P/CIR/2023/167 Dated October 07, 2023 and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 03, 2024 (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. Accordingly in compliance with the aforesaid MCA and SEBI Circulars, the 39<sup>th</sup> 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 Ordinary and Special Business under Item Nos. 4 to 10 are 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](mailto:investor@sunflagsteel.com).
4. The Register of Members and Share Transfer Books of the Company, will remain closed, from **Saturday, the 13<sup>th</sup> September, 2025 to Friday, the 26<sup>th</sup> September, 2025 (both days inclusive) for the purpose of 39<sup>th</sup> 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](mailto:investor@sunflagsteel.com) on or before Friday, the 19<sup>th</sup> September, 2025. Queries received well within the stipulated time will be considered and duly responded at the AGM or 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 2024-25 is being sent through electronic mode to those Members whose email addresses are registered with the Company/RTA/Depositories. Further through a letter providing the web-link, including the exact path, where complete details of the Annual Report 2024-25 is available to those shareholder(s) who have not registered their email addresses. Further, Annual Report 2024-25 can also be accessed by scanning the QR code provided therein. Members may note that the Notice and Annual Report 2024-25 will also be available on the Company's website [www.sunflagsteel.com](http://www.sunflagsteel.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of the e-voting agency - National Securities Depository Limited at [www.evoting.nsdl.com](http://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](mailto:investor@bigshareonline.com).

Alternatively, member may send a request at the email id [investor@bigshareonline.com](mailto: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, 6<sup>th</sup> 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 31<sup>st</sup> March, 2003. Therefore, the Depository Participants, Members / Investors of the Company, are advised to send all documents and correspondence, such as requests for re-lodgment of Transfer of Shares (as per SEBI), 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 11,17,63,994 Equity Shares (62.02%) of the total Issued, Subscribed and Paid-up Share Capital of the Company, have already been dematerialized as on 31<sup>st</sup> March, 2025.

In terms of the amended Regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, requests for effecting transfer of securities of listed Companies shall not be processed unless the securities are held in dematerialised form with a Depository. However, SEBI allowed six months window from 7<sup>th</sup> July, 2025 to 6<sup>th</sup> January, 2026 to relodge the old transfer requests that were submitted before 1<sup>st</sup> April, 2019, but rejected or returned due to deficiencies. Further, the transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. 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 names 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. Thereafter, "Letter of Confirmation" to that effect will be issued by RTA.

#### 10. DIVIDEND RELATED INFORMATION

Members may note that the Board of Directors at its meeting held on 27<sup>th</sup> May, 2025, has recommended a final dividend of ₹ 0.75 (7.5%) per equity share of the face value of ₹10 each for the financial year ended 31<sup>st</sup> March, 2025. The **record date** for the purpose of final dividend is **12<sup>th</sup> September, 2025**. The final dividend, once approved by the Members in the ensuing AGM, will be paid on or after 30<sup>th</sup> September, 2025, through prescribed modes. To avoid delay in receiving dividend, members are requested to update their KYC with their depositories (where shares are held in dematerialized mode) and with the Company's Registrar and Transfer Agent (RTA) (where shares are held in physical mode) to receive the dividend directly into their bank account on the payout date.

Members may note that the Income-tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividend paid or distributed by a Company on or after April 1, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of final dividend. To enable us to determine the appropriate TDS rate as applicable, members are requested to submit relevant documents, as specified in the below paragraphs, in accordance with the provisions of the IT Act.

For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows:

Members having valid Permanent Account Number (PAN)	10%* or as may be notified by the Government of India (GOI)
Members not having PAN / valid PAN	20% or as may be notified by the GOI

\*As per Section 139AA of the IT Act, every person who has been allotted a PAN and who is eligible to obtain Aadhaar, shall be required to link the PAN with Aadhaar. In case of failure to comply with this, the PAN allotted shall be deemed to be invalid / inoperative and he shall be liable to all consequences under the IT Act and tax shall be deducted at the higher rates as provided in section 206AA of the IT Act, 1961 i.e., 20% of tax deduction at source.

However, no tax shall be deducted on the dividend payable to resident individual shareholders if the total dividend to be received by them during financial year 2025-2026 does not exceed ₹10,000 and also in cases where members provide Form 15G / Form 15H (Form 15H is applicable to resident individual shareholders aged 60 years or more), subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / nil withholding of tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above.

For non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as may be notified by the GOI on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA), read with Multilateral Instrument (MLI), between India and the country of tax residence of the shareholders, if they are more beneficial to them.

For this purpose, i.e. to avail the benefits under the DTAA read with MLI, non-resident shareholders will have to provide the following:

- Copy of the PAN card allotted by the Indian income tax authorities duly attested by the shareholders or details as prescribed under rule 37BC of the Income-tax Rules, 1962.
- Copy of the Tax Residency Certificate for financial year 2025-26 obtained from the revenue or tax authorities of the country of tax residence, duly attested by shareholders / authorized signatory.
- Electronic Form 10F as per notification no. 03/2022 dated July 16, 2022 issued by the Central Board of Direct Tax [Notification can be read under notification-no-3-2022-systems.pdf (incometaxindia.gov.in)]. Form 10F can be obtained electronically through the e-filing portal of the income tax website at <https://www.incometax.gov.in/iec/foportal>.
- Self-declaration by the shareholders of having no permanent establishment in India in accordance with the applicable tax treaty.
- Self-declaration of beneficial ownership by the non-resident shareholder.
- Any other documents as prescribed under the IT Act for lower withholding of taxes, if applicable, duly attested by the shareholders.

In case of Foreign Institutional Investors (FII) / Foreign Portfolio Investors (FPI), tax will be deducted under Section 196D of the IT Act at the rate of 20% (plus applicable surcharge and cess) or the rate provided in relevant DTAA, read with MLI, whichever is more beneficial, subject to the submission of the above documents, if applicable.

The aforementioned documents are required to be mailed at [tds@bigshareonline.com](mailto:tds@bigshareonline.com) on or before 19<sup>th</sup> September, 2025. No communication would be accepted from members after 19<sup>th</sup> September, 2025, regarding tax-withholding matters.

Shareholders can check their tax credit in Form 26AS from the e-filing account at <https://www.incometax.gov.in/iec/foportal> or "View Your Tax Credit" on <https://www.tdscpc.gov.in>.

Members are requested to address all correspondence, including dividend-related matters, to Bigshare Services Private Limited by e-mail at [tds@bigshareonline.com](mailto:tds@bigshareonline.com) and/or to Company at [investor@sunflagsteel.com](mailto:investor@sunflagsteel.com).

#### 11. 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 earlier dividend remaining unpaid or unclaimed for 7 years and subsequently transferred to IEPF Account of Central Government, are as under:

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

Details of date of declaration of dividend & due date for transfer to IEPF:

S. N.	Financial Year	Dividend per Fully paid-up Equity Share (₹)	Date of Declaration	Due-date for transfer to IEPF
1	2017-18	0.50	25 <sup>th</sup> September, 2018	24 <sup>th</sup> October, 2025
2	2018-19	0.50	27 <sup>th</sup> September, 2019	29 <sup>th</sup> October, 2026



Physical as well as email communication dated 20<sup>th</sup> June, 2025 has already been sent by the Company/RTA to all the shareholders who have not claimed the dividend declared in the financial year 2017-18 and some of the shareholders are now claiming the unpaid dividends. The Members who have not yet 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 27<sup>th</sup> September, 2024 (date of last Annual General Meeting) on the website of the Company [www.sunflagsteel.com](http://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 7<sup>th</sup> 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](http://www.sunflagsteel.com). Further, the procedure for claim is also available on the website of IEPF authority at [www.iepf.gov.in](http://www.iepf.gov.in). During the financial year 2024-25 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](http://www.sunflagsteel.com).

#### **12. 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), the Secretarial Standard on General Meetings (SS-2) issued by the ICSI and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended) and the Circulars issued by the Ministry of Corporate Affairs from time to time, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the 39<sup>th</sup> 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 Monday, 22<sup>nd</sup> September, 2025 at 09:00 A.M. and ends on Thursday, 25<sup>th</sup> September, 2025 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. Friday, the 19<sup>th</sup> September, 2025, 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 i.e. 19<sup>th</sup> September, 2025.**

#### **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"> <li>For OTP based login you can click on <a href="https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp">https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp</a>. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> 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 &amp; voting during the meeting.</li> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the <b>"Beneficial Owner"</b> icon under <b>"Login"</b> which is available under <b>'IDeAS'</b> 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 <b>"Access to e-Voting"</b> under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> 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 &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select <b>"Register Online for IDeAS Portal"</b> or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> 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 &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App <b>"NSDL Speede"</b> facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center;"> <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around;">  App Store            Google Play         </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div> </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then use your existing my easi username &amp; password.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
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. Upon logging in, you will be able to see e-Voting option. 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 &amp; 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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000
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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800-21-09911

**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](http://www.evoting.nsdl.com).
  - **Physical User Reset Password?** " (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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](mailto: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 [csradaga@yahoo.in](mailto:csradaga@yahoo.in) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 022 - 48867000 or send a request to [evoting@nsdl.com](mailto:evoting@nsdl.com).
4. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the Notice is sent through e-mail and holding shares as of the cut-off date i.e. 19<sup>th</sup> September, 2025, may obtain the login ID and password by sending a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) 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](http://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. 19<sup>th</sup> September, 2025, 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:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [investor@bigshareonline.com](mailto:investor@bigshareonline.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account Statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [investor@bigshareonline.com](mailto:investor@bigshareonline.com). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively, shareholder/member may send a request to [evoting@nsdl.com](mailto:evoting@nsdl.com) for procuring user id and password for e-voting by providing above mentioned documents.

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

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

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4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against Company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
  2. Members are encouraged to join the Meeting through Laptops for better experience.
  3. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
  4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
  5. 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.
  6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
  7. The Board of Directors has appointed M/s. R. A. Daga & Co., Company Secretaries, Nagpur [Membership No. 5522, COP No. 5073], as a Scrutinizer to process the e-voting for the 39<sup>th</sup> Annual General Meeting in a fair and transparent manner.
  8. CS Ashutosh Mishra, (ICSI Membership No. ACS -23011), Head Company Secretary of the Company shall be responsible for addressing all the grievances in relation to this 39<sup>th</sup> Annual General Meeting of the Company.
  9. The results of voting shall be declared by Monday, 29<sup>th</sup> September, 2025. The results of voting so declared along with the Scrutinizer's Report shall be placed on the Company's Website ([www.sunflagsteel.com](http://www.sunflagsteel.com)), NSDL Website and shall also be communicated to the Stock Exchanges (BSE and NSE).
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**EXPLANATORY STATEMENT  
PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

**ITEM NO. 4 :**

M/s. N S B P & Co., Chartered Accountants, New Delhi (ICAI Firm Registration No. 001075N), were appointed as the Statutory Auditors of the Company at the 34<sup>th</sup> Annual General Meeting held on 21<sup>st</sup> September, 2020, for a term of 5 (five) years to hold office until the conclusion of the 39<sup>th</sup> AGM.

As per the provisions of the Companies Act, 2013, the Board of Directors of the Company on recommendation of the Audit Committee, at their respective meetings held on 11<sup>th</sup> August, 2025, after taking into account various factors have considered and recommend for the approval of members, the appointment of M/s. Lodha & Co. LLP, Chartered Accountants, New Delhi as the Statutory Auditors of the Company for a term of five consecutive years in place of M/s. N S B P & Co., Chartered Accountants, New Delhi (ICAI Firm Registration No. 001075N).

Pursuant to Section 139 of the Companies Act, 2013 (the Act) and the Rules framed thereunder, the Company has received written consent from M/s. Lodha & Co. LLP, Chartered Accountants, New Delhi and a certificate that they satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and Rules framed thereunder. As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. Lodha & Co. LLP, Chartered Accountants, New Delhi has confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.

The details required to be disclosed under provisions of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:

S.No.	Particulars	Details
1	Name of Proposed Statutory Auditors	M/s. Lodha & Co. LLP, Chartered Accountants, New Delhi (ICAI Firm Registration No. 301051E/E300284; Peer Review Certificate No. 016523),
2	Basis of recommendation for appointment including the details in relation to and credentials	M/s. Lodha & Co. LLP, Chartered Accountants, New Delhi, is a peer reviewed firm comprises of eminent partners and highly qualified professionals, supported by a team of more than 330 staff members. Established in 1941, it is one of the oldest partnership firms in India, with a PAN-India presence. The firm was converted into a Limited Liability Partnership (LLP) with effect from December 27, 2023. The Firm offers a wide range of professional services including Assurance, Tax, Accounting and Outsourcing, Transaction Advisory and Risk Advisory Services. It is engaged in Statutory Audit, Internal and Risk Advisory Function across diverse industries such as Steel, Banking, NBFC, FMCG, Tea Plantation and Manufacturing, Hotels and Hospitality, Civil Construction, Real Estates, Mall Operations, Investment & Trading activities, Heavy Engineering and Mining Support Services. Based on the recommendations of the Audit Committee, the Board of Directors have approved and recommended the aforesaid proposal for approval of members taking into account the eligibility of the firm, experience, independent assessment and expertise of the partners in providing statutory audit.
3	Term of Appointment and Proposed fees	For a period of 5 (Five) consecutive years, to hold office from the conclusion of 39 <sup>th</sup> Annual General Meeting till the conclusion of 44 <sup>th</sup> Annual General Meeting to be held for the Financial Year 2029-2030. The Remuneration payable to the Statutory Auditors for the Financial Year 2025-26 is ₹ 28,00,000/-, plus applicable taxes and out-of-pocket expenses. The remuneration for subsequent year(s) of their tenure shall be determined by the Board, on recommendation of the Audit Committee.
4	Any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change.	There is no material change in the fee payable to Auditor.

None of the Directors or Key Managerial Personnel and their relatives, are concerned or interested, financially or otherwise, in this Resolution. The Board recommends the Special Resolution set out at Item No. 4 for the approval of Members.

**ITEM NO. 5 :**

CA Vinita Bahri (DIN 03109454) was appointed as a Director (Category- Non-executive, Independent) of the Company at the Thirty-fourth (34<sup>th</sup>) Annual General Meeting held on 21<sup>st</sup> September, 2020 for a fixed first term of five (5) consecutive years i.e. from 21<sup>st</sup> September, 2020 to 20<sup>th</sup> September, 2025.

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 for second term of up to five consecutive years 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 considered and recommended the re-appointment of CA Vinita Bahri as a Director (Category- Non-executive, Independent) of the Company, not liable to retire by rotation, for a fixed second term of five (5) consecutive years i.e. from 21<sup>st</sup> September, 2025 till 20<sup>th</sup> September, 2030, in the interest of the Company.

Section 149 of the Act and the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') *inter-alia* prescribe 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 CA Vinita Bahri (DIN - 03109454) that:

- i. she 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. she was or is not disqualified from being appointed as the Director in terms of Section 164 of the Act, and she has given her consent to act as a Director of the Company.
- iii. she 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 20<sup>th</sup> 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 CA Vinita Bahri 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.

CA Vinita Bahri is an eminent personality in her field. Your Board considers her continued association with the Company as of immense benefit to the Company. In the opinion of the Board, she fulfils the conditions for re-appointment as a Director (Category- Non-executive, Independent) of the Company as per the applicable provisions of the Act and the Listing Regulation/s. She is also independent of the Management and Promoters of the Company.

A Brief profile of CA Vinita Bahri, nature of her expertise in specific functional areas and names of Companies in which she 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, has been given in the annex to this Notice.

Being appointee, CA Vinita Bahri, may be deemed to be interested or concerned in the Resolution set out at Agenda Item No. 5 of the Notice with regard to her re-appointment. Except CA Vinita Bahri, 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 her re-appointment (draft appointment letter) shall be open for inspection by the Members of the Company, at the Registered Office of the Company during the normal business hours on any working day till the date of Thirty-ninth (39<sup>th</sup>) Annual General Meeting of the Company.

Keeping in view the vast experience and knowledge of CA Vinita Bahri, the Board of Directors of the Company, recommends the Special Resolution at Item No. 5 of the Notice for approval of the Members in the interest of the Company.

#### **ITEM NO. 6 :**

CA Mattegunta Anjani Venkatramana Goutham ('CA M. A. V. Goutham') (DIN - 00101447) was appointed as a Director (Category - Non-executive, Independent) of the Company at the Thirty-sixth (36<sup>th</sup>) Annual General Meeting held on 28<sup>th</sup> September, 2022 for a fixed first term of three (3) consecutive years i.e. from 12<sup>th</sup> August, 2022 to 11<sup>th</sup> August, 2025.

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 for second term of up to five consecutive years 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, have considered and recommended the re-appointment of CA M. A. V. Goutham as a Director (Category - Non-executive, Independent) of the Company, not liable to retire by rotation, for a fixed second term of five (5) consecutive years i.e. from 12<sup>th</sup> August, 2025 till 11<sup>th</sup> August, 2030.

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 CA M. A. V. Goutham 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 the 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 20<sup>th</sup> 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 CA M. A. V. Goutham 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. CA M. A. V. Goutham is 01.08.1952 born and will attain the age of Seventy-five years during his second tenure.

CA M. A. V. Goutham 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, he fulfils the conditions for re-appointment 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 CA M. A. V. Goutham, nature of his expertise in specific functional areas and names of Companies in which he holds directorships and memberships 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, has been given in the annex to this Notice.

Being appointee, CA M. A. V. Goutham, may be deemed to be interested or concerned in the Resolution set out at Agenda Item No. 6 of the Notice with regard to his re-appointment. Except CA M. A. V. Goutham, none of the other Director/s, Key Managerial Personnel of the Company, and their relatives are, in any way, concerned or interested, either financially or otherwise, in this Resolution.

The terms and conditions of his re-appointment (draft appointment letter) shall be open for inspection by the Members of the Company, at the Registered Office of the Company during the normal business hours on any working day till the date of Thirty-ninth (39<sup>th</sup>) Annual General Meeting of the Company.

Keeping in view the vast experience and knowledge of CA M. A. V. Goutham, the Board of Directors of the Company recommends the Special Resolution at Item No. 6 of the Notice for approval of the Members in the interest of the Company.

#### **ITEM NO. 7 :**

Mr. Tirthnath Indranath Jha (DIN: 07593002) was appointed as a Director (Category- Non-executive, Independent) of the Company at the Thirty-sixth (36<sup>th</sup>) Annual General Meeting held on 28<sup>th</sup> September, 2022 for a first fixed term of three (3) consecutive years i.e. from 3<sup>rd</sup> September, 2022 to 2<sup>nd</sup> September, 2025.

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 for second term of up to five consecutive years 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, have considered and recommended the re-appointment of Mr. Tirthnath Indranath Jha as a Director (Category - Non-executive, Independent) of the Company, not liable to retire by rotation, for a fixed second term of five (5) consecutive years i.e. from 3<sup>rd</sup> September, 2025 till 2<sup>nd</sup> September, 2030.

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. Tirthnath Indranath Jha 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 the 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 20<sup>th</sup> 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. Tirthnath Indranath Jha 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.

Mr. Tirthnath Indranath Jha 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, he fulfils the conditions for re-appointment 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. Tirthnath Indranath Jha, nature of his expertise in specific functional areas and names of Companies in which he holds directorships and memberships 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, has been given in the annex to this Notice.

Being appointee, Mr. Tirthnath Indranath Jha, may be deemed to be interested or concerned in the Resolution set out at Agenda Item No. 7 of the Notice with regard to his re-appointment. Except Mr. Tirthnath Indranath Jha, none of the other Director/s, Key Managerial Personnel of the Company, and their relatives are, in any way, concerned or interested, either financially or otherwise, in this Resolution.

The terms and conditions of his re-appointment (draft appointment letter) shall be open for inspection by the Members of the Company, at the Registered Office of the Company during the normal business hours on any working day till the date of Thirty-ninth (39<sup>th</sup>) Annual General Meeting of the Company.

Keeping in view the vast experience and knowledge of Mr. Tirthnath Indranath Jha, the Board of Directors of the Company, recommends the Special Resolution at Item No. 7 of the Notice for approval of the Members in the interest of the Company.

#### **ITEM NO. 8 :**

Mr. Pranav Bhardwaj (DIN - 00054805), aged about 51 years hails from a renowned family of industrialists and an industrial entrepreneur himself. He is a dynamic new generation industrialist. He has graduated as B.Sc. majoring in Chemistry and Business Management (Joint Honors Degree) from the world-renowned Imperial College of London. He has over Thirty (30) years of experience in Steel industry and is associated with the Company since year 1995.

Mr. Pranav Bhardwaj was appointed as the Joint Managing Director of the Company for three (3) terms of five (5) years effective from 17<sup>th</sup> January, 2001; 17<sup>th</sup> January, 2006 & 17<sup>th</sup> January, 2011 and subsequently, re-designated as the Managing Director of the Company effective 12<sup>th</sup> August 2015. He was reappointed by the Members of the Company at the 34<sup>th</sup> Annual General Meeting held on 21<sup>st</sup> September, 2020 in terms of recommendations of the Nomination and Remuneration Committee and the Board of Directors vide their meetings held on 13<sup>th</sup> August, 2020, as the Managing Director of the Company for a period of Five (5) Years effective from 17<sup>th</sup> January, 2021 and his existing term will expire on 16<sup>th</sup> January, 2026.

Based on the report of the performance evaluation of the Managing Director, considering his knowledge of various aspects relating to the Company's affairs and long business experience, contribution made by him during his tenure for smooth and efficient running of the business and keeping in view his unstinted efforts and wide contributions which resulted in increase in the Company's overall performance and financial results, and on the recommendation of the Nomination and Remuneration Committee of the Board at its 62<sup>nd</sup> meeting held on

11<sup>th</sup> August, 2025, the Board considers his continued association would be beneficial to the Company and it is desirable to continue to avail his services as the Managing Director.

Accordingly the Board of Directors at its 203<sup>rd</sup> meeting held on 11<sup>th</sup> August, 2025, considered and approved the re-appointment of Mr. Pranav Bhardwaj, as the Managing Director, designated Key Managerial Personnel of the Company, not liable to retire by rotation, for a further period of 5 (five) years effective 17<sup>th</sup> January, 2026 till 16<sup>th</sup> January, 2031, subject to approval of the Members at the ensuing Thirty-ninth (39<sup>th</sup>) Annual General Meeting of the Company by way of Special Resolution, on the remuneration, allowances and perquisites, as stated below:

- a) Remuneration** : Basic Salary : ₹ 13,39,100/- per month, with suitable annual increase as may be decided by the Board of Directors from time to time;
- b) Commission** : 2% of Net Profit as computed in accordance with the provision of the Companies Act, 2013 ('Act').
- c) Allowances & Perquisites** :
- i) Rent free furnished accommodation with all facilities and amenities or House Rent Allowance @ 40% of Basic Salary per month, reimbursement of all medical expenses / medical allowance, subscription to two clubs, personal insurance, use of car with driver, telephone at residence, Children's Education expenses up to maximum of two children and reimbursement of business expense.
  - ii) contributions to the provident fund, superannuation and annuity fund, leave travel concessions, leave encashment, gratuity and other retirement benefits as per rules of the Company,
  - iii) all other benefits and allowances as per rules of the Company.
- d) Minimum Remuneration** : In the event of loss or inadequacy of profits in any Financial Year during the currency of tenure of service of Mr. Pranav Bhardwaj (DIN - 00054805) as the Managing Director of the Company, the payment of remuneration comprising of salary, perquisites and commission shall be governed by the limits prescribed under Section II of Part II of Schedule V to the Act (as amended from time to time) 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.

The remuneration payable to Mr. Pranav Bhardwaj, as the Managing Director of the Company, being a promoter / member of the promoter group may exceed the limits prescribed under Regulation 17(6)(e) of the Listing Regulations but shall not exceed the limits specified under the provisions of the sections 197, 198 and other applicable provisions of the Act read with Schedule V to the Act (including any statutory modifications and / or re-enactment thereof for the time being in force).

The Company has received self-declarations from Mr. Pranav Bhardwaj that:

- i. he was or is not disqualified from being re-appointed as a Managing Director of the Company in terms of Section 164 of the Act, and he has given his consent to act as a Director of the Company.
- ii. he was or is not debarred from holding the office of a Director pursuant to any order of the SEBI or such other authority in terms of SEBI's Circular No. LIST/COMP/14/2018-19 dated 20<sup>th</sup> 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 Companies Act, 2013 proposing the candidature of Mr. Pranav Bhardwaj, as the Managing Director of the Company.

The Board having considered his qualifications, experience and responsibilities recommends, the resolution at Item No. 8 of the Notice related to the re-appointment of Mr. Pranav Bhardwaj (DIN - 00054805) as the Managing Director of the Company for a further period of five (5) years effective from 17<sup>th</sup> January, 2026, for approval of the Members in the interest of the Company.

A brief profile of Mr. Pranav Bhardwaj 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, has been given in the annex to this Notice.

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

Except Mr. Pranav Bhardwaj, being appointee, together with Mr. Ravi Bhushan Bhardwaj (DIN - 00054700), Non- Executive Chairman and Mr. Suhrit Ravi Bhushan Bhardwaj (DIN - 02318190), Non- Executive Director, relatives of appointee, 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 Board of Directors of the Company, recommends the Special Resolution at Item No. 8 of the Notice for approval of the Members.

#### **ITEM NO. 9:**

Pursuant to amended regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the appointment of Secretarial Auditors:

- (a) Is required to be approved by the Shareholders of the Company at the Annual General Meeting;
- (b) In case of an individual as Secretarial Auditor – appointment cannot be for more than one term of 5 (five) consecutive years; and
- (c) In case of a Secretarial Audit Firm as Secretarial Auditor – appointment cannot be for more than two terms of 5 (five) consecutive years.

In view of the above, the Board of Directors, at its meeting held on 11<sup>th</sup> August, 2025, considering the experience and expertise and on the recommendation of the Audit Committee, have recommended for the approval of the Members of the Company, appointment of M/s. DM & Associates Company Secretaries LLP, Mumbai [Firm Registration Number L2017MH003500 and Peer Review Certificate No 6584/2025], as the Secretarial Auditors for the Company in accordance with the provisions of Section 204 of the Companies Act, 2013, and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), for a period of 5 (Five) consecutive years, to hold office from the conclusion of 39<sup>th</sup> Annual General Meeting till the conclusion of 44<sup>th</sup> Annual General Meeting to be held for the Financial Year 2029-2030.

Pursuant to Section 204 of the Act and the Rules framed thereunder, read with Regulation 24A of Listing Regulations, the Company has received written consent & eligibility letters from M/s. DM & Associates Company Secretaries LLP.

The disclosures under provisions of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:

S.No.	Particulars	Details
1	Name of Proposed Secretarial Auditors	M/s. DM & Associates Company Secretaries LLP, Mumbai [Firm Registration Number L2017MH003500 and Peer Review Certificate No 6584/2025]
2	Basis of recommendation for appointment including the details in relation to and credentials of the proposed Secretarial Auditors	DM & Associates Company Secretaries LLP, is a Limited Liability Firm comprising of Company Secretaries in practice and was setup by Mr. Dinesh Deora who is in this field for more than 30 years and brings with him diverse professional experience, in the field of Finance, Legal, Taxation and procedural matters, for providing legal & regulatory services relating to various Corporate Laws viz Companies Act, FEMA, SEBI, Income Tax, various regulations of NSE, BSE and SEBI and other financial & technical collaborations incidental to foreign direct investments into India. Based on the recommendations of the Audit Committee, the Board of Directors have approved and recommended the aforesaid proposal for approval of members taking into account the eligibility of the firm, qualification, experience, independent assessment and expertise of the partners in providing secretarial audit related services, and the Company's own experience based on the evaluation of the quality of audit work done by DM & Associates Company Secretaries LLP as the Secretarial Auditor of the Company for the Financial Year 2024-25.
3	Term of Appointment and proposed fees	For a period of 5 (Five) consecutive years, to hold office from the conclusion of 39 <sup>th</sup> Annual General Meeting till the conclusion of 44 <sup>th</sup> Annual General Meeting to be held for the Financial Year 2029-2030. The Remuneration payable to the Secretarial Auditors for the Financial Year 2025-26 is ₹ 2,45,000, plus applicable taxes and out-of-pocket expenses. The remuneration for subsequent year(s) of their tenure shall be determined by the Board, upon recommendation of the Audit Committee.
4	Any material change in the fee payable to such auditor from that paid to the outgoing Secretarial Auditor along with the rationale for such change.	There is no material change in the fee payable to the proposed Secretarial Auditor.

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. 9 of the Notice for approval of the Members.

#### ITEM NO. 10 :

On recommendation of the Audit Committee, the Board of Directors of the Company at its meeting held on 27<sup>th</sup> May, 2025, 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 2025-26, to audit the cost records of the Company at a remuneration of ₹ 2,40,000/- (₹ 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 39<sup>th</sup> 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. 10 of the Notice for approval of the Members.

Nagpur  
11<sup>th</sup> August, 2025

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



**ANNEXURE****Details of Directors seeking appointment/re-appointment at the 39<sup>th</sup> 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]

<b>Name of Director</b>	<b>Mr. Suhrit Bhardwaj</b>
<b>Director Identification Number (DIN)</b>	<b>02318190</b>
<b>Brief Resume / Experience</b>	Mr. Suhrit Bhardwaj, age 50 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.
<b>Nationality</b>	Kenyan
<b>Date of Birth/Age</b>	05 <sup>th</sup> May, 1975/ 50 Years
<b>Expertise in specific functional area</b>	Management, Planning and Production
<b>Qualification</b>	Graduated as B. Sc. majoring in Chemistry and Business Management
<b>Date of First Appointment on Board</b>	27 <sup>th</sup> July, 2011
<b>Terms and conditions of re-appointment</b>	Re-appointment as a Director (Category - Non-executive, non-independent, Promoter), liable to retire by rotation on the existing terms and conditions.
<b>Details of remuneration proposed to be paid and the remuneration last drawn</b>	Nil
<b>Shareholding in the Company</b>	1,32,17,398 Equity Shares (7.33%)
<b>Relationship with other Director, Manager and other Key Managerial Personnel of the Company</b>	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.
<b>No. of Board Meeting attended during the Financial Year 2024-25</b>	2/4 (Attended/ Held)
<b>Name of the other Companies in which Director</b>	Supra Corporation Limited
<b>Listed entities from which has resigned as Director in the past three years</b>	Nil
<b>Chairman / Member of the Committee of the Board of Directors of the Company or of other Listed Company</b>	Nil
<b>Skills and capabilities required for the role of independent director and the manner in which the proposed person meets such requirements</b>	Not applicable.

<b>Name of Director</b>	<b>CA Vinita Bahri</b>
<b>Director Identification Number (DIN)</b>	<b>03109454</b>
<b>Brief Resume / Experience</b>	CA Vinita Bahri, age 55 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-three 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 had been a special invitee on the advisory panel of CNBC-18, especially to advise women investors on retirement planning.
<b>Nationality</b>	Indian
<b>Date of Birth/Age</b>	25 <sup>th</sup> May, 1970 / 55 Years
<b>Expertise in specific functional area</b>	Account, Finance, Marketing and Business Administration
<b>Qualification</b>	CA, MBA (Marketing)
<b>Date of First Appointment on Board</b>	21 <sup>st</sup> September, 2020
<b>Terms and conditions of re-appointment</b>	CA Vinita Bahri will serve for a fixed second term of five (5) consecutive years, from 21 <sup>st</sup> September, 2025 till 20 <sup>th</sup> September, 2030

<b>Details of remuneration proposed to be paid and the remuneration last drawn</b>	She 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: ₹ 4,93,000/- (Sitting fees including Commission- FY 2024-2025).
<b>Shareholding in the Company</b>	Nil
<b>Relationship with other Director, Manager and other Key Managerial Personnel of the Company</b>	Not related
<b>No. of Board Meeting attended during the Financial Year 2024-25</b>	4/4 (Attended/ Held)
<b>Name of the other Companies in which Director</b>	She is a Director in FACOR Alloys Limited (Listed Entity)
<b>Listed entities from which has resigned as Director in the past three years</b>	Nil
<b>Chairman / Member of the Committee of the Board of Directors of the Company or of other Listed Company</b>	She is a member of Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee and Sub-Committee of the Board of the Company. Further, she is member of Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee of Facor Alloys Limited.
<b>Skills and capabilities required for the role of independent director and the manner in which the proposed person meets such requirements</b>	In view of the Nomination and Remuneration Committee and the Board, she possesses the diverse skills and qualities, knowledge of Management with expertise in Account, Finance, Marketing and Business Administration required for the role of an Independent Director.
<b>Name of Director</b>	<b>CA Mattegunta Anjani Venkatramana Goutham</b>
<b>Director Identification Number (DIN)</b>	<b>00101447</b>
<b>Brief Resume / Experience</b>	CA M. A. V. Goutham, age 73 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 40 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.
<b>Nationality</b>	Indian
<b>Date of Birth/Age</b>	1 <sup>st</sup> August, 1952 / 73 Years
<b>Expertise in specific functional area</b>	Finance, Accounts, Taxation, Management and Administration
<b>Qualification</b>	B. Sc, CA and ICWA
<b>Date of First Appointment on Board</b>	12 <sup>th</sup> August, 2022
<b>Terms and conditions of re-appointment</b>	He will serve for a fixed second term of five (5) consecutive years, from 12 <sup>th</sup> August, 2025 till 11 <sup>th</sup> August, 2030
<b>Details of remuneration proposed to be paid and the remuneration last drawn</b>	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: ₹ 4,08,000/- (Sitting fees including Commission- FY 2024-2025).
<b>Shareholding in the Company</b>	Nil
<b>Relationship with other Director, Manager and other Key Managerial Personnel of the Company</b>	Not related
<b>No. of Board Meeting attended during the Financial Year 2024-25</b>	3/4 (Attended/ Held)
<b>Name of the other Companies in which Director</b>	Nil
<b>Listed entities from which has resigned as Director in the past three years</b>	Nil
<b>Chairman / Member of the Committee of the Board of Directors of the Company or of other Listed Company</b>	He is a member of Audit Committee of the Company.
<b>Skills and capabilities required for the role of independent director and the manner in which the proposed person meets such requirements</b>	In view of the Nomination and Remuneration Committee and the Board, he possesses the diverse skills and qualities including expertise in Finance, Accounts, Taxation, Management and Administration required for the role of an Independent Director.



<b>Name of Director</b>	<b>Mr. Tirthnath Indranath Jha</b>
<b>Director Identification Number (DIN)</b>	<b>07593002</b>
<b>Brief Resume / Experience</b>	Mr. Tirthnath Indranath Jha, age 66 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 mostly in Coal India Ltd (35 years), initially in BCCL and later in WCL the subsidiaries of Coal India Ltd. He started his career as Junior Mining Engineer in BCCL, Dhanbad and retired as Director Technical from WCL, Nagpur 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.
<b>Nationality</b>	Indian
<b>Date of Birth/Age</b>	25 <sup>th</sup> August, 1958 / 66 Years
<b>Expertise in specific functional area</b>	Mining, Industrial Engineering and Management
<b>Qualification</b>	B. Tech (Mining), M. Tech (Industrial Engineering and Management) and PGDISM (Industrial Engineering and Management)
<b>Date of First Appointment on Board</b>	3 <sup>rd</sup> September, 2022
<b>Terms and conditions of re-appointment</b>	He will serve for a fixed second term of five (5) consecutive years, from 3 <sup>rd</sup> September, 2025 till 2 <sup>nd</sup> September, 2030
<b>Details of remuneration proposed to be paid and the remuneration last drawn</b>	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: ₹ 3,80,000/- (Sitting fees including Commission- FY 2024-2025).
<b>Shareholding in the Company</b>	Nil
<b>Relationship with other Director, Manager and other Key Managerial Personnel of the Company</b>	Not related
<b>No. of Board Meeting attended during the Financial Year 2024-25</b>	3/4 (Attended/ Held)
<b>Name of the other Companies in which Director</b>	Nil
<b>Listed entities from which has resigned as Director in the past three years</b>	Nil
<b>Chairman / Member of the Committee of the Board of Directors of the Company or of other Listed Company</b>	Nil
<b>Skills and capabilities required for the role of independent director and the manner in which the proposed person meets such requirements</b>	In view of the Nomination and Remuneration Committee and the Board, he possesses the diverse skills and knowledge including expertise in Mining, Industrial Engineering and Management required for the role of an Independent Director.

<b>Name of Director</b>	<b>Mr. Pranav Bhardwaj</b>
<b>Director Identification Number (DIN)</b>	<b>00054805</b>
<b>Brief Resume / Experience</b>	Mr. Pranav Bhardwaj, age 51 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.
<b>Nationality</b>	British
<b>Date of Birth/Age</b>	20 <sup>th</sup> April, 1974/ 51 Years
<b>Expertise in specific functional area</b>	Management, Strategic Planning, Production, Sales & Marketing etc.
<b>Qualification</b>	B.Sc. majoring in Chemistry and Business Management (Joint Honors Degree) from Imperial College of London
<b>Date of First Appointment on Board</b>	03 <sup>rd</sup> February, 2000
<b>Terms and conditions of re-appointment</b>	Re-appointment as a Managing Director, not liable to retire by rotation, for the period of five (5) years from 17 <sup>th</sup> January, 2026 to 16 <sup>th</sup> January, 2031 on the terms and conditions as set out in the notice of 39 <sup>th</sup> Annual General Meeting.
<b>Details of remuneration proposed to be paid and the remuneration last drawn</b>	Proposed Remuneration as per Notice of 39 <sup>th</sup> Annual General Meeting of the Company. Remuneration drawn during FY 2024-25 is ₹ 5,33,83,213/-.

<b>Shareholding in the Company</b>	16,12,140 Equity Shares (0.89%)
<b>Relationship with other Director, Manager and other Key Managerial Personnel of the Company</b>	Mr. Pranav Bhardwaj, Managing Director is the brother of Mr. Suhrit Bhardwaj, Director (Category - Non-executive, non-independent, Promoter) and son of Mr. Ravi Bhushan Bhardwaj, Non-executive Chairman of the Company.
<b>No. of Board Meeting attended during the Financial Year 2024-25</b>	4/4 (Attended/ Held)
<b>Name of the other Companies in which Director</b>	He is a Director 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).
<b>Listed entities from which has resigned as Director in the past three years</b>	Nil
<b>Chairman / Member of the Committee of the Board of Directors of the Company or of other Listed Company</b>	He is Chairperson of Sub-Committee of the Board and Member of Corporate Social Responsibility (CSR) Committee, Stakeholders' Relationship Committee and Share Transfer Committee of the Company.
<b>Skills and capabilities required for the role of independent director and the manner in which the proposed person meets such requirements</b>	Not applicable.

## BOARD'S REPORT

To,  
The Members,

Your Directors take pleasure in presenting the 39<sup>th</sup> Annual Report along with the Audited Financial Statements of the Company for the Financial Year 2024-25 ended 31<sup>st</sup> March, 2025.

Despite industry-wide challenges—ranging from raw material volatility and energy cost escalation to supply chain disruptions and economic uncertainty—**SUNFLAG STEEL** has delivered stable financial performance, maintained operational excellence, and reinforced its commitment to quality, innovation, and sustainability.

During the financial year 2024–25, the Company's **total income increased by 3.82%**, accompanied by an **increase of 16.54% in profit before tax** as compared to the previous financial year.

### 1. FINANCIAL RESULTS AND STATE OF AFFAIRS

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

(₹ in Lakh, except EPS)

Sr. No.	Particulars	For the Financial Year ended	
		2024-25	2023-24
1	Total Income	3,55,205	3,42,135
2	Total Expenditure	3,14,627	3,04,021
3	Gross Profit	40,578	38,114
4	Finance Cost	8,990	9,671
5	Profit before Depreciation	31,588	28,443
6	Depreciation	10,445	10,301
7	Profit before Tax	21,143	18,142
8	Tax Expenses and Provisions	4,968	3,981
9	Net profit from ordinary activities after tax	16,175	14,161
10	Other comprehensive Income (net of taxes) #	3,44,058	1,67,797
11	Profit After Tax	3,60,233	1,81,958
12	Earnings Per Share (EPS) [Basic and Diluted] in ₹	8.98	7.86

# Other Comprehensive Income (Net of Taxes) includes MTM gain on Equity Shares held by the Company in LMEL recognized at its fair value.

### 2. FINANCE

The Total Income of your Company for the Financial Year 2024-25 stood at ₹ 3,55,205 Lakh as compared to ₹ 3,42,135 Lakh of the previous Financial Year. Your Company has ended the Financial Year 2024-25 with a profit after tax from the ordinary activities of ₹ 16,175 Lakh as against the previous Financial Year's ₹ 14,161 Lakh.

The Earnings Per Share (EPS) for the year increased to ₹ 8.98 from ₹ 7.86 in the previous year, indicating improved shareholder value and operational efficiency. After taking into account the brought forward profit of ₹ 2,46,073 Lakh, your Company has carried forward an amount of ₹ 2,63,994 Lakh to the Balance Sheet.

### 3. DIVIDEND

Your Board of Directors recommend the payment of Final Dividend @7.5% (i.e. ₹ 0.75/- per share) on Equity Shares of Face Value of ₹ 10/- (₹ Ten) each for the Financial Year ended 31<sup>st</sup> March, 2025. The payment of dividend is subject to the approval of members at the ensuing Annual General Meeting ('AGM') and deduction of income tax at source.

Upon approval at the AGM, the Dividend will be paid to those members whose names will appear in the Register of Members/ Beneficial Owners as at the close of business hours on 12<sup>th</sup> September, 2025 i.e. Record Date.

### 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](http://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 2024-25 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 31<sup>st</sup> March, 2025.

### 6. MARKET SCENARIO

Indian steel industry witnessed robust growth over the past 12 years. India, the world's second-biggest crude steel producer remains a bright spot globally with robust demand from its construction and automotive sectors. Steel consumption in India jumped 11.1 per cent to 152 million metric tons during FY 24-25, reflecting buoyant demand for the alloy in one of the world's fastest-growing economies.

India's steel demand is likely to stay strong as the government expects economic growth will outpace the global economy in the next fiscal year. During FY 24-25, India's finished steel exports were at 4.9 million metric tons, down by 35.1 per cent on year. Crude steel

output stood at 149.4 million metric tons, growth of 4.04% from earlier year and Finished steel output stood at 146.7 million metric tons with growth of 5.4% from earlier year.

India remains the world's second-largest steel producer and one of the strongest demand drivers, with steel demand expected to grow by 8.5% in 2025 according to the World Steel Association. The Indian government aims to increase steel production capacity to 300 MT by 2030-31 and 500 MT by 2047, according to the PIB. Demand is expected to reach 200-210 million tonnes by 2030, driven by strong expansion in steel-intensive sectors such as infrastructure, housing, transportation, power and renewable energy.

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

## 7. COMPANY'S OPERATIONS OR OVERALL WORKING PERFORMANCE

During the Financial Year 2024-25 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 2024-25	Financial Year 2023-24
1	Direct Reduction Plant (I + II)	1,52,937	1,43,665
2	Steel Melt Shop	4,79,429	4,32,914
3	Rolled Products	4,49,117	4,10,747
4	Mini Blast Furnace (Hot Metal)/Pig Iron	4,02,530	3,90,814
5	Coal (Belgaon Coal Block)	1,17,820	1,46,355
6	Power Plant (Lakh kWh)	1,550.49	1,530.00

## 8. PROJECTS

### Steel Plant:-

The Company during the year commissioned its Blooming mill. 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 – U31200MH2003PLC0448189]**

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 – U10100MH2009PTC191907]**

In view of order of the Hon'ble Supreme Court of India dated 24<sup>th</sup> 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 27<sup>th</sup> 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 24<sup>th</sup> 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. 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.

During the Financial Year 2024-2025 Daido D.M.S. India Private Limited reported the total income of ₹ 5952.72 Lakh as compared to ₹ 6060.59 Lakh in the previous Financial Year. Further the Net Loss for the year under review was ₹ 7.47 Lakh as compared to Net Profit of ₹ 531.36 Lakh in the previous Financial Year

#### **Ramesh Sunwire Private Limited [CIN – U28999MH2016PTC287281]**

Sunflag jointly with Stumpp Schuele & Somappa Springs Private Limited, Bengaluru has formed and incorporated a Joint Venture (JV) Company – Ramesh Sunwire Private Limited on 31<sup>st</sup> 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.

During the Financial Year 2024-2025 Ramesh Sunwire Private Limited reported the total income of ₹ 3659.90 Lakh as compared to ₹ 3470.31 Lakh in the previous Financial Year. Further the Net Profit for the year under review was ₹ 100.01 Lakh as compared to ₹ 122.60 Lakh in the previous Financial Year.

**ReNew Green (MPR Three) Private Limited [CIN – U40106DL2022PTC400111]**

Sunflag jointly with Renew Green Energy Solution Pvt. Ltd. has formed a Joint Venture (JV) Company – ReNew Green (MPR Three) Private Limited for setting up 71.34 MW Solar Photovoltaic Power Project at Village-Bagapur, Yawatmal, Maharashtra. During the period under review Sunflag has invested INR 24,86,60,220/- by subscribing shares of JV Company. Consequently, as on 31<sup>st</sup> March, 2025 the Company has total investment of INR 33,90,48,000 (INR Thirty-three Crore Ninety Lakh Forty-eight Thousand) constituting 31.2% in the capital of the said JV Company. During the Period under review Company has commenced its Photovoltaic Power Project.

**Present Status of Coal and Mineral Mines:-**

S. N.	Name of Mine	Area in (Ha.)	Mineral	Present Status
1	Belgaon Coal Mine, at Village Balgaon (Deshpande), Tah. Warora, Dist. Chandrapur, Maharashtra	383.56	Coal	Underground Coal mine having estimated reserves of 8.152 million tons (MT) with extractable balance of about 5.391 MT.
2	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	1,419.65	Manganese Ore	
4	Bande Iron Ore Block, at Village Bande, Tah. Ettapalli, Dist. Gadchiroli, Maharashtra	236.75	Iron Ore	
5	Lohardongri Iron Ore Mines at Village Lohardongri, Tah - Brahmapuri, District - Chandrapur, Maharashtra	35.73	Iron Ore	Declared successful bidder in the auction. Letter of Intent (LOI) dated 13.09.2019 received from the Government of Maharashtra. The Company applied for extension of LOI validity which is pending with Government of India for approval.
6	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 approved by Nominated Authority on 28.02.2023. The Company's application for execution of Mining Lease is pending at Mantralay, Mumbai.
7	Bajna Iron Ore Block at Village – Bajna, Tahsil- Baxwaha, District- Chhatarpur, Madhya Pradesh	96.00	Iron Ore	Declared successful bidder in the auction. Letter of Intent granted by Madhya Pradesh Government on 07.11.2022. Company have received FRA clearance and also listed for Environment Clearance. Application for stage I forest clearance is pending at DFO Chhatarpur.
8	Surjagad 6 Iron ore Block at village Ramunkal (Near Nandwadi), Tah.-Etapalli, Dist-Gadchiroli, Maharashtra	658.00	Iron ore	Letter of Intent (LOI) dated 05.12.2023 received from the Government of Maharashtra for a grant of Composite License. Scheme of prospecting was prepared and submitted to Indian Bureau of Mines, Director of Geology and Mining- Nagpur and Collector office- Gadchiroli on 28.03.2024.

**9. NATURE OF BUSINESS ACTIVITIES AND CHANGES THEREOF**

During the Financial Year 2024-25 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 2024-25 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 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 Members of the Company, on the recommendation of the Nomination and Remuneration Committee (NRC) and the Board of



Directors, at their 38<sup>th</sup> Annual General Meeting held on 27<sup>th</sup> September, 2024 consented to the re-appointment of Mr. Ramchandra Vasant Dalvi (DIN: 00012065), Director (Technical) (Category - Non-Promoter, Executive) of the Company who retired by rotation and being eligible offered himself for re-appointment.

### **III. CHANGES RELATED TO THE INDEPENDENT DIRECTOR/S:**

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

### **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 39<sup>th</sup> 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 203<sup>rd</sup> Meeting held on 11<sup>th</sup> August, 2025, on the recommendation of the Nomination and Remuneration Committee (NRC) of the Board, has approved and recommended the reappointment of Mr. Pranav Bhardwaj (DIN -00054805), as the Managing Director (Category - Promoter, Executive), designated Key Managerial Personnel of the Company not liable to retire by rotation for a further period of five (5) years effective 17<sup>th</sup> January, 2026, in the interest of the Company.
  3. The first term of CA Vinita Bahri (DIN: 03109454), as a Director (Category – Non-executive, Independent) of the Company, is expiring on 20<sup>th</sup> September, 2025. 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 CA Vinita Bahri, as a Director (Category – Non-executive, Independent) not liable to retire by rotation, to hold the office for a fixed second term of five (5) consecutive years, from 21<sup>st</sup> September, 2025 till 20<sup>th</sup> September, 2030. The Company has received a self-declaration from CA Vinita Bahri to the effect that she meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.
  4. The first term of CA Mattegunta Anjani Venkatramana Goutham (DIN: 00101447), as a Director (Category – Non-executive, Independent) of the Company, is expiring on 11<sup>th</sup> August, 2025. 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 CA M. A. V. Goutham, as a Director (Category – Non-executive, Independent) not liable to retire by rotation, to hold the office for a fixed second term of five (5) consecutive years, from 12<sup>th</sup> August, 2025 till 11<sup>th</sup> August, 2030. The Company has received a self-declaration from CA M. A. V. Goutham 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.
  5. The first term of Mr. Tirthnath Indranath Jha (DIN: 07593002), as a Director (Category – Non-executive, Independent) of the Company, is expiring on 2<sup>nd</sup> September, 2025. 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. Tirthnath Indranath Jha, as a Director (Category – Non-executive, Independent) not liable to retire by rotation, to hold the office for a fixed second term of five (5) consecutive years, from 3<sup>rd</sup> September, 2025 till 2<sup>nd</sup> September, 2030. The Company has received a self-declaration from Mr. Tirthnath Indranath Jha 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. Pranav Bhardwaj, CA Vinita Bahri, CA M. A. V. Goutham and Mr. Tirthnath Jha, 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 20<sup>th</sup> 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. Pranav Bhardwaj, CA Vinita Bahri, CA M. A. V. Goutham and Mr. Tirthnath Jha for the office of the Directors of the Company.

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 2024-25 under review, 4 meetings of the Board of Directors of the Company were held on (i) 24<sup>th</sup> May, 2024, (ii) 12<sup>th</sup> August, 2024, (iii) 12<sup>th</sup> November, 2024 and (iv) 13<sup>th</sup> February, 2025, the details of which are given in the Corporate Governance Report, which forms part of the Board's Report.

### **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 were adequate and operating effectively; and
- vi. That the Directors had devised proper systems 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 31<sup>st</sup> 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 2024-25.

#### **15. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT**

Pursuant to Regulation 34(2)(f) of the Listing Regulations, the Company has prepared the Business Responsibility and Sustainability Report for the year 2024-25, which forms a part of this Annual Report and has also been disseminated on the Company's website and can be accessed at [www.sunflagsteel.com](http://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, the Listing Regulations etc. 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 of the Board's Report.

#### **17. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

The Company's 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 31<sup>st</sup> March, 2025, the Board had Ten (10) members, two 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, which forms part of the Board's 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 <https://sunflagsteel.com/wp-content/uploads/2020/02/Remuneration-Policy-SISCO.pdf>

#### **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](http://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 34<sup>th</sup> Annual General Meeting (AGM) of the Company held on 21<sup>st</sup> September, 2020 for a fixed first term of 5 years from the conclusion of 34<sup>th</sup> Annual General Meeting until the conclusion of the 39<sup>th</sup> Annual General Meeting to be held for the Financial Year 2024-25.

The tenure of M/s. NSBP & Co., Chartered Accountants, New Delhi as Statutory Auditor will complete on the conclusion of this 39<sup>th</sup> Annual General meeting.

The Board of Directors on the recommendation of the Audit Committee has approved and recommended for the approval of the Members at the ensuing 39<sup>th</sup> Annual General Meeting of the Company, the appointment of M/s. Lodha & Co. LLP, Chartered Accountants, New Delhi (ICAI Firm Registration No. 301051E/E300284; Peer Review Certificate No. 016523), as the Statutory Auditors in place of M/s. NSBP & Co., Chartered Accountants, New Delhi for a period of 5 (Five) years, to hold such office from the conclusion of 39<sup>th</sup> Annual General Meeting till the conclusion of 44<sup>th</sup> Annual General Meeting to be held for the Financial Year 2029-2030.

The appointee Statutory Auditors have furnished a Certificate of their consent, qualification and eligibility for appointment under Section 139 and 141 of the Companies Act, 2013 read with the rules and regulations made thereunder.

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 2024-25 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 2024-25 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 2024-25 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 2025-26 and has also recommended their remuneration to the Members of the Company for their ratification at the ensuing 39<sup>th</sup> Annual General Meeting of the Company.

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, required to be submitted by the said Cost Auditors with the Central Government in e-Form No. CRA-4, for the Financial Year 2023-24 was filed vide SRN F97897292 dated 30<sup>th</sup> August, 2024.

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 2024-25, 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], who were appointed as the Secretarial Auditors of the Company, for the Financial Year 2024-25, resigned as the Secretarial Auditor of the Company, effective 03 June, 2025, due to personal reasons.

Therefore, the Board of Directors of the Company at its 202<sup>nd</sup> Meeting held on 21<sup>st</sup> July, 2025 has appointed M/s. DM & Associates Company Secretaries LLP, Mumbai [Firm Registration Number L2017MH003500 and Peer Review Certificate No 6584/2025], as the Secretarial Auditors of the Company for the Financial Year 2024-25.

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 on the recommendation of the Audit Committee has approved and recommended for the approval of the Members at the ensuing 39<sup>th</sup> Annual General Meeting of the Company, the appointment of M/s. DM & Associates Company Secretaries LLP, Mumbai [Firm Registration Number L2017MH003500 and Peer Review Certificate No 6584/2025], as the Secretarial Auditors of the Company for a period of 5 (Five) years, to hold such office from the conclusion of 39<sup>th</sup> Annual General Meeting till the conclusion of 44<sup>th</sup> Annual General Meeting to be held for the Financial Year 2029-2030.

## 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 2024-25.

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 2024-25 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 27<sup>th</sup> May, 2025, on the recommendation of the Audit Committee, has appointed M/s. Pricewaterhousecoopers Services LLP (LLPIN: AAI-8885) as the 'Internal Auditors' of the Company for the Financial Year 2025-26.

## 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 2024-25 ended on 31<sup>st</sup> March, 2025:

Executive Director(s)	Ratio to Median remuneration of employees
Mr. Pranav Bhardwaj - Managing Director	38.65: 1
Mr. Ramchandra Vasant Dalvi - Director (Technical)	18.80: 1

- b) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Head Company Secretary in the Financial Year 2024-25 ended on 31<sup>st</sup> March, 2025:

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% Increase (Decrease) in remuneration over previous Financial Year
Mr. Pranav Bhardwaj - Managing Director	13.49
Mr. Ramchandra Vasant Dalvi - Director (Technical)	12.03
CS Ashutosh Mishra - Head Company Secretary	19.92
S. Mahadevan Iyer - Chief Financial Officer	18.23

- c) The percentage increase in the median remuneration of employees in the Financial Year 2024-25 ended 31<sup>st</sup> March, 2025: **4.63%**.
- d) The number of permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2025: **1247**.
- 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 14.81%. The percentage increase in salary of Managerial personnel during the period was 14.50%.
- 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 (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 31<sup>st</sup> March, 2025 is as below:

Sr. No.	Name of the Employee	Designation/ Nature of Employment	Age / Qualification	Experience (Years)	Remuneration (₹ in Lakh)	Last Employment	Date of Appointment	Equity holding %
1.	Mr. Pranav Bhardwaj	Managing Director	51, B.Sc. (Chemistry & Business Management)	26.04	533.83 (Commission & Salary)	Not Applicable	01-12-1998	0.89 (1612140 Shares)
2.	Mr. Ramchandra Dalvi	Director (Technical)	74, B.Tech (Metallurgy)	42.08	138.41	Sanika Hospitality-Own Venture	03-08-2015	-
3.	Mr. S. K. Chanda	Head-Marketing	56, MBA (MKT), B.E. (MET)	32.07	118.93	Mukand Ltd.	04-09-2003	0.0001 (200 Shares)
4.	Mr. D. D. Khonde	Chief Operating Officer	51, B.Tech (Mech), PGPBA, D. Engg(CHE)	29.04	114.17	PT. Gunung Garuda, Indonesia	01-12-2012	-
5.	Mr. Goudappa K Ramanagouda	Head-SMS	53, M.Tech (Metallurgy)	26.10	95.32	M/s SLR Metalliks Ltd.	04.09.2023	-
6.	Mr. S. Mahadevan	Chief Financial Officer	59, MBA (Finance), PG Diploma in Financial Management	40.00	89.39	Safari Sales Industries Ltd.	14-09-1990	0.0004 (800 Shares)
7.	Mr. Malepati Thejo Vardhan	Business Head - Super Alloys & Forging	54, BE (PROD)	30.08	88.48	Canpack India Pvt. Ltd.	20-10-2021	-
8.	Mr. D.S. Kalne	VP (Finance)	69, C.A.	41.10	85.45	Orient Cordage Pvt. Ltd.	01-06-1989	-
9.	Mr. Satish Srivastav	Head (HRM, Safety, Training)	53, MSW, B.Sc. (BIO)	31.02	79.64	Indoworth India Ltd.	01.11.2007	-
10.	Mr. Arun Kumar	Associate Head (Bright Bar)	54, BE (Mech)	29.07	69.11	Aamor Inox Ltd.	02.12.2019	-
11.	Mr. Brijendra Kumar Tiwari	Chief Executive Officer	53, B. Tech, M.Tech (Metallurgy), DBA	28.00	61.28*	Jayaswal Neco Ltd.	27.11.2024	-

**Note :**

- Remuneration includes Salary and allowances. In the case of Mr. Pranav Bharadwaj, it includes Salary, allowances and commission.
- 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.
- iii\* Mr. Brijendra Kumar Tiwari joined the Company w.e.f. 27<sup>th</sup> November, 2024-hence, remuneration is only for the part of the Financial Year.

**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 2024-25.

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

- Details of contracts or arrangements or transactions not at arm's length basis:  
**There are no such transactions and hence not applicable.**
- 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 2024-25
Haryana Television Limited [Common Director Holding more than 2% shares]	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 24.05.2024 & 27.05.2025	₹28,20,000/- (Continuing from Previous years)
Haryana Television Limited [Common Director holding more than 2% shares]	Ordinary Course of Business and at Arm's length	Continuing	Lease Rent paid for Company's Office and Godown at Faridabad	07.02.2023	₹52,24,450/-
Supra Corporation Limited [Common Director (s) holding more than 2% shares]	Ordinary Course of Business and at Arm's length	Continuing	Rent Received	24.05.2024	₹1,41,600/-
Surjagarh Metals and Minerals Limited [Common Director holding more than 2% shares]	Ordinary Course of Business and at Arm's length	Continuing	Rent Received	24.05.2024	₹1,416/-
Ramesh Sunwire Private Limited [Joint Venture]	Ordinary Course of Business and at Arm's length	2024-25	Sale of Wire Rods	09.02.2024	₹27,09,36,214/-
Ramesh Sunwire Private Limited [Joint Venture]	Ordinary Course of Business and at Arm's length	2024-25	Purchase of scrap of Wire Rods & others	09.02.2024	₹45,18,971/-
Daido Steel Co. Ltd. Japan [Deemed Related Party]	Ordinary Course of Business and at Arm's length	2024-25	Royalty Payment	09.02.2024 and ratified on 27.05.2025	₹2,76,31,301/-
Daido Steel Co. Ltd. Japan [Deemed Related Party]	Ordinary Course of Business and at Arm's length	2024-25	Service Fees for Technical Assistance	09.02.2024	₹5,67,144/-
ReNew Green (MPR Three) Private Limited [Joint Venture]	Investment	NA	Investment in JV for setting up the solar photovoltaic projects	07.02.2023	₹24,86,60,220/-

Note: Particulars of contracts or arrangements or transactions with related parties are not given in Form AOC-2, during the Financial Year 2024-25 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 2025-26 have been paid to both the Stock Exchanges (BSE and NSE) within the stipulated time.

#### 25. DEMATERIALISATION OF SHARES

As on 31<sup>st</sup> March, 2025, there were 11,17,63,994 Equity Shares dematerialised through depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL), which represents about 62.02% 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, the draft Annual Return for the Financial Year 2024-25 is available on the Company's website [www.sunflagsteel.com](http://www.sunflagsteel.com) and same can be accessed at the web-link: <https://sunflagsteel.com/wp-content/uploads/2025/08/Annual-Return-March-2025.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 39<sup>th</sup> 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 7<sup>th</sup> 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/ 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 2024-25 relating to the Listing Regulations. Certificates from CS Amit Rajkotiya, Company Secretaries, Nagpur [Membership No. FCS-5561, COP No. 5162], 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-U74999MH2017NPL289961) – a Section 8 Company (A Company not for Profits) was incorporated on 27<sup>th</sup> 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](http://www.sunflagsteel.com).

## **32. MATERIAL DEVELOPMENT IN HUMAN RESOURCES HUMAN RESOURCE**

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 31<sup>st</sup> 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 Director (Technical) 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 and safety. The Health and 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 and 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 in 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 2024-25, 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 2024-25.

#### **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 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 and 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**

Place : Nagpur  
Date : 11<sup>th</sup> August, 2025

**Pranav Bhardwaj**  
Managing Director  
DIN - 00054805

**Ramchandra Vasant Dalvi**  
Director (Technical)  
DIN- 00012065



**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 2024-25 under review for conservation of energy:**

- i) Hot Charging of Bloom directly from Caster in Bloom Mill to save Furnace Oil.
- ii) Process optimization for Ingot Hot Charging to save Furnace Oil.
- iii) Heating cycle time optimization in Bloom Mill to save Electrical Energy.
- iv) Optimized the efficiency of AFBC boiler by modification in the BET height to save Coal.

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

The Company has entered into a long-term Power Delivery Agreement with the solar power producer, Renew Green MPR Three Pvt. Ltd., for a 71.34 MW renewable energy project (solar power plant), which was installed, commissioned, and became operational in December 2024.

**III) The capital investment on energy conservation equipment:**

₹ 212 Lakh invested on energy conservation equipment and energy saving measures during the reporting year.

**B) TECHNOLOGY ABSORPTION**

Various new steel grades have been developed during FY 2024-25.

**BENEFITS**

New market development for Bulb Bar for Warship, Railway, Bearing, Auto components and Defence sectors.

**Other ongoing projects:**

- a) Installation of finishing mill hot saw 1&2 in HV mill.
- b) Installation of finishing mill Auto UT in HV mill.
- c) Installation of Solution Annealing Furnace.
- d) Installation of new Pickling Plant & IVD.
- e) Installation of Coil Spheroidizing Furnace with new shed.
- f) Installation of third Ladle Reheating Furnace.
- g) Installation of Shot Blasting Machines for Rebar and Coils.
- h) The following equipments were added in Forging plant.
  - i) Installation of CNC lathe machine.
  - ii) Installation of Bandsaw 1250.
  - iii) Installation of stress relieving furnace.
  - iv) Installation of 5T mobile manipulator.
- i) Installation of VD Boiler -2 in SMS.
- j) Installation of 20T electric annealing F/C in super alloy.
- k) Installation of EOT crane 35T (2 nos.) in Super alloy.
- l) Installation of rib bar pickling shed in bright bar.

**Expenditure on Research & Development :**

Sr. No.	Particulars	2024 - 25	2023 - 24
1	Capital (₹ in Lakh)	65.17	-
2	Recurring (₹ in Lakh)	56.03	39.49
3	Total (₹ in Lakh)	121.20	39.49
4	Total R&D Expenditure as a percentage of net turnover	0.0343%	0.0115%

**C) FOREIGN EXCHANGE EARNINGS AND OUTGO:**

(₹ in Lakh)

Particulars	2024 - 25	2023 - 24
i) Earnings : Export of Goods	4,855	5,215
ii) Out Go :		
a) CIF Value of imports	54,126	48,417
b) Others including Technical Services	298	463

For and on behalf of the Board

Place : Nagpur  
Date : 11<sup>th</sup> August, 2025

Pranav Bhardwaj  
Managing Director  
DIN - 00054805

Ramchandra Vasant Dalvi  
Director (Technical)  
DIN- 00012065

**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](http://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	5
2	Mr. Pranav Bhardwaj	Member, Managing Director	5	1
3	Mr. Ramchandra V. Dalvi	Member, Director (Technical)	5	5
4	Mr. Sajiv Dhawan	Member, Non-executive Independent Director	5	2
5	CA Vinita Bahri	Member, Non-executive Independent Director	5	5

**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](http://www.sunflagsteel.com)

Weblink: <https://sunflagsteel.com/wp-content/uploads/2024/05/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. (Amount in ₹)**

5.	a)	Average net profits of the Company as per Section 135(5)	2,52,99,82,987
	b)	Two percent (2%) of the average net profit of the Company as per Section 135(5)	5,05,99,660
	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 (5b + 5c - 5d)	5,05,99,660

**6. (a) Amount spent on CSR Projects (Both ongoing Project and Other than Ongoing Project) : ₹ 5,05,99,660/-**

(i) CSR Amount spent against other than ongoing projects for the Financial Year : **5,05,99,660/-**

(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			
-	-	-	-	-	-	-
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 (6a +6b+6c) - ₹5,05,99,660/-

**e) CSR Amount spent or unspent for the Financial Year 2024-25:**

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
5,05,99,660	-	-	-	-	-

**(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)	5,05,99,660
ii	Total amount spent for the Financial Year	5,05,99,660
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 sub section (6) of Section 135 (₹)	Amount spent in the Financial Year (₹)	Amount transferred to any fund specified under Schedule VII as per second proviso to sub section (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 2021-22	1,00,00,000	-	-	-	-	-	-
2	FY 2022-23	1,83,99,774	49,73,091	49,73,091	-	-	-	-
3	FY 2023-24	66,00,226	66,00,226	66,00,226	-	-	-	-

**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)**

- **Not Applicable**

Place : Nagpur  
Date : 11<sup>th</sup> August, 2025

Pranav Bhardwaj  
Managing Director  
DIN: 00054805

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 ENDED 31<sup>st</sup> MARCH 2025**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014]

**To**  
**The Members**  
**Sunflag Iron and Steel Company Limited**  
**C I N – L27100MH1984PLC034003**  
**33/1, Mount Road, Sadar, Nagpur – 440001**  
**Nagpur – 440001, Maharashtra – India**

Dear Members,

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 CO. LTD.** (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / 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 and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2025, 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 ended on March 31, 2025 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
4. The provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Depositories and Participants) Regulations 2018;
  - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (c) The SEBI (Prohibition of Insider Trading) Regulations, 2015; and
  - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
6. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI') **were not applicable** to the Company under the financial year under report:-
  - (a) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
  - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2018;
  - (c) The Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2021;
  - (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2021;
  - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; and
  - (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021.

We have relied on the compliance certificates issued by its officers and taken on record by the Board of Directors at their meeting(s) for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. For Income tax laws and compliance with applicable accounting standards we have relied on the Audit report issued by the Statutory Auditors. The following are the major head / group of Acts, Laws and Regulations as applicable to the Company:

- i. The Mines Act, 1952 read with the Rules made there under;
- ii. The Mines and Mineral (Regulation and Development) Act, 1957 read with the Rules made there under;
- iii. The Indian Boilers Act, 1923;
- iv. The Explosives Act, 1884 read with the Rules made there under;

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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards etc. mentioned above.

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period; no specific event took place.

**For DM & Associates Company Secretaries LLP**  
**Company Secretaries**  
**ICSI Unique Code L2017MH003500**

**Dinesh Kumar Deora**  
**Partner**  
**Membership No. FCS - 5683**  
**Certificate of Practice No. 4119**  
**Place : Mumbai**  
**Date : 29<sup>th</sup> July, 2025**  
**UDIN : F005683G000883285**

**Note :** This report is to be read with our letter of even date that is annexed as Annexure - I and forms an integral part of this report.



**ANNEXURE - I**

To  
The Members  
Sunflag Iron and Steel Company Limited  
C I N – L27100MH1984PLC034003  
33/1, Mount Road, Sadar, Nagpur – 440001  
Nagpur – 440001, Maharashtra – India

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

1. Maintenance of secretarial records is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For DM & Associates Company Secretaries LLP  
Company Secretaries  
ICSI Unique Code L2017MH003500

Dinesh Kumar Deora  
Partner  
Membership No. FCS - 5683  
Certificate of Practice No. 4119  
Place : Mumbai  
Date : 29<sup>th</sup> July, 2025  
UDIN : F005683G000883285

**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 2024-25 under review:

Number of Complaints received	<b>NIL</b>
Number of Complaints disposed off	<b>NIL</b>

**For and on behalf of the Board**

Nagpur  
11<sup>th</sup> August, 2025

Pranav Bhardwaj  
Managing Director  
DIN - 00054805

Ramchandra Vasant Dalvi  
Director (Technical)  
DIN- 00012065

## 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 Auto Mould Level Control, 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 Array Auto Ultrasonic testing machine, Magna flux leakage test, Eddy current test, MPI and mobile / XRF Spectrometer, Anti mix testing, Immersion Ultrasonic testing Machines, Electro Hydraulic fatigue testing machine, Scanning Electron Microscope, Image Analyser, Gap/Stress rupture testing machine, carbon sulphur analyser, OHN Gas analyser for assuring best quality. The labs are NABL accredited of International Standards.

**SUNFLAG STEEL** has established itself as a major global force in Quality with modern world class technology, expert human resources and 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, Valve Steel and Stainless Steel capturing prime position in these market segments. **SUNFLAG STEEL** is also embarking on an export thrust and is regularly supplying to various customers in South East Asia, North and South American Countries, South Africa, European Union, Japan, Taiwan, Australia, Switzerland, UK and Ireland.

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

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

**SUNFLAG STEEL** is actively involved in development activities for import substitution of 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 (Import Substitution). The grades developed are Bearing grades for ball application, soft magnetic ferritic stainless steel, duplex and 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 Standards and is involved in modification and upgradation of Indian Standards to meet the International Standards requirements, which facilitates the indigenisation of various grades of steel. **SUNFLAG STEEL** has also been certified as the Great Place to work.

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

### GLOBAL ECONOMIC SCENARIO & OUTLOOK

#### A) MACRO-ECONOMIC CONDITIONS

The global economy is currently facing a period of slowing growth, due to a substantial rise in trade barriers, tighter financial conditions, and heightened policy uncertainty impacting growth prospects. Global growth is projected to slow from 2.8% in 2024 to 2.3% in 2025.

Global inflation is expected to moderate to 4.3% in 2025 and 3.6% in 2026, approaching central bank targets. While advanced economies are likely to contain inflation more effectively than emerging markets, rise in protectionism and geopolitical tensions around trade will significantly impact prices of domestic products.

Lacking structural reform momentum and facing headwinds from a range of challenges, global economic performance is expected to remain mediocre. The five year-ahead growth forecast stands at 3.2 percent, below the historical average during 2000–19 of 3.7 percent.

The US, Canada, Mexico, and China are expected to experience significant growth slowdowns. Developing countries reliant on trade and commodity exports face challenges from reduced exports, lower commodity prices, tighter financial conditions and high debt burdens.

#### B) RECENT DEVELOPMENTS AND ECONOMIC OUTLOOK

##### Advanced Economies and Emerging Market and Developing Economies (EMDE) outlook.

Advanced economies are projected to experience a slight increase in growth, while Emerging Market and Developing Economies (EMDEs) are expected to see a modest slowdown in growth. Global inflation is forecasted to decline in both advanced and EMDEs, though it remains a concern. EMDEs are anticipated to continue contributing the majority of global economic growth.

In advanced economies, growth forecasts for 2025 have declined substantially since January, driven by downgrades in some of the world's largest economies. The outlook for U.S. growth and inflation in 2025 has deteriorated. U.S. growth is expected to decelerate sharply in 2025, to 1.4 percent. In 2026, growth is anticipated to edge up to 1.6 percent as the economy adjusts to higher trade barriers and policy uncertainty gradually declines.

All emerging market and developing economy (EMDE) regions face a challenging outlook amid the rise in global trade tensions and heightened uncertainty. Growth is projected to slow in most EMDE regions this year, as structural weaknesses are amplified by softening activity in the United States and China via tight linkages through trade, financial flows (including remittances), and commodity markets (in the case of China). Although growth is set to edge up in the Middle East and North Africa (MNA) and Sub-Saharan Africa (SSA) in 2025.

**C) INDIAN ECONOMY****India- Economic Outlook**

India is poised to lead the global economy once again, with the International Monetary Fund (IMF) projecting it to remain the fastest growing major economy over the next two years. According to the IMF's World Economic Outlook, India's economy is expected to grow by 6.2 per cent in 2025 and 6.3 per cent in 2026, maintaining a solid lead over global and regional peers.

Real GDP expanded by 6.2% year-on-year in the third quarter of FY 2024-25, supported by robust domestic demand and strong investment. High-frequency indicators suggest that economic activity remained solid in the fourth quarter. Industrial production rose by 3.7% year-on-year in the first four months of 2025, with the manufacturing sector regaining strength. India's current account deficit widened in the first three quarters of FY 2024-25, due to a persistent merchandise trade deficit that was only partially offset by strong services exports.

Private consumption is supported by rising real incomes and lower personal income taxes. Investment will remain strong, bolstered by easing financial conditions. However, export growth is expected to slow due to weaker global demand, the impact of higher tariffs and heightened trade policy uncertainty.

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

The global steel industry is experiencing mixed trends, with India emerging as a key growth driver while facing some pricing pressures. The Indian steel industry is poised for significant expansion, fueled by robust domestic demand and government initiatives. However, global economic slowdown and potential trade tensions pose challenges.

Asia, particularly China, is expected to continue its dominance in steel production and consumption. The global steel industry is under pressure to reduce carbon emissions, pushing for the adoption of cleaner technologies and green steel production.

Global steel demand is projected to grow by 1.2% in 2025, reaching ~1,770 million tonnes. After three consecutive years of decline, steel demand is expected to recover globally (excluding China) in 2025. A stable global economic outlook, coupled with improving financing conditions and real income growth in major economies, is expected to support recovery in private consumption and investments before the tariff impositions. Additionally, a significant recovery in residential construction is also anticipated from 2025 onward, supported by easing financing conditions. However, the tariffs imposed by US administration and reciprocal tariffs by countries has led to increased uncertainty in demand-supply balance and continues to be a major risk to the steel industry.

The steel raw materials market in FY2024-25 stayed volatile due to coking coal mine outages and speculation about Chinese government's stimulus announcements to fuel its slowing economy. However, both iron ore and coking coal markets declined due to weak steel markets globally, and continuing doubts that steel consumption could recover meaningfully in China while their economy focused on non-steel intensive sectors for growth.

Overall, while the global steel demand is poised for recovery in 2025, the industry remains exposed to geopolitical, economic, and financial risks. India, however, continues to stand out as a high-growth market, supported by strong domestic demand and investment. The long-term outlook for the Indian steel industry remains optimistic, with continued infrastructure development, industrial expansion, and supportive government policies driving its growth. Effective trade policies, price stabilisation measures, and sustained investment will be crucial to maintaining India's competitive edge in the global steel market.

**2. OUTLOOK FOR STEEL INDUSTRY- OPPORTUNITIES AND THREATS**

India is striving to achieve the goal of becoming a \$5 trillion economy, with the steel sector playing a significant role in this mission. Under the National Steel Policy, India has set a target of producing 300 million tons of steel by 2030. The current per capita steel consumption in India is approximately 98 kilograms and is expected to rise to 160 kilograms by 2030. Increasing steel consumption serves as a golden standard for the country's infrastructure and economy.

The steel industry faces a mixed outlook with both significant opportunities and substantial threats. While India's steel demand is projected to grow, fueled by infrastructure development and government initiatives, global overcapacity, trade distortions, and economic uncertainties pose challenges.

**Indian Steel Industry Outlook:**

**Bright Spot :** India is a bright spot in the global steel industry, with steel demand expected to grow by 8.5% in 2025, according to the World Steel Association.

**Strong Growth Drivers :** Infrastructure development, particularly in construction and manufacturing, is driving the increased steel demand.

**Government Support :** Initiatives like "Make in India" and infrastructure development projects are expected to further boost the steel industry.

**Pricing Pressures :** While demand is strong, the Indian steel market has faced pricing pressures due to increased imports and fluctuations in global steel prices, especially from China.

**Government Intervention :** The Indian government has implemented safeguard duties on flat steel imports to protect domestic producers and stabilize prices.

**Future Growth :** Jefferies forecasts an 8-10% volume CAGR for Indian steel companies between FY25 and FY27.

**Per Capita Consumption :** India's per capita steel consumption is low compared to the global average, indicating significant growth potential.

**OPPORTUNITIES**

**SUNFLAG STEEL**'s Super Alloy Steel manufacturing facility has now achieved the capability to cater to highly specialized requirements, including those to commercial & Fighter jet Parts, Defence, Space Vehicles, Nuclear Reactor, Advanced Ultra Super-critical Power Plants, Industrial and Vehicle Gas Turbines, Petro-Chemical Plants and other High Temp and Corrosive Applications. This will not only reduce the Company's dependency on the automotive and auto ancillary sectors but also unlock opportunities for expansion and enable entry into high-value, technology-intensive markets.

**SUNFLAG STEEL** has strengthened technical capabilities and secured vendor approvals from key government agencies including VSSC, LPSC, HAL, Brahmos, DRDO, and global OEM. These endorsements reflect our readiness to support high-technology applications and national security programs.

The Government of India continues to play a catalytic role in supporting and accelerating the growth of the domestic steel industry through a range of policy interventions and strategic programs. The National Steel Policy, 2017 lays a roadmap for achieving 300 million tonnes of steel production capacity by 2030–31, with a focus on domestic raw material availability, technological advancement, and value addition. To boost high-grade steel manufacturing, the Government has introduced the Production Linked Incentive (PLI) Scheme for Specialty Steel with a financial outlay of ₹ 6,322 crore, encouraging investments in value-added and alloy steel segments. The implementation of the Domestically Manufactured Iron & Steel Products (DMI & SP) Policy is a significant step in promoting 'Made in India' steel by mandating preference to domestically produced iron and steel products in Government procurement.

The Steel Scrap Recycling Policy aims to ensure a sustainable supply of quality scrap for steelmaking, reducing import dependency and supporting green production practices. In addition, major infrastructure programs such as PM Gati Shakti, Bharatmala, Sagarmala, and Smart Cities Mission are driving robust demand for steel across various sectors. Protective trade measures, such as anti-dumping duties, have also helped safeguard the interests of domestic producers. Furthermore, the Government has shown commitment to decarbonization and green steel initiatives through the promotion of hydrogen-based technologies and renewable energy integration. These collective measures are expected to strengthen the competitiveness of the Indian steel industry and open new avenues for sustainable growth.

**CURRENT CHALLENGES / THREATS**

**SUNFLAG STEEL** continues to primarily cater to the automotive sector, which remains a major driver of steel demand. While the automotive industry is expected to sustain demand over the medium term, there has been a temporary moderation in growth. Moreover, the Government of India's increasing push for electric vehicles (EVs) poses a long-term structural shift. EVs, by design, require fewer conventional steel-intensive components, potentially affecting demand patterns for traditional grades of steel.

The broader Indian steel industry operates in a volatile and complex global environment, facing a combination of structural and cyclical challenges that may impact growth and profitability. Key challenges and threats include:

**Fluctuating Raw Material Costs** : The steel industry relies heavily on raw materials like iron ore and coking coal, and price volatility significantly impacts production costs and profitability.

**Supply Chain Disruptions** : Global events, such as geopolitical tensions, conflicts, and natural disasters, can disrupt the flow of raw materials, affecting production schedules and delivery times.

**High Energy Costs** : Steel production is energy-intensive, and rising energy prices contribute to increased operational costs.

**Environmental Regulations** : The industry faces increasing pressure to reduce carbon emissions and adopt more sustainable practices, requiring investments in new technologies and processes.

**Digital Transformation** : The adoption of digital technologies like IoT and AI for predictive maintenance and process optimization is crucial, but requires upfront investment and skilled workforce.

**Overcapacity and Competition** : The global steel market faces overcapacity issues, with increased competition from lower-cost producers, particularly in China.

**Logistical Bottlenecks** : Inadequate infrastructure and inefficient logistics can lead to increased transportation costs and delays.

**Trade Distortions and Protectionism** : Subsidies and protectionist measures in various countries create an uneven playing field and hinder fair trade practices.

**Economic Slowdowns** : Weaker global economic growth and potential recessions in major economies could dampen steel demand.

**Green Steel Transition Challenges** : Adopting low-emission technologies requires significant investment and access to renewable energy and high-grade ores.

**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**

As a milestone towards minimising the carbon emissions, **SUNFLAG STEEL** has entered into a Joint Venture Agreement with Renew Green Energy Solution Pvt. Ltd. to source 71.34 MW of captive renewable power from its Solar Photovoltaic Power Project, which will reduce carbon emissions over the contract period of 15 years which may be extended upto 25 years. Further, the Company has also entered into long term Power Purchase Agreement (PPA) with Sunsire Solarpark Thirty Seven Private Limited, to source additional 11 MW of electricity from its Solar Photovoltaic Power Project for the plant.

While automotive remains a key segment, our emphasis is now on sectors that demand advanced metallurgy, international compliance, and sustainable manufacturing. To support this, we have invested in clean energy initiatives, including solar power integration, reinforcing our commitment to ESG goals and environmental stewardship.

During the year under review, **SUNFLAG STEEL** see some marginal 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. There was a marginal increase in the sales and profit before tax. Profit before taxes stood at ₹ 211.43 crore in the year under review as against ₹ 181.42 crore in the previous year.

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 2024-25 under review.

#### **FINANCIAL AND OPERATIONAL PERFORMANCE:**

A detailed financial performance together with segment-wise/product wise performance of the Company for the FY 2024-25 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 24-25	FY 23-24	Variation	Explanation of Y-o-Y variance higher than 25%
Debtors Turnover Ratio	<b>9.46 Times</b>	9.87 Times	- 4.15%	No significant change, ratio is within the industry norms.
Inventory Turnover Ratio	<b>2.50 Times</b>	2.61 Times	- 4.21%	No significant change, ratio is within the industry norms.
Interest Coverage Ratio	<b>3.35 Times</b>	2.88 Times	16.32%	No significant change, ratio is within the industry norms.
Current Ratio	<b>1.49 Times</b>	1.44 Times	3.47%	No significant change, ratio is within the industry norms.
Debt Equity Ratio	<b>0.06 Times</b>	0.13 Times	- 53.85%	Movement in ratio is primarily on account of change in market value of quoted investments.
Operating Profit Margin (%)	<b>8.06%</b>	7.97%	1.13%	No significant change, ratio is within the industry norms.
Net Profit Margin (%)	<b>4.57%</b>	4.15%	10.12%	No significant change, ratio is within the industry norms.
Return on Networth (%)	<b>2.00%</b>	3.00%	- 33.33%	Movement in ratio is primarily on account of change in market value of quoted investments.

#### **RISKS AND CONCERNS**

**SUNFLAG STEEL** recognizes that it is exposed to a number of uncertainties, which is inherent for the industries that it operates in. The volatility of the steel industry affects the financial and non-financial results of the business. To increase confidence in the achievement of the objectives and the sustainability of our business, management has implemented a risk management process operated by the business as part of the regular management activities for identification of internal and external risks faced by the Company, in particular including strategic/sectoral, financial/liquidity, operational, marketing, sustainability (particularly, ESG related risks), employee related risk, cyber security- information and employee dishonesty risk, credit risk, product related risks, natural calamity risk or any other risk.

The Board of Directors has constituted the Risk Management Committee to oversees the entire Risk management process including Risk Identification, Risk Assessment, Risk Analysis, Risk Treatment, Risk Mitigation, Risk - Control and Monitoring.

#### **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 2024-25 are provided in Board's Report forming part of this Annual Report.

#### **DISCLOSURE OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS**

The Company follows the guidelines of Accounting Standards referred to in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 together with Ind AS issued by the Institute of Chartered Accountants of India.

#### **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- (2024-25)

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

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	33/1, Mount Road, Sadar, Nagpur – 440001, Maharashtra, IN
5	Corporate Address	33/1, 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	2024-2025
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. Ramchandra Vasant Dalvi, Director (Technical) Phone: 07184-285566 Email: ramchandra_dalvi@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.
14	Name of assurance provider	Nil
15	Type of assurance obtained	Not Applicable

#### II. Products/services

16. 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

17. 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	92.75
02	Pig Iron	243	5.04
03	Sponge Iron	243	2.18

#### III. Operations

18. 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	-	-	-

19. Markets served by the entity :

1. Number of locations

Locations	Number
National (No. of States)	19 (Nineteen) Sunflag renders supplies pan India.
International (No. of Countries)	12 (Twelve) 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 1.36 % 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

20. 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)
1.	Permanent (D)	843	838	99.41%	5	0.59%
2.	Other than Permanent (E)	29	29	100.00%	0	0.00%
3.	<b>Total employees (D + E)</b>	872	867	99.43%	5	0.57%
4.	Permanent (F)	404	402	99.50%	2	0.50%
5.	Other than Permanent (G)	2524	2519	99.80%	5	0.20%
6.	<b>Total workers (F + G)</b>	2928	2921	99.76%	7	0.24%

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	%(B / A)	No. (C)	%(C / A)
1.	Permanent (D)	-	-	-	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3.	<b>Total differently abled employees (D + E)</b>	-	-	-	-	-
4.	Permanent (F)	3	3	100%	-	-
5.	Other than Permanent (G)	-	-	-	-	-
6.	<b>Total differently abled workers (F + G)</b>	3	3	100%	-	-

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	%(B / A)
Board of Directors	10	2	20.00%
Key Management Personnel	4	-	0%

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2024-25 (Turnover rate in current FY)			FY 2023-24 (Turnover rate in previous FY)			FY 2022-23 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	148	0	148	156	1	157	129	0	129
%Turnover	17.56%	0%	17.56%	19.16%	20%	19.19%	18.06%	0%	17.94%
Permanent Workers	21	0	21	26	0	26	25	0	25
%Turnover	5.20%	0%	5.20%	6.62%	0%	6.58%	5.97%	0%	5.94%

**V. Holding, Subsidiary and Associate Companies (including joint ventures)**

23. (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	100.00%	No
2.	Khappa Coal Company Private Limited	Subsidiary	63.27%	No
3.	Sunflag Foundation	Subsidiary	100.00%	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
8.	ReNew Green (MPR Three) Private Limited	Joint Venture	31.20%	No

**VI. CSR Details**

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013 : **Yes**  
(ii) Turnover (in ₹ Lakh): 3,53,558.61  
(iii) Net worth (in ₹ Lakh): 8,41,204.78

**VII. Transparency and Disclosures Compliances**

25. 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 2024-25 Current Financial Year			FY 2023-24 Previous 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	11	-	-	37	-	-
Employees and workers	Yes	-	-	-	-	-	-
Customers	Yes	281	-	-	217	-	-
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>

26. 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								
Whistle blower 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	10	The Topic covered business models, Health & Safety, Working Condition, 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 including mines development, Corporate Social Responsibility and updates on the Company etc.	100%
Key Managerial Personnel	10		100%
Employees other than BoD and KMPs	41	1. Waste Management-Industrial Hazards & Environmental Pollution Control, Compliances 2. Ownership & Accountability 3. Leadership 4. Industrial Safety and Compliance. 5. Supervisory - accountability and responsibility 6. Teamwork and task team cohesiveness 7. Human Rights	78%
Workers	17	1. Safety, health and environment protocol 2. Code of conduct 3. Safety leadership and responsibility 4. Human Rights	87%

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](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 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

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

	FY 2024-25 (Current Financial Year)		FY 2023-24 (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**
8. Number of days of accounts payables ((Accounts payable \*365) / Cost of goods/services procured) in the following format:

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Number of days of account payables	40 Days	37 Days

9. **Openness of Business**

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	7.64%	17.79%
	b. Number of trading houses where purchases are made from	419	592
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	68.71%	70.29%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	-	-
	b. Number of dealers / distributors to whom sales are made	-	-
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	-	-
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0.020%	0.008%
	b. Sales (Sales to related parties / Total Sales)	0.702%	0.908%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	-	0.240%
	d. Investments (Investments in related parties / Total Investments made)	100.00%	100.00%

**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.

Webblink: [https://sunflagsteel.com/wp-content/uploads/2018/03/SISCO\\_Code-Of-Business-Principles.pdf](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.

	FY 2024-25 (Current Financial Year) ₹ Lakhs	FY 2023-24 (Previous Financial Year) ₹ Lakhs	Details of improvements in environmental and social impacts
R&D	56.03 (46%)	39.49 (100%)	Improved
Capex	65.17 (53.77%)	Nil	Improved

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? **91%**
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**  
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	92.75%	Being assessed	No	No
243	Pig Iron	5.04%			
243	Sponge Iron	2.18%			

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 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
In process generation of scrap	15.95%	13.53%

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 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	-	147.642 MT	-	-	124.63 MT
E-waste	-	-	-	-	-	-
Hazardous waste	-	252.943 MT	-	-	238.824 MT	-
Other waste	1,36,969 MT	2,04,203 MT	3,12,401 MT	1,61,043 MT	3,00,541 MT	3,32,915 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	838	215	25.66%	838	100%	NA	-	-	-	-	-
Female	5	1	20.00%	5	100%	5	100%	NA	-	-	-
Total	843	216	25.62%	843	100%	5	0.59%	-	-	-	-
Other than Permanent employees											
Male	29	-	-	29	100%	NA	-	-	-	-	-
Female	-	-	-	-	-	-	-	NA	-	-	-
Total	29	-	-	29	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	402	222	55.22%	402	100%	NA	-	-	-	-	-
Female	2	2	100.00%	2	100%	2	100%	NA	-	-	-
<b>Total</b>	404	224	55.45%	404	100%	2	0.50%	-	-	-	-
Other than Permanent workers											
Male	2519	163	6.47%	2519	100%	NA	-	-	-	-	-
Female	5	1	20.00%	5	100%	5	100%	NA	-	-	-
<b>Total</b>	2524	164	6.50%	2524	100%	5	0.20%	-	-	-	-

## c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	<b>FY 2024-25 (Current Financial Year)</b>	<b>FY 2023-24 (Previous Financial Year)</b>
Cost incurred on well- being measures as a % of total revenue of the Company	<b>0.174%</b>	0.199%

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

Benefits	FY 2024-25 Current Financial Year			FY 2023-24 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	<b>100%</b>	<b>100%</b>	<b>Y</b>	100%	100%	Y
Gratuity	<b>100%</b>	<b>100%</b>	<b>Y</b>	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.

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



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.

**Yes.** Certified Standing Order is available.

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 2024-25 Current Financial Year			FY 2023-24 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)
<b>Total Permanent Employees</b>	843	-	-	818	-	-
- Male	838	-	-	814	-	-
- Female	5	-	-	4	-	-
<b>Total Permanent Workers</b>	404	349	86.39%	395	369	93.42%
- Male	402	347	86.32%	393	367	93.38%
- Female	2	2	100.00%	2	2	100.00%

8. Details of training given to employees and workers:

Category	FY 2024-25 Current Financial Year					FY 2023-24 Previous Financial Year				
	Total (A) Mandays of Training	On Health and safety measures		On Skill upgradation		Total (D) Mandays of Training	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	4914	4176	84.98%	2437	49.59%	4773	2789	58.43%	1984	41.57%
Female	16	16	100.00%	6	37.50%	16	11	68.75%	5	31.25%
Total	4930	4192	85.03%	2443	49.55%	4789	2800	58.47%	1989	41.53%
Workers										
Male	6614	4937	74.64%	2612	39.49%	6457	3845	59.55%	2612	40.45%
Female	2	2	100.00%	2	100.00%	2	2	100.00%	2	100.00%
Total	6616	4939	74.65%	2614	39.51%	6459	3847	59.56%	2614	40.47%

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

Category	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>Employees</b>						
Male	4914	2437	49.59%	4773	1984	41.57%
Female	16	6	37.50%	16	5	31.25%
<b>Total</b>	<b>4930</b>	<b>2443</b>	<b>49.55%</b>	<b>4789</b>	<b>1989</b>	<b>41.53%</b>
<b>Workers</b>						
Male	6614	2612	39.49%	6457	2612	40.45%
Female	2	2	100.00%	2	2	100.00%
<b>Total</b>	<b>6616</b>	<b>2614</b>	<b>39.51%</b>	<b>6459</b>	<b>2614</b>	<b>40.47%</b>

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  
HIRA, 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 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	<b>1 (63 days)</b>	1
	Workers	<b>1 (63 days)</b>	2
Total recordable work-related injuries	Employees	<b>NIL</b>	<b>NIL</b>
	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.

Following ISO 45001 and ISO 14000 guidelines and implementation. HIRA, HAZOP Studies, (Internal and External) Safety audits, Safety Kaizens, Safety One Point Lesson, etc.

- 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 2024-25 (Current Financial Year)			FY 2023-24 (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	<b>Nil</b>	<b>Nil</b>	-	Nil	Nil	-
Health & Safety	<b>Nil</b>	<b>Nil</b>	-	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: Implementation of TPM (Second Phase) throughout the workplace.

**Leadership Indicator**

- Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) **N** (B) Workers (Y/N) **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 the 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	
	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Employees	1	Nil	NA	NA
Workers	1	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 2024-25 (Current Financial Year)			FY2023-24 (Previous Financial Year)		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees/ workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	843	624	74.02%	818	376	45.97%
Other than permanent	29	18	62.07%	31	0	0%
<b>Total Employees</b>	<b>872</b>	<b>642</b>	<b>73.62%</b>	<b>849</b>	<b>376</b>	<b>44.29%</b>
<b>Workers</b>						
Permanent	404	339	83.91%	395	281	71.14%
Other than permanent	2524	1843	73.02%	2386	0	0%
<b>Total Workers</b>	<b>2928</b>	<b>2182</b>	<b>74.52%</b>	<b>2781</b>	<b>281</b>	<b>10.10%</b>

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

Category	FY 2024-25 (Current Financial Year)					FY 2023-24 (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	843	NIL	NIL	843	100%	818	NIL	NIL	818	100%
Male	838	NIL	NIL	838	100%	814	NIL	NIL	814	100%
Female	5	NIL	NIL	5	100%	4	NIL	NIL	4	100%
Other than Permanent	29	NIL	NIL	29	100%	31	NIL	NIL	31	100%
Male	29	NIL	NIL	29	100%	30	NIL	NIL	30	100%
Female	0	NIL	NIL	0	0%	1	NIL	NIL	1	100%
Workers										
Permanent	404	NIL	NIL	404	100%	395	NIL	NIL	395	100%
Male	402	NIL	NIL	402	100%	393	NIL	NIL	393	100%
Female	2	NIL	NIL	2	100%	2	NIL	NIL	2	100%
Other than Permanent	2524	1458	57.77%	1066	42.23%	2386	1306	54.74%	1180	49.46%
Male	2519	1454	57.72%	1065	42.28%	2379	1302	54.73%	1177	49.47%
Female	5	4	80.00%	1	20.00%	7	4	57.14%	3	42.86%

3. Details of remuneration/salary/wages:  
a. Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (₹)	Number	Median remuneration/ salary/ wages of respective category (₹)
Board of Directors (BoD)	7*	4,30,000/-	2	4,68,000/-
Key Managerial Personnel	2	75,47,085/-	-	-
Employees other than BoD and KMP	834	7,08,324/-	5	2,90,328/-
Workers	402	7,61,376/-	2	9,60,120/-

\* Two Board Members are also Key Managerial Personnel.

b. Gross Wages paid to females as % of total wages paid by the entity, in the following format:

	<b>FY 2024-25 (Current Financial Year)</b>	<b>FY 2023-24 (Previous Financial Year)</b>
Gross wages paid to females as % of total wages	<b>0.43%</b>	0.40%

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:

	<b>FY 2024-25 (Current Financial Year)</b>			<b>FY 2023-24 (Previous Financial Year)</b>		
	<b>Filed during the year</b>	<b>Pending resolution at the end of year</b>	<b>Remarks</b>	<b>Filed during the year</b>	<b>Pending resolution at the end of year</b>	<b>Remarks</b>
Sexual Harassment	<b>Nil</b>	<b>NA</b>	-	Nil	NA	-
Discrimination at workplace	<b>Nil</b>	<b>NA</b>	-	Nil	NA	-
Child Labour	<b>Nil</b>	<b>NA</b>	-	Nil	NA	-
Forced Labour/Involuntary Labour	<b>Nil</b>	<b>NA</b>	-	Nil	NA	-
Wages	<b>Nil</b>	<b>NA</b>	-	Nil	NA	-
Other human rights related Issues	<b>Nil</b>	<b>NA</b>	-	Nil	NA	-

7. Complaints filed under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	<b>FY 2024-25 (Current Financial Year)</b>	<b>FY 2023-24 (Previous Financial Year)</b>
Total Complaints reported under Sexual Harassment on Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	<b>Nil</b>	Nil
Complaints on POSH as a % of female Employees/ Workers	<b>Nil</b>	Nil
Complaints on POSH upheld	<b>Nil</b>	Nil

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

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

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 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 2024-25
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 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
<b>From Renewable Sources</b>		
Total electricity consumption (A)	46684645 (168064722)	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
<b>Total energy consumed from Renewable Sources (A+B+C)</b>	46684645 (168064722)	-
<b>From Non-renewable Sources</b>		
Total electricity consumption (D)	401080227 (1443888817)	412092600 (1483533360)
Total fuel consumption (E)	24457 (950888160)	24628 (957536640)
Energy consumption through other sources (F)	-	-
<b>Total energy consumed from Non-renewable Sources (D+E+F)</b>	2394776977	2441070000
<b>Total energy consumption (A+B+C+D+E+F) Mega Joules</b>	2562841699	2441070000
<b>Energy intensity per rupee of turnover MJ/Rs.</b> (Total energy consumption/ Revenue from Operation)	0.07248	0.07147
<b>Energy intensity per rupees of Turnover adjusted for Purchasing Power Parity (PPP)</b> (Total energy consumption/Revenue from operations adjusted for PPP)	1.6562	1.4401
<b>Energy Intensity in terms of Physical Output</b>	4683.12 MJ/MT	4692.80 MJ/MT
<b>Energy intensity</b> (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) **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 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water (From River)	31,37,284	30,81,409
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
<b>Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)</b>	31,37,284	30,81,409
<b>Total volume of water consumption (in kilolitres)</b>	31,37,284	30,81,409
<b>Water intensity per rupee of turnover</b> (Total water Consumption / Revenue from Operations)	0.0000887	0.0000902
<b>Water intensity per rupees of Turnover adjusted for Purchasing Power Parity (PPP)</b> (Total water consumption/Revenue from operations adjusted for PPP)	0.0002026	0.00018175
<b>Water Intensity in terms of Physical Output</b>	6.985 M3/MT	5.92 M3/MT
<b>Water intensity</b> (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. Provide the following details related to water discharged:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) to Surface water		
- No treatment	Zero Liquid Discharge Plant	Zero Liquid Discharge Plant
- With treatment – please specify level of treatment	Zero Liquid Discharge Plant	Zero Liquid Discharge Plant
(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	-	-
<b>Total water discharged (in kilolitres)</b>	-	-

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

5. 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.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
NOx	mg/Nm3	107.25	172.60
SOx	kg/Tcs	217.21	219.35
Particulate matter (PM)	mg/Nm3	25.53	26.10
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.**

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

Parameter	Unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	15,27,748.16 tCO2	15,94,668.88 tCO2
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	1,76,158.20 tCO2	1,84,009.99 tCO2
<b>Total Scope 1 and Scope 2 emissions intensity per rupee of turnover</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from Operations)	Scope1+Scope2 Metric tonnes of CO2Equivalent (TCO2/Rupee TO)	17,03,906.35 tCO2 (0.0000482)	17,78,678.87 tCO2 (0.0000521)
<b>Total Scope 1 and Scope 2 emissions per rupee of Turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Scope 1 and Scope 2 GHG Emission/ Revenue from operations adjusted for PPP)	-	0.00110	0.00105
<b>Total Scope 1 and Scope 2 emissions intensity in terms of Physical output</b>	Metric tonnes of CO2 equivalent	3.114 tCO2 / MT	3.419 tCO2 / MT
<b>Total Scope 1 and Scope 2 emission intensity</b> (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.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details. **Yes,** MBF , SMS , CPP, SINTER , ASM ,BSM Blooming Mill etc., are major projects undertaken for reducing GHG emissions

**1. Registered Vehicle Scrap Facility for Recycling Steel:**

**Objective:** This refers to facilities designed to collect and recycle scrap steel, often from end-of-life vehicles (ELVs). Recycling steel from scrap metal reduces the need for virgin iron ore, lowering energy consumption and CO2 emissions in steel production

**Impact on GHGs:** Steel recycling typically requires less energy compared to producing steel from raw materials. For example, recycling steel saves up to 60% of energy consumption and reduces CO2 emissions by around 58% compared to using new steel.

**2. Consumption of Good Quality Coal, LDO, FO, LPG, LDO and HSD etc.,**

**Objective:** The use of high-quality fuels such as coal, light diesel oil (LDO), fuel oil (FO), liquefied petroleum gas (LPG), and high-speed diesel (HSD) is focused on improving combustion efficiency and reducing emissions from combustion processes.

**Impact on GHGs:** Using high-quality fuels can help reduce pollutants like sulfur oxides (SOx), nitrogen oxides (NOx), and particulate matter (PM). However, the key challenge lies in transitioning from fossil fuels to cleaner energy sources, such as renewables, to further reduce GHG emissions in the long term.

**3. Coke Oven Plant for Producing Coke, Power, and Coke Oven Gas:**

**Objective:** Coke ovens are essential in the steel-making process, where coal is heated in the absence of air to produce coke, which is then used in blast furnaces for iron production. The process also generates coke oven gas, which can be used as a fuel for power generation.

**Impact on GHGs:** While coke production is an energy-intensive process, the utilization of coke oven gas for power generation can help mitigate the environmental impact by displacing the need for additional fossil fuels. Moreover, advancements in coke oven technology focus on improving efficiency and capturing emissions such as carbon monoxide, which can be reused in other industrial processes.

**4. Replacement of Conventional Electricity (Grid) From Solar Electricity:**

**Objective:** Solar electricity is considered as a renewable & green power which is absolutely emission free.

**Impact on GHGs:** Replacement of fossil fuel based electricity with solar electricity is greatly help to mitigate the environment impact by reducing the burning of fossil fuel. It drastically reduces the CO<sub>2</sub> emission by fossil fuel.

**5. Injection of biochar into Blast Furnace:**

**Objective:** Biochar refers to organic matter from crops and forests residue, which can be used as fuel to produce energy and replace fossil fuel up to some extent. Bioenergy is being a carbon neutral energy. This is because the carbon released when biomass is burned is off-set by the carbon absorbed by the plants during their growth.

**Impact on GHGs:** Replacement of fossil fuel with biochar helps to mitigate the environment impact by using of fossil fuel. It drastically reduces the CO<sub>2</sub> emission.

**Additional Considerations for Reducing GHGs:**

**Carbon Capture, Utilization and Storage (CCUS):** Implementing CCUS technologies in coke ovens and other industrial plants can help capture CO<sub>2</sub> emissions at the source and either store them underground or repurpose them for other uses, further reducing the carbon footprint.

**Electrification of Industrial Processes:** In the long term, switching from fossil fuels to electricity derived from renewable sources can significantly reduce GHG emissions.

**Process Optimization:** Continuous improvement in energy efficiency, use of renewable energy sources and digitalization (e.g., AI for predictive maintenance and optimization) can reduce overall emissions in steel plants.

**Replacement of FO/LDO/LPG with Natural Gas:** CO<sub>2</sub> emission intensity of Natural Gas is much lower than FO/LDO/LPG. Replacement of these fossil fuels with Natural Gas reduce the GHG emissions.

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

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
<b>Total Waste generated (in Metric tonnes)</b>		
Plastic waste (A)	147.642 MT	124.63 MT
E-waste (B)	-	-
Bio-medical waste (C)	0.03125 MT	0.04121 MT
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G ) MT	252.943	238.82
Other Non-hazardous waste generated (H). MT Please specify, if any.MT (Break-up by composition i.e. by materials relevant to the sector)	6,53,573	7,94,499
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>6,53,973.61 MT</b>	<b>7,94,862.50 MT</b>
<b>Waste intensity per rupee of turnover,</b> (Total Waste Generated/ Revenue from operations)	<b>0.0000185</b>	<b>0.0000233</b>
<b>Waste intensity per rupees of Turnover</b> <b>adjusted for Purchasing Power Parity (PPP)</b> (Total waste generated/ Revenue from operations adjusted for PPP)	<b>0.000423</b>	<b>0.000469</b>
<b>Waste Intensity in terms of Physical Output</b>	<b>1.456 MT/TRP</b>	<b>1.935 MT/TRP</b>
<b>Waste intensity (optional) – the relevant metric</b> may be selected by the entity	-	-

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	2,04,203 MT	3,00,541 MT
(ii) Re-used	1,36,969 MT	1,61,043 MT
(iii) Other recovery operations	-	-
<b>Total</b>	<b>3,41,172 MT</b>	<b>4,61,584 MT</b>
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling (safe disposal)	3,12,401 MT	3,32,915 MT
(iii) Other disposal operations (Sale)	-	-
<b>Total</b>	<b>3,12,401 MT</b>	<b>3,32,915 MT</b>

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**

10. 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-1 and 2 to this Report**

11. 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:

Sr. No.	Location of operations/offices	Types of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	Bhandara	Manufacturing of Iron and Steel	Yes, Obtained environmental clearance 0000163341/CR/2307000707 Dated 13.07.2023 which is being complied with in totality. All our operations have the required environmental and other approvals/clearances.

12. 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 2024-25.

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
-	-	-	-	-	-
-	-	-	-	-	-

13. 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/N)-**Y**. 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. 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 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	31,37,284	30,81,409
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
<b>Total volume of water withdrawal (in kilolitres)</b>	31,37,284	30,81,409
<b>Total volume of water consumption (in kilolitres)</b>	31,37,284	30,81,409
<b>Water intensity</b> per rupee of turnover (Water consumed / turnover) Litres/Rupee	0.0887	0.0902
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity	-	-
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) into Surface water	<b>Zero Liquid Discharge Plant</b> <b>Zero Liquid Discharge Plant</b>	Zero Liquid Discharge Plant
- No treatment		Zero Liquid Discharge Plant
- 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	-	-
<b>Total water discharged (in kilolitres)</b>		

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**

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

Parameter	Unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	5,07,200.78 tCO <sub>2</sub>	4,20,044.57 t CO <sub>2</sub>
<b>Total Scope 3 emissions per rupee of turnover</b>		0.0000142	0.0000123
<b>Total Scope 3 emission intensity</b> (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. **-NA**

3. With respect to the ecologically sensitive areas reported at Question 11 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
4. 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

5. 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.
6. 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.
7. 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

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 2024-25

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 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Directly sourced from MSMEs/ small producers, % of total value sourced	11.95	8.6
Sourced directly from within the district (Bhandara) and neighboring districts, % of total value sourced	52.35	41.13

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Rural	91.98%	91.87%
Semi- Urban	-	-
Urban	4.80%	4.85%
Metropolitan	3.22%	3.28%

#### 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 2024-25

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 2024-25	-	-	-

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	Sewing Machine 34	1000 Persons	92%
2	Solar Light 70	2000 Persons	98%
3	Borewell 7	1500 Persons	95%
4	RO Plant	2500 Persons	100%
5	Health Checkup	1200 Persons	95%
6	Library	500 Persons	80%

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

- 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.
- 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 2024-25 (Current Financial Year)			FY 2023-24 (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	-	-

- Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No). 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>  
Sunflag working on getting certified for on ISO 27001: Information security, cybersecurity and privacy protection — Information security management systems
- 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.
- Provide the following information relating to data breaches:
  - Number of instances of data breaches along-with impact  
No such incidence occurred.
  - Percentage of data breaches involving personally identifiable information of customers-0%

**Leadership Indicators**

- 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  
All information regarding the Company's business can be accessed through the Company's website <https://sunflagsteel.com/> and in its periodic disclosures such as the annual report.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.  
We have a dedicated sales team to ensure pre to post sale services to our customer. Post-sale service ensures smooth usage of our products and problem solving through a partnership approach that helps us forge long-lasting relationships with our customers.
3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.  
At Sunflag Steel we do not deal with any essential services, however, in case of any disruption, we can give information through our website, various mass media platforms, social media platforms, distribution network, sales representatives, emails, etc. In addition, consumers can reach out to us <https://sunflagsteel.com/contact-us/>
4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable)- 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**, we disclose the relevant information required by the customer. The Company engages with its customers and conducts periodical surveys to assess the satisfaction levels related to service, delivery, quality of product, complaint handling etc.

**Annexure 1**  
**Solid Waste Generation & Disposal Statement**

Sr. No.	Type of Solid Waste Generated	UOM	Qty of Solid Waste		Disposal
			2024-25	2023-24	
1	Slag (SMS, EAF & SS Refining Converter)	MT/A	85,615	71,222	Used for Brick Manufacturer/Landfill
2	Fly Ash (CPP)	MT/A	17,632	18,414	Used for Brick Manufacturer / sale to cement plant
3	Bed Ash (CPP)	MT/A	1,032	980	Used for Brick Manufacturer / sale to cement plant
4	Dusts from Bag Filters (DRP & SMS)	MT/A	40,556	22,510	Reuse in Sinter plant
5	DRP Sludge (DRP)	MT/A	0	129	Reuse as fuel in Sinter Plant
6	Mill Scale (SMS & Rolling Mill)	MT/A	10,597	7,462	Reuse in Sinter plant
7	Iron/Steel Scrap/Rejected Billets (SMS)	MT/A	23,191	9,519	Recycle in Steel Melt Shop
8	Grinder waste (Rolling Mill)	MT/A	144	166	Recycle in Steel Melt Shop
9	Granulated MBF Slag	MT/A	1,72,366	2,05,808	By sale to Cement Industries / Landfill
10	Granulated MBF GCP	MT/A	2,697	26,200	Reuse in Sinter plant
11	Coke Fines & Nut Coke (MBF)	MT/A	13,730	23,826	Reuse in Sinter plant
12	Iron Ore Fines (DRI & MBF)	MT/A	60,386	1,48,809	Reuse in Sinter plant
13	Dusts (ETP & WTP)	MT/A	109	125	Reuse in Sinter plant
14	Coal Rejected (Stones & Shells)	MT/A	0	11,083	Landfill
15	Removed dust (Sinter plant)	MT/A	8,930	12,327	Reuse in Sinter plant
16	Sinter returned fines from Sinter	MT/A	1,23,239	1,44,035	Reuse in Sinter plant
17	Hot Scrap	MT/A	20,336	26,668	Recycle in Steel Melt Shop
18	DRI Ash/Char (By products)	MT/A	14,800	14,970	Reuse in Captive Power Plant

Sr. No.	Type Hazardous waste Generated	UOM	Qty of HW Waste		Disposal
			2024-25	2023-24	
1	Used / Spent Oil	MT/A	-	-	Recycled in our reheating furnace and partially sold to authorized reproprocessors.
2	Waste or residue containing Oil	MT/A	-	-	Sale to authorized recycler
3	Acid Residue/Spent Bath Sludge/ Chemical sludge from waste water treatment (12.1,12.2 & 35.3)	MT/A	253	239	Reuse in Sinter plant



**Annexure - 2****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 for **year 2024 - 25 is 17,632 MTA against consent quantity 26,784 MTA.**

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 for **year 2024 - 25 is 1,032 MTA against consent quantity 22,320 MTA.**

Quenching of the bed ash is carried out by spraying the cooling tower blow down water. Bed Ash is used for internal road and sent to brick manufacturer/Cement plant.

**ESP Dust & DRI Ash + Bag Filter Dusts (DRI Product Separation Dust & SMS bag filter dust):** ESP Dust and 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 / vacuum filter for making cakes. This is used in sinter plant for sinter manufacture.

In the existing setup, generation of ESP Dust & DRI Ash for **year 2024 - 25 is 48,452 MTA** (ESP dust 33,652+ DRI Ash 14,800) TPA + 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 is **6,904 TPA** ( DRP Product bag filter dust 2,104 MTA + SMS Bag filter dust 4,800 MTA) **against the consent quantity of ESP dust and Dust from bag filter of DRP & SMS dust 52,620 MTA & DRI Ash 15,000 MTA.**

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 **4,800 MTA** 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 SMS. Total quantity of **slag generation for year 2024-25** is about **85,615.25 MTA** against consent quantity **1,95,629 MTA** and it is disposed by landfill within factory area. Slag is generated from Stainless Steel Refining Converter is **3,053 MTA** also and it is used in the sinter plant for manufacturing sinter.

Slag will be generated from IF & EAF. Total quantity of slag generation, at full **production capacity will be about 1,95,629 MTA.** It will be disposed 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, ASM & Blooming mill Sections. The quantity of mill scale generated for **year 2024-25 is about 10,597 MTA against consent quantity 32,050 MTA.** 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 2/3<sup>rd</sup> from CCM mill scale and about 1/3<sup>rd</sup> 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 for **year 2024 - 25 is 23,190.76 MTA against consented quantity 32,050 MTA**

Iron/Steel Scrap 23,190.76 MTA is generated during cutting of steel bars at BSM, ASM & Blooming mill of Rolling Mill and also Steel Scrap is also generated from Bright Bar Section and Coiler. Rejected Billets. 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 for **year 2024-25 is about 143.717 MTA** against consent quantity **240 MTA.** This waste is recycled to SMS section for melting and reuse.

**Coal Rejects:** This waste is generated in the process of screening of crushed and wet coal. The stone and shells of the coal are separated at screening. It is estimated 84000 MTA at full production capacity, the generated stone & shells are used for landfill within the premises.

**Granulated MBF Slag:** Granulated MBF slag is taken from the bottom of MBF. The generation of MBF slag for **year 2024 - 25 is 1,72,366 MTA** against consent quantity **2,02,500 MTA**. 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 (Granulated MBF GCP) :** It is separated in thickner of Gas Cleaning Plant at MBF. The generation for **year 2024 - 25 is 2,697 MTA** against consent quantity **30,168 MTA.** This residue is used for sinter manufacture.

**Coke Fines & Nuts (MBF Plant):** Coke fines are generated at MBF. The generation for **year 2024 - 25 is 13,730 MTA** against consent quantity **27,434 MTA.** Coke Fines are used in the sinter plant for manufacturing sinter.

**Iron Ore Fines (DRI & MBF Plant) & Sinter Fines :** Iron Ore fines and Sinter fines are generated at DRI Plant & MBF. Total generation for **year 2024 - 25 is 60,386 MTA** against consent quantity **1,71,344 MTA.** Iron Ore Fines generation at DRI Plant is **20,010 MTA** and at MBF Iron Ore Fines & Sinter fine generation is **40,376 MTA**. Iron Ore Fines are used in the sinter plant for manufacturing sinter.

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**Removed dust (Sinter Plant):** Removed dust is generated in Sinter plant for year **2024 - 25 is 8,930 MTA** against consent quantity **20,112 MTA** 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 & 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 used at our sinter plant as a raw material. Similarly spent acid, acid residue, spent bath sludge and rinsing water generated from pickling plant, neutralize it, sent to Filter press, after neutralization, cakes generated from Filter press disposed of to our Sinter plant for Sinter manufacturing.

In effluent treatment plant, 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 Chemical Sludge and disposed off to Sinter plant.

At CPP, regeneration of DM Plant is carried out periodically by 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 sent filter press. These solids are termed chemical Sludge, used at our Sinter plant.

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## 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](http://www.sunflagsteel.com).

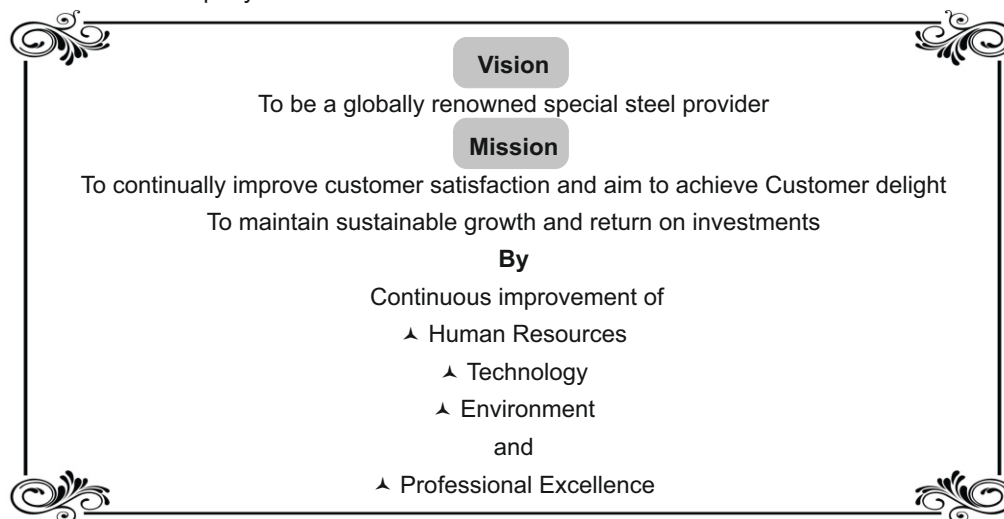
The Company always believes in compliance/s as applicable under various statutory and other rules or regulations governing the Company from time to time. As such, the Company is in due compliance of the provisions of Secretarial Standards [SS-1 for Meetings of the Board of Directors, SS-2 for General 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 commit 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 31<sup>st</sup> March, 2025 consisted of:-

Non-executive Director/s	Executive Director/s
<b>Promoter Group</b> Mr. Ravi Bhushan Bhardwaj (DIN - 00054700), Non-executive Chairman Mr. Suhrit Bhardwaj (DIN - 02318190), Non-executive Director	<b>Promoter Group</b> Mr. Pranav Bhardwaj (DIN - 00054805), Managing Director
<b>Non-Promoter Group - Independent Director/s</b> 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)	<b>Non-Promoter Group - Non-Independent</b> Mr. Ramchandra Vasant Dalvi (DIN - 00012065), Director (Technical)

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

**The attendance of the Director/s at the Board Meeting/s and 38<sup>th</sup> 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 31<sup>st</sup> March, 2025:**

- Four (4) meeting/s of the Board were held on 24<sup>th</sup> May, 2024, 12<sup>th</sup> August, 2024, 12<sup>th</sup> November, 2024 and 13<sup>th</sup> February, 2025 during the financial year 2024-25.
- Thirty-eighth (38<sup>th</sup>) Annual General Meeting (AGM) was held on 27<sup>th</sup> September, 2024.

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	4	Yes	3	3	1	-
2	Mr. Pranav Bhardwaj	4	Yes	6	1	3	-
3	CA Neelam Kothari	3	Yes	1	3	3	1
4	Mr. Suhrit Bhardwaj	2	Yes	1	-	-	-
5	Mr. Ramchandra Vasant Dalvi	4	Yes	3	-	6	-
6	Mr. Sajiv Dhawan	2	Yes	1	-	3	-
7	Mr. Anand Sadashiv Kapre	4	Yes	1	1	2	-
8	CA Vinita Bahri	4	Yes	1	-	9	-
9	CA M. A. V. Goutham	3	No	-	-	1	-
10	Mr. Tirthnath Jha	3	Yes	-	-	-	-

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

**Details of Directors holding Directorship in other Listed Companies:**

DIN	Name of Director	Name of the Listed Company	Category
00019530	Mr. Anand Sadashiv Kapre	<b>Facor Steels Limited</b> L27100MH2004PLC146283 (Under Liquidation)	Non-executive, Independent Director
06709241	CA Neelam Kothari	<b>B L Kashyap and Sons Limited</b> L74899DL1989PLC036148	Non-executive, Independent Director
03109454	CA Vinita Bahri	<b>FACOR Alloys Limited</b> L27101AP2004PLC043252	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. 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 2024-25, 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](http://www.sunflagsteel.com). All the Members of the Board and Senior Management have confirmed, the compliance/s with the Code for the Financial Year 2024-25. 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 29<sup>th</sup> March, 2025 to review *inter-alia* the performance of Non-independent Directors (including the Non-executive Chairman) of the Company and the



Board as a whole and its Committees. 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, mines 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, its Committees 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/2025/07/FAMILIARIZATION-PROGRAMME-March-2025.pdf>.

**f) Evaluation of the Board's Performance:-**

During the Financial Year 2024-25, 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, 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 Personnel :-**

**The particulars of senior management personnel including changes therein since the close of the previous financial year is as under:**

Sr. No.	Name of Senior Management Personnel	Designation	Changes if any during reporting period
1.	Brijendra Kumar Tiwari	Chief Executive Officer	Joined w.e.f. 27 <sup>th</sup> November, 2024
2.	Dattatraya Khonde	Chief Operating Officer	Ceased w.e.f. 15.02.2025 due to resignation
3.	Subrata K. Chanda	Head Marketing	NA
4.	Srinivasan Mahadevan Iyer	Chief Financial Officer	NA
5.	Ashutosh Mishra	Head Company Secretary & Compliance Officer	NA
6.	Satish Srivastav	Head (HRM, Safety & Training)	NA
7.	Samit Banerjee	Head (ACE & Systems)	NA

Except the above, 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 Head 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, Director (Technical), 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 81 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, worked as the Vice-Chairman and Managing Director of the Company since 1<sup>st</sup> October, 1998. Subsequently, on ceasing as the Managing Director of the Company, effective 12<sup>th</sup> August, 2015, continued as the Non-executive Vice Chairman and then, as a Non-executive Chairman of the Company, effective 12<sup>th</sup> December, 2016.

He holds Directorship in Sunflag Power Limited, Supra Corporation Limited and Haryana Television Limited. He is Chairperson 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 51 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 Chairperson 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. Suhrit Bhardwaj (DIN - 02318190) – Director (Category – Non-executive & Promoter)**

Mr. Suhrit Bhardwaj, age 50 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.

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

Mr. Ramchandra Vasant Dalvi, age 75 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 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. 14<sup>th</sup> August, 2017 and presently, designated as Director (Technical) of the Company.

He is also Director of Sunflag Foundation (Section 8 Company); Sanika Hospitality (India) Private Limited, Pune and Ramesh Sunwire Private Limited. He is a member of Corporate Social Responsibility (CSR) Committee, Risk Management Committee,

Project Monitoring Committee, Stakeholders' Relationship Committee, Share Transfer 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 54 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 chairperson of Audit Committee, Nomination and Remuneration Committee and Risk Management Committee and Member in Stakeholders Relationship Committee and Project Monitoring Committee of the Board of the Company. She does not hold any equity share in the capital of the Company.

Further, she is designated partner of Third Wind Advisers LLP and Independent Director of B L Kashyap and Sons Limited (Listed Company) and also member of Audit Committee of B L Kashyap and Sons Limited.

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

Mr. Sajiv Dhawan, age 54 years, is a graduate in Classics – Latin from the Leeds University, UK. He has been involved in the Indian Equity Markets for the last 24 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 holds 10,500 (0.00583%) equity shares in the capital of the Company.

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

Mr. Anand Sadashiv Kapre, an Indian National, age 76 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 Facor Steels Limited (Listed Company, under liquidation). He is the Chairperson 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 55 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-three 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 had been a special invitee on the advisory panel of CNBC-18, especially to advise women investors on retirement planning.

She is a member of Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee and Sub-Committee of the Board of the Company. Presently, she is an Independent Director of Facor Alloys Limited (Listed Company) and also a member of Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee of Facor Alloys Limited. 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 73 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 40 years of experience in the various fields viz. Accounting, Taxation, Administration and Finance. He has worked with various companies viz. AP 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 a member of Audit 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 66 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 mostly in Coal India Ltd (35 years), initially in BCCL and later in WCL the subsidiaries of Coal India Ltd. He started his career as Junior Mining Engineer in BCCL, Dhanbad and retired as Director Technical from WCL, Nagpur 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 Chairperson 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 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 issue or rights issue or preferential issue or qualified institutions placement 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 rationale, 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;
4. the appointment, removal and terms of remuneration of the Chief Internal Auditor ; and
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** : CA Neelam Kothari - Non-executive, Independent Director  
**Members** : Mr. Sajiv Dhawan, CA Vinita Bahri and CA M.A.V. Goutham  
 Non-executive, Independent Director/s of the Company.  
**Secretary** : CS Ashutosh Mishra, Head Company Secretary

**Invitees / Participants:-**

- Mr. Ravi Bhushan Bhardwaj, Non-executive Chairman
- Mr. Anand S. Kapre, Non-executive, Independent Director
- Mr. Ramchandra V. Dalvi, Director (Technical)
- Mr. S. Mahadevan Iyer, Chief Financial Officer
- Statutory Auditors
- Secretarial Auditors
- Internal Auditors
- Cost Auditors

**d) Meetings and Attendance:-**

During the Financial Year 2024-25, Four (4) meeting/s of the Audit Committee were held on 24<sup>th</sup> May, 2024, 12<sup>th</sup> August, 2024, 12<sup>th</sup> November, 2024 and 13<sup>th</sup> February, 2025.

**Attendance:-**

Name of Director	CA Neelam Kothari	Mr. Sajiv Dhawan	CA Vinita Bahri	CA M. A. V. Goutham
No. of Meetings Attended/Held	3/4	2/4	4/4	4/4

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

**a) Composition:-**

Nomination and Remuneration Committee consists of the following Directors viz.

**Chairperson** : CA Neelam Kothari - Non-executive, Independent Director  
**Members** : CA Vinita Bahri and Mr. Anand S. Kapre, Non-executive, Independent Director/s and Mr. Ravi Bhushan Bhardwaj, Non-executive Chairman of the Company.  
**Secretary** : CS Ashutosh Mishra, Head 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 role of the Committee shall, *inter-alia*, include: –

- 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.
- devising a policy on diversity of Board of Directors;
- 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.
- 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.
- recommend to the Board, all remuneration, in whatever form, payable to senior management.
- 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 2024-25, Three (3) meeting/s of the Nomination and Remuneration Committee were held on 24<sup>th</sup> May, 2024, 12<sup>th</sup> August, 2024 and 13<sup>th</sup> February, 2025.

**Attendance:-**

Name of Director	CA Neelam Kothari	Mr. Ravi Bhushan Bhardwaj	Mr. Anand S. Kapre	CA Vinita Bahri
No. of Meetings Attended/Held	2/3	3/3	3/3	3/3

- d) The Committee looks after appointment and re-appointment, review and finalization of the annual increments (remuneration) payable to the Executive Director/s and Key Managerial Personnel (KMP) of the Company within the 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 other Executive Directors of the Company.
- ^ No sitting fees have been 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 have been 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 37<sup>th</sup> Annual General Meeting, held on 21<sup>st</sup> September, 2023, 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 2023-24 till the Financial Year 2027-28.

Subsequent to this, the Board of Directors of the Company vide its meeting held on 13<sup>th</sup> February, 2025 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 2024-25, 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 ₹ 3,50,000/- 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 2024-25.  
(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 2024-25 is as follows:

CA Neelam Kothari	: ₹ 3,50,000
Mr. Sajiv Dhawan	: ₹ 3,50,000
Mr. Anand S. Kapre	: ₹ 3,50,000
CA Vinita Bahri	: ₹ 3,50,000
CA M. A. V. Goutham	: ₹ 3,50,000
Mr. Tirthnath Jha	: ₹ 3,50,000

and the sum of ₹ 1,11,31,824/- to Mr. Ravi Bhushan Bhardwaj, Non-executive Chairman of the Company.

**e) The details of Remuneration and Sitting fees, for the Financial Year 2024-25 and Commission for the Financial Year 2023-24 paid to all the Directors during the Financial Year 2024-25 is as under:**

Name	Designation	Sitting Fees (₹)	Remuneration, Perquisites and Benefits (₹)	Commission for the FY 2023-24 (₹)	Total Amount (₹)
Mr. Ravi Bhushan Bhardwaj	Non-executive Chairman	-	-	94,40,619	94,40,619
Mr. Pranav Bhardwaj	Managing Director	-	2,84,62,232	2,49,20,981	5,33,83,213
CA Neelam Kothari	Non-executive, Independent Director	1,23,000	-	3,20,000	4,43,000
Mr. Sajiv Dhawan	Non-executive, Independent Director	72,000	-	3,20,000	3,92,000
Mr. Anand Sadashiv Kapre	Non-executive, Independent Director	1,10,000	-	3,20,000	4,30,000
CA Vinita Bahri	Non-executive, Independent Director	1,73,000	-	3,20,000	4,93,000
Mr. Suhrit Bhardwaj	Non-executive, Director	-	-	-	-
Mr. Ramchandra Vasant Dalvi	Director (Technical)	-	1,38,40,702	-	1,38,40,702
CA M. A. V. Goutham	Non-executive, Independent Director	88,000	-	3,20,000	4,08,000
Mr. Tirthnath Jha	Non-executive, Independent Director	60,000	-	3,20,000	3,80,000
<b>TOTAL</b>		<b>6,26,000</b>	<b>4,23,02,934</b>	<b>3,62,81,600</b>	<b>7,92,10,534</b>

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 2024-25 is as under:**

Name	Designation	Proposed Commission for the Financial Year 2024-25 (₹)
Mr. Ravi Bhushan Bhardwaj	Non-executive Chairman	1,11,31,824
Mr. Pranav Bhardwaj	Managing Director	2,83,32,789
CA Neelam Kothari	Non-executive, Independent Director	3,50,000
Mr. Sajiv Dhawan	Non-executive, Independent Director	3,50,000
Mr. Anand Sadashiv Kapre	Non-executive, Independent Director	3,50,000
CA Vinita Bahri	Non-executive, Independent Director	3,50,000
CA M.A.V. Goutham	Non-executive, Independent Director	3,50,000
Mr. Tirthnath Jha	Non-executive, Independent Director	3,50,000
Mr. Ramchandra Vasant Dalvi	Director (Technical)	-
Mr. Suhrit Bhardwaj	Non-executive, Director	-

**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, role and responsibilities of the Stakeholders Relationship Committee shall be as follows:

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

**Composition:-**

Mr. Ravi Bhushan Bhardwaj, Non-executive Chairman of the Company is a Chairperson of the Committee with Mr. Pranav Bhardwaj, Mr. Ramchandra Vasant Dalvi and CA Neelam Kothari, are the Committee Members while CS Ashutosh Mishra, Head Company Secretary & Compliance Officer is Secretary to the Committee.

**Meetings:-**

During the Financial Year 2024-25, the Committee had Four (4) meeting/s on 24<sup>th</sup> May, 2024, 12<sup>th</sup> August, 2024, 12<sup>th</sup> November, 2024 and 13<sup>th</sup> February, 2025:

**Attendance :-**

Name of Director	Mr. Ravi Bhushan Bhardwaj	Mr. Pranav Bhardwaj	Mr. Ramchandra Vasant Dalvi	CA Neelam Kothari
No. of Meetings Attended/Held	4/4	4/4	4/4	3/4

The Committee reviewed:

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

At the beginning of the year	Received during the year	Resolved during the year	At the end of the year
NIL	11	11	NIL

#### 6) SHARE TRANSFER COMMITTEE :-

##### Composition :-

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:

- Chairperson** : Mr. Ravi Bhushan Bhardwaj, Non-executive Chairman
- Members** : Mr. Pranav Bhardwaj and Mr. Ramchandra Vasant Dalvi, Executive Director/s and Mr. Anand S. Kapre  
Non-executive, Independent Director of the Company.
- Secretary** : CS Ashutosh Mishra, Head Company Secretary.

##### Meetings :-

During the Financial Year 2024-25, the Committee had Four (4) meeting/s on 24<sup>th</sup> May, 2024, 12<sup>th</sup> August, 2024, 12<sup>th</sup> November, 2024 and 13<sup>th</sup> February, 2025.

##### Attendance :-

Name of Director	Mr. Ravi Bhushan Bhardwaj	Mr. Pranav Bhardwaj	Mr. Ramchandra Vasant Dalvi	Mr. Anand Kapre
No. of Meetings Attended/Held	4/4	4/4	4/4	4/4

Securities and Exchange Board of India (SEBI) has amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with effect from 12<sup>th</sup> December, 2024 and the amendment to Regulation 40 pertaining to transfer/transmission of securities is as follows:

Regulation 40(1): Save as otherwise specified in provisions of securities laws or Companies Act, 2013 and rules made thereunder, the listed entity shall also comply with the requirements as specified in this regulation for effecting transfer of securities:

Provided that requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository:

Provided further that transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form.

Regulation 40(7): The listed entity shall comply with all procedural requirements as specified in Schedule VII with respect to transfer and transmission of securities.

Regulation 40(11): In addition to transfer of securities, the provisions of this regulation shall also apply to the following:

- deletion of name of the deceased holder(s) of securities, where the securities are held in the name of two or more holders of securities;
- transmission of securities to the legal heir(s), where deceased holder of securities was the sole holder of securities;
- transposition of securities, when there is a change in the order of names in which physical securities are held jointly in the names of two or more holders of securities.

The Board has granted the authorization (sub-delegation) to CS Ashutosh Mishra, Head Company Secretary of the Company and in his absence Mr. S. Mahadevan, CFO of the Company to approve all the transmission, transposition, deletion of name, 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 transmission, deletion, consolidation of shares and ratifications for dematerialization of shares carried out by the Company Secretary and in his absence, by CFO of the Company on the quarterly basis.

##### Other Information:-

- 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.
- The Securities and Exchange Board of India (SEBI) vide its Circular reference CIR/MRD/DP/10/2013 dated 21<sup>st</sup> 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.
- 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 notified "Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016" (the Rules) which came into force from 7<sup>th</sup> 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 3<sup>rd</sup> 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](http://www.sunflagsteel.com). Further, the procedure to claim is also available on the website of IEPF authority at [www.iepf.gov.in](http://www.iepf.gov.in). During the Financial Year 2024-25 under review, many rightful shareholders have claimed shares from this account by complying with the prescribed formalities and IEPF holds 30,64,692 shares of your Company as on 31<sup>st</sup> March, 2025 under the IEPF Rules.

- d) SEBI, effective 1<sup>st</sup> 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 1<sup>st</sup> 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 16<sup>th</sup> March, 2023, extended the above date of 1<sup>st</sup> 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 31<sup>st</sup> May, 2023 and directed RTA to file the report about Compliance of this. Accordingly, the Company/RTA had already complied with the requirements and sent the required communication to all the shareholders who were holding the shares in physical format on 31<sup>st</sup> May, 2023.

Thereafter, SEBI vide its circular SEBI/HO/MIRSD/POD-1/P/CIR/2023/158 dated September 26, 2023 further extended this time line to 31<sup>st</sup> December, 2023.

Subsequently, SEBI vide its Circular SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023 has decided to do away with the provisions of freezing of folios and referring frozen folios to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002.

However, furnishing of KYC documents and Forms ISR-1, ISR-2, ISR3, Form SH-13 and SH-14 shall be continued for registration of KYC.

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](http://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 eligible 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 2024-25.

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 Bhusan Bhardwaj and consists of Mr. Pranav Bhardwaj, Mr. Ramchandra Vasant Dalvi, Mr. Sajiv Dhawan and CA Vinita Bahri as its Members.

During the Financial Year 2024-25, the CSR Committee had Five (5) meeting/s on 24<sup>th</sup> May, 2024, 12<sup>th</sup> August, 2024, 12<sup>th</sup> November, 2024, 13<sup>th</sup> February, 2025 and 29<sup>th</sup> March, 2025, 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 Bhusan Bhardwaj	Chairman - Non Executive Director	5 / 5
2	Mr. Pranav Bhardwaj	Member - Managing Director	1 / 5
3	Mr. Ramchandra Vasant Dalvi	Member - Director (Technical )	5 / 5
4	Mr. Sajiv Dhawan	Member- Non-Executive, Independent Director	2 / 5
5	CA Vinita Bahri	Member- Non-Executive, Independent Director	5 / 5

**Secretary :** CS Ashutosh Mishra, Head 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	₹ 2,52,99,82,987/-
2	Prescribed CSR Expenditure [two percent (2%) of the amount as in item 1 above]	₹ 5,05,99,660/-
3	Details of CSR expenditure during the FY 2024-25:- a) Total amount to be spent for the FY 2024-25 b) Amount unspent, if any; c) Manner in which the amount spent during the FY 2024-25	₹ 5,05,99,660/- The Company has spent an entire amount of ₹ 5,05,99,660/- on the CSR activities 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 entire balance amount of ₹ 1,15,73,317/- out of total allocated fund of ₹ 2,50,00,000/- on the Project P-3 -Rural Development - Construction of RCC Roads has been spent by the Company and the Project P-3 has been duly completed in 2 years of allotted time period.

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 27<sup>th</sup> 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 2024-25, the entire mandated amount of ₹ 5,05,99,660/- required to be spent by the Company during the Financial Year 2024-25 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 2024-25 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 listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
  - (c) Business continuity plan.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
- (7) Oversight of risk management performed by the executive management; Reviewing the BREM policy and framework in line with local and legal requirements and SEBI guidelines;
- (8) Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle; and
- (9) Such other functions as per Regulation 21(4) read with Part- D of Schedule - II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).



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

**Members and Attendance:-**

The details of the Committee Membership together with the attendance at Two (2) meeting/s held on 12<sup>th</sup> August, 2024 and 13<sup>th</sup> February, 2025 are as below:

S. N.	Name of Director	Position and Category of Director	No. of meetings Attended/Held
1	CA Neelam Kothari	Chairperson - Non-executive,	2/2
2	Mr. Ramchandra V. Dalvi	Member- Director (Technical)	2/2
3	CA Vinita Bahri	Member - Non-executive, Independent Director	2/2

**9) PROJECT MONITORING COMMITTEE (PMC):-**

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

**Chairperson** : Mr. Anand S. Kapre, Non-executive, Independent Director

**Members** : Mr. Ramchandra V. Dalvi, Director (Technical) and CA Neelam Kothari and Mr. Sajiv Dhawan, Non-executive, Independent Director/s.

**Secretary** : CS Ashutosh Mishra, Head Company Secretary

Invitee / participant : Mr. S. Mahadevan, CFO

**Meetings and Attendance:-**

During the Financial Year 2024-25, Two (2) meeting/s of the Project Monitoring Committee (PMC) were held on 12<sup>th</sup> November, 2024 and 28<sup>th</sup> March, 2025:

S. N.	Name of Director	Category of Director	No. of meetings Attended/Held
1	Mr. Anand S. Kapre	Non-executive, Independent Director	2/2
2	Mr. Ramchandra V. Dalvi	Director (Technical)	2/2
3	CA Neelam Kothari	Non-executive, Independent Director	2/2
4	Mr. Sajiv Dhawan	Non-executive, Independent Director	2/2

**10) SUB-COMMITTEE OF THE BOARD:**

In view of the smooth functioning of day-to-day affairs of the Company the Board of Directors of the Company at its meeting held on 24<sup>th</sup> January, 2019 has constituted the 'Sub Committee of the Board'. The terms of reference, role and responsibilities, of the Sub-Committee of the Board shall *inter-alia* include the following:

- delegation of authority in connection with legal, operational and other matters to the officials/representatives of the Company;
- granting authorisations in favour of employees or other persons to represent the Company, its Directors before the Courts, Government / Semi Government Departments, quasi- judicial bodies and authorities, suppliers, customers, business associates and other competent authorities for various matters as may be necessary in the ordinary course of business;
- opening and closure of bank accounts of the Company and modification in the authorized signatories to the said accounts;
- opening and closure of godowns, depots, offices etc. and delegating authority for the matters incidental thereto;
- approval of routine and standard compliances under the statutory requirements of the various authorities;
- To approve and grant authorisation in favour of employees or other persons to represent the Company, for participation in the tender, bidding and auction process including e-auction of Central Government, State Government, other statutory Bodies/Boards/ Local Governments, etc. either directly or through any intermediary, accepting Letter of Intents (LOI), Terms of Reference (TOR), etc., execution of any/all Agreements/Deeds/Documents etc. and issue of Power of Attorney / Letter of Authority in connection therewith.

During the Financial Year 2024-25, Five (5) meeting/s of the Sub-Committee of the Board were held on 22<sup>nd</sup> August, 2024, 15<sup>th</sup> October 2024, 21<sup>st</sup> November, 2024, 25<sup>th</sup> January, 2025 and 22<sup>nd</sup> March 2025.

The details of the Composition of the Committee together with the attendance of Members are as below:

S. N.	Name of Director	Position and Category of Director	No. of meetings Attended/Held
1	Mr. Pranav Bhardwaj	Chairperson - Managing Director	5/5
2	Mr. Ramchandra V. Dalvi	Member- Director (Technical)	4/5
3	CA Vinita Bahri	Member - Non-executive, Independent Director	5/5
4	CA M. A. V. Goutham	Member - Non-executive, Independent Director	4/5

**11) 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:

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

## 12) 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	38 <sup>th</sup> AGM-2024	Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM")	Friday, the 27 <sup>th</sup> September, 2024 at 12:00 P.M.
2	37 <sup>th</sup> AGM - 2023	Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM")	Thursday, the 21 <sup>st</sup> September, 2023 at 12:00 P.M.
3	36 <sup>th</sup> AGM-2022	Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM")	Wednesday, the 28 <sup>th</sup> September, 2022 at 12:00 P.M.

b) Details of Special Resolution/s passed at the above meetings are as follows.

Number and Year	Special Resolution Passed
38 <sup>th</sup> AGM-2024	Nil
37 <sup>th</sup> AGM-2023	<ol style="list-style-type: none"> <li>i. 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.</li> <li>ii. 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 30<sup>th</sup> July, 2023.</li> <li>iii. 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 14<sup>th</sup> August, 2023.</li> <li>iv. Approval for continuation of Mr. Ravi Bhushan Bhardwaj (DIN - 00054700), as a Chairman (Category - Non-executive Director &amp; Promoter) of the Company, from non-rotational Director to a Director liable to retire by rotation, on the existing terms and conditions of appointment.</li> </ol>
36 <sup>th</sup> AGM-2022	<ol style="list-style-type: none"> <li>i. Re-appointment of Mr. Sajiv Dhawan (DIN: 00160085), as an Independent Director of the Company for a fixed second term of five (5) consecutive years.</li> <li>ii. Appointment of Mr. Mattegunta Anjani Venkatramana Goutham (DIN: 00101447), as a Director (Category – Non-executive, Independent) of the Company, and also for a fixed first term of three (3) consecutive years, as an Independent Director of the Company.</li> <li>iii. Appointment of Mr. Tirthnath Indranath Jha (DIN: 07593002), as a Director (Category – Non-executive, Independent) of the Company, and also for a fixed first term of three (3) consecutive years, as an Independent Director of the Company.</li> <li>iv. Consent of Members pursuant to Section 186 of the Companies Act, 2013 for increase in the limits applicable for making investments / extending loans and giving guarantees or providing securities in connection with loans to Persons / Bodies Corporate.</li> </ol>

c) There has been no use of Postal Ballot so far.

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

**13) 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	Common Director (s) holding more than 2% of paid up capital
Supra Corporation Limited	
Surjagarh Metals and Minerals Limited	
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. Ramchandra Vasant Dalvi CS Ashutosh Mishra Mr. S. Mahadevan Iyer	Key Managerial Personnel (KMP)
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 ReNew Green (MPR Three) Private Limited	Joint Venture Companies / Associates
Daido Steel Company Limited, Japan	Deemed Related Party Pursuant to regulations 2 (zb) of SEBI Listing Regulations, 2015

**b) Transactions with the related parties:-**

Sr. No.	Particulars		Amount (₹)
a)	Subsidiary Company	- CSR Expenses	5,05,99,660
b)	Enterprise with Common Director (s) holding more than 2% of paid up capital	- Rent paid	52,24,450
		- Rent received	1,43,016
c)	Key Managerial Personnel, Promoter and Promoter Group	- Remuneration and Commission (including Commission to Non-executive Chairman)	9,68,61,718
d)	Independent Directors	- Sitting Fees and Commission to Non-executive, Independent Directors	25,46,000
e)	Joint Venture - Ramesh Sunwire Private Limited	- Sale of Goods (Wire Rods)	27,09,36,214
		- Purchase of Wire Rods Scrap	45,18,971
f)	Joint Venture - Renew Green (MPR Three) Private Limited	- Investment in Share Capital	24,86,60,220
g)	Daido Steel Company Limited, Japan	- Royalty Payment	2,76,31,301
		- Service Fees for Technical Assistance	5,67,144

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/2025/02/Policy-on-Materiality-of-Related-Party-Transactions-1.3-dt.-13.02.2025.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 Workplace (Prevention, Prohibition & 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, disposed-off and pending during the Financial Year 2024-25 :

Number of Complaints received	<b>NIL</b>
Number of Complaints disposed off	<b>N.A.</b>
Number of Complaints remains pending	<b>NIL</b>

**d) Compliance with Regulators:-**

The Company has complied with all the requirements of regulatory authorities on capital markets. 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
2024-25	Nil	Nil
2023-24	Nil	Nil
2022-23	Nil	Nil

**e) Disclosure of certain type of agreements binding listed entities:-**

There is no agreement impacting management or control of the Company or imposing any restriction or creating any liability upon the Company as stated under Schedule III, Para A, Clause 5A of the SEBI Listing Regulations.

**f) Other Disclosures:-**

- Transactions with related parties, as per requirements of IND AS 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 2024-25, 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-subsiadiary-1.2.pdf>
- 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.

**14) MEANS OF COMMUNICATION:-**

- 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](http://www.sunflagsteel.com).
- Management Discussion and Analysis forms part of this Annual Report.

**15) GENERAL SHAREHOLDER INFORMATION:-**

- a) Thirty-ninth (39<sup>th</sup>) Annual General Meeting
- b) Book Closure Dates
- c) Cut-off date for e-Voting
- d) Record Date for Dividend Payment
- e) Financial dividend payout date, if approved by members
- f) **Financial Year - 1<sup>st</sup> April, 2025 to 31<sup>st</sup> March, 2026 (Calendar)**
- i) Unaudited Financial Results for the First Quarter (Q-1) ending 30<sup>th</sup> June, 2025
- ii) Unaudited Financial Results for the Second Quarter (Q-2) and Half Year (H-1) ending 30<sup>th</sup> September, 2025
- iii) Unaudited Financial Results for the Third Quarter (Q-3) ending 31<sup>st</sup> December, 2025
- iv) Audited Financial Results for the Fourth Quarter (Q-4) and Financial Year ending 31<sup>st</sup> March, 2026
- g) **Listing of Equity Shares**
- For the Financial Year 2024-25, 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 2025-26 has already been paid to both these Stock Exchanges.
- h) **Equity Shares - Stock Codes**
- Trading Symbol at Stock Exchanges
- Demat ISI Number in NSDL & CDSL
- i) **Registrar and Share Transfer Agent and process of transfer of shares :**
- Effective 31<sup>st</sup> March, 2003, **M/s. Bigshare Services Private Limited, Office No. S6-2, 6<sup>th</sup> 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 31<sup>st</sup> March, 2025 :-**

Shareholding of nominal value of		Shareholders		Value of Shares	
₹	₹	Number	%	Amount (₹)	%
Upto 5,000		57,070	88.3136	7,35,71,190	4.0823
5,001	10,000	4,004	6.1960	3,20,89,090	1.7806
10,001	20,000	1,710	2.6462	2,58,11,890	1.4322
20,001	30,000	601	0.9300	1,53,88,860	0.8539
30,001	40,000	242	0.3745	87,94,350	0.4880
40,001	50,000	265	0.4101	1,26,46,900	0.7018
50,001	1,00,000	330	0.5107	2,44,69,830	1.3578
1,00,001	1,80,21,94,480	399	0.6192	1,60,94,22,370	89.3035
<b>Total</b>		<b>64,621</b>	<b>100.00</b>	<b>1,80,21,94,480</b>	<b>100.00</b>



**j) b(i) Pattern of Shareholdings as on 31<sup>st</sup> March, 2025:-**

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	35	8,57,656	0.48
4	Non-Resident Indians	523	7,64,170	0.42
5	Financial Institutions	3	40,800	0.02
6	Bodies Corporate (Indian)	421	42,86,000	2.38
7	Banks (Nationalised and Others)	5	1,260	-
8	Mutual Funds / UTI / Trust / Proprietary Firm / Escrow Account	16	2,30,938	0.13
9	Bodies Corporate (Foreign)	1	1,80,21,945	10.00
10	Indian Public including the Directors, KMP's and their Relatives	63,568	6,06,82,775	33.68
11	Clearing Members and Corporations	43	74,386	0.04
12	IEPF Authority (MCA)	1	30,64,692	1.70
	<b>Total</b>	<b>64,621</b>	<b>18,02,19,448</b>	<b>100.00</b>

**j) b(ii) Pattern of Shareholdings as on 31<sup>st</sup> March 2025 :-**

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	35	8,57,656	0.48
4	Non-Resident Indians	516	7,64,170	0.42
5	Financial Institutions	3	40,800	0.02
6	Bodies Corporate (Indian)	407	42,86,000	2.38
7	Banks (Nationalised and Others)	5	1,260	-
8	Mutual Funds / UTI / Trust / Proprietary Firm / Escrow Account	15	2,30,938	0.13
9	Bodies Corporate (Foreign)	1	1,80,21,945	10.00
10	Indian Public including the Directors, KMP's and their Relatives	62,567	6,06,82,775	33.68
11	Clearing Members and Corporations	41	74,386	0.04
12	IEPF Authority (MCA)	1	30,64,692	1.70
	<b>Total</b>	<b>63,596</b>	<b>18,02,19,448</b>	<b>100.00</b>

\* The difference of 1,025 (64,621 less 63,596) 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 31<sup>st</sup> March, 2025, there were 11,17,63,994 equity shares dematerialised through depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited, which represents about 62.02 % 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 <sup>th</sup> 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	Head Company Secretary & Compliance Officer Sunflag Iron and Steel Company Limited 33/1, 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

**16) 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.

**17) Certificate on Corporate Governance:-**

The Company has obtained a Certificate from CS Amit Rajkotiya, Practising Company Secretaries, Nagpur [Membership No. FCS-5561, COP No. 5162], regarding compliance stipulation of Corporate Governance as required in the Listing Regulations and the same is reproduced hereunder.

The Company has also obtained a Certificate from CS Amit Rajkotiya, Practising Company Secretaries, Nagpur [Membership No. FCS-5561, COP No. 5162], regarding Non-disqualification of Directors as stipulated in the Listing Regulations and the same is reproduced hereunder.

**18) Confirmation of Compliance :-**

- i) The Company has duly complied with submission of Annual Secretarial Compliance Report obtained from M/s Siddharth Sipani & Associates, Company Secretaries, Nagpur [Membership No: A-28650, C. P. No: 11193], for the Financial Year 2024-25 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 08<sup>th</sup> February, 2019, with the Stock Exchanges – BSE & NSE on 5<sup>th</sup> June, 2025.
- 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 and Short-term Borrowing/s to the Stock Exchanges vide its intimation letter dated 26<sup>th</sup> November, 2024, the details of which are as follows:

S.N.	Facilities/ Instrument	Amount (₹ in Crore)	Rating	Rating Action
1.	Long Term Bank Facilities	1,073.98 (Reduced from 1,192.19)	<b>CARE A+; Stable</b> (Single A plus; Outlook: Stable)	Reaffirmed
2.	Long Term / Short Term Bank Facilities	598.65 (Enhanced from 540.68)	<b>CARE A+; Stable/CARE A1+</b> (Single A Plus; Outlook: Stable / A One plus)	Reaffirmed
	<b>Total Facilities</b>	<b>1,672.63</b>		

- 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 2024-25 is ₹ 28,00,000/-
- vi) Disclosures in relation to the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been given in the form of a Certificate as Annexure IV to the Board Report.

**NON-MANDATORY REQUIREMENTS****i. 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.

**ii. Shareholder Rights:**

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

**iii. Modified Opinion (s) in Audit Report:**

The Audit Report on the Company's financial statements for the Financial Year 2024-25 does not contain any modified opinion.

**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. Reporting of Internal Auditors:**

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

**For and on behalf of the Board**

Nagpur  
11<sup>th</sup> August, 2025

**Pranav Bhardwaj**  
**Managing Director**  
**DIN - 00054805**

**Ramchandra Vasant Dalvi**  
**Director (Technical)**  
**DIN - 00012065**

**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 – L27100MH1984PLC034003**  
**33/1, 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 2024-25.

**For and on behalf of the Board**

Nagpur  
11<sup>th</sup> August, 2025

**Pranav Bhardwaj**  
**Managing Director**  
**DIN - 00054805**

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**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

To  
The Members  
Sunflag Iron and Steel Company Limited  
CIN – L27100MH1984PLC034003  
33/1, Mount Road, Sadar, Nagpur-440001

We have examined all the relevant records of SUNFLAG IRON AND STEEL COMPANY LIMITED, CIN: L27100MH1984PLC034003 for the purpose of certifying compliance of the conditions of the Corporate Governance as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") for the financial year ended on March 31, 2025. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

**Management's Responsibility for compliance with the conditions of SEBI Listing Regulations:**

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company, including the preparation and maintenance of all relevant supporting records and documents. 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 SEBI Listing Regulations.

**Our Responsibility:**

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

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

We have conducted our examination in accordance with the Guidance Note on Corporate Governance Certificate and the Guidance Manual on Quality of Audit & Attestation Services issued by the Institute of Company Secretaries of India ("ICSI").

**Opinion:**

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended on March 31, 2025.

We further state that such compliance 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.

Nagpur  
11<sup>th</sup> August, 2025

CS Amit K. Rajkotiya  
Practising Company Secretary  
Membership No. FCS - 5561  
Certificate of Practice No. 5162  
(UDIN): F005561G001002733

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

To  
The Members  
Sunflag Iron and Steel Company Limited  
CIN – L27100MH1984PLC034003  
33/1, Mount Road, Sadar, Nagpur – 440001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **SUNFLAG IRON AND STEEL COMPANY LIMITED** having CIN **L27100MH1984PLC034003** and having registered office at 33/1, Mount Road, Sadar, Nagpur-440001 (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 and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2025 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company*	Date of Cessation in the Company*
1.	Mr. Pranav Ravi Bhardwaj	00054805	03/02/2000	-
2.	Mr. Suhrit Ravi Bhushan Bhardwaj	02318190	27/03/2017	-
3.	Mr. Sajiv Dhawan	00160085	12/08/2019	-
4.	Mr. Ravi Bhushan Satya Dev Bhardwaj	00054700	01/10/1998	-
5.	Mrs. Neelam Naresh Kothari	06709241	29/09/2014	-
6.	Mr. Ramchandra Vasant Dalvi	00012065	14/08/2017	-
7.	Mr. Anand Sadashiv Kapre	00019530	12/11/2019	-
8.	Mrs. Vinita Bahri	03109454	13/03/2020	-
9.	Mr. Mattegunta Goutham Anjani Venkatramana	00101447	12/08/2022	-
10.	Mr. Tirthnath Jha Indranath	07593002	03/09/2022	-

\*the date of appointment and cessation is as per the MCA Portal.

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

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.

Nagpur  
11<sup>th</sup> August, 2025

CS Amit K. Rajkotiya  
Practising Company Secretary  
Membership No. FCS - 5561  
Certificate of Practice No. 5162  
(UDIN): F005561G001003239



## INDEPENDENT AUDITORS' REPORT

To  
The Members  
**Sunflag Iron and Steel Company Limited**

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying Standalone Financial Statements of **Sunflag Iron and Steel Company Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2025, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the Standalone Financial Statements including a summary of material 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 Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2025 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") 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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p><b>Recognition of Revenue, measurement, presentation, and disclosure as per Ind AS-115 "Revenue from Contracts with Customers".</b> (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><b>Our procedures included the following:</b></p> <ul style="list-style-type: none"> <li>• We performed walkthroughs to understand the key processes and identify key controls related Ind AS 115 "Revenue from Contracts with Customers".</li> <li>• On a sample basis we performed testing to verify physical deliveries of product in the year to ascertain transfer of control.</li> <li>• Assessed the design and tested the operating effectiveness of internal controls related to sales and related rebates and discounts.</li> <li>• 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</li> <li>• Selected a sample of sales contracts and read, analysed and identified the distinct performance obligations in these contracts.</li> </ul>
2.	<p><b>Litigations Matters &amp; Contingent Liabilities (Refer note 31 of the Standalone Financial Statements)</b></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><b>Our procedures included the following:</b></p> <ul style="list-style-type: none"> <li>• Assessing the procedures implemented by the Company to identify and gather the risks it is exposed to.</li> <li>• Discussion with the management on the development in these litigations during the year ended 31<sup>st</sup> March, 2025.</li> <li>• 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.</li> <li>• 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.</li> <li>• Obtaining representation letter from the management on the assessment of those matters as per SA 580 (revised)-written representations.</li> </ul>

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility & Sustainability Report and Report on Corporate Governance and Shareholder's information, but does not include the 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. Therefore, we are not required to report on this matter.

**Responsibilities of the Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors are 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 the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act.

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

In preparing the Standalone Financial Statements, Management and Board of Directors are 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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.
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, Statement of Changes in Equity and the Statement of Cash Flow 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.
  - e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025, 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the Standalone Financial Statements.
  - g) With respect to the Other Matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended in our opinion and to the best of our information and according to the explanation given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of section 197 of 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, 2025 on its financial position in its Standalone Financial Statements. Refer note 31 to the Standalone Financial Statements.
    - ii. The Company has long term contracts including derivative contracts for which there were no material foreseeable losses.
    - 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) The Management has represented to us that, to the best of its 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 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) The Management has represented to us that, to the best of its knowledge and belief no funds have been received by the Company from any person 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 procedure 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 (i) and (ii) of Rule 11 (e), as provided under (a) & (b) above, contain any material misstatement.
  - v. The Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
  - vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rule, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2025.

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

**New Delhi  
27<sup>th</sup> May, 2025**

**Ram Niwas Jalan  
Partner  
Membership No: 82389  
UDIN :- 25082389BMMJRU1281**

**"ANNEXURE - A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Sunflag Iron and Steel Company Limited of even date)

- 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) 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 a regular programme of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are verified in a phased manner over a period of three years which is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification of Property, Plant and Equipment in financial year 22-23.
- 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 (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the Standalone Financial Statements are held in the name of the Company.
- d) 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 revalued its Property, Plant and Equipment or Intangible Assets or both during the year.
- 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 inventory has been physically verified by the management during the year. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such verifications.
- b) 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 been sanctioned working capital limits in excess of rupees five crores, in aggregate, from banks on the basis of security of current assets. The Company has not been sanctioned any working capital limit from the financial institutions. In our opinion, the quarterly returns or statements filed by the Company with such banks are not in agreement with the books of accounts of the Company and 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 <sup>th</sup> June, 2024	82,413	93,307	-10,894	DP statement filed on provisional basis.
30 <sup>th</sup> September, 2024	75,155	60,719	14,436	The Company has not claimed Drawing Power (DP) on certain current assets. DP is calculated as per norms of the Lenders.
31 <sup>st</sup> December, 2024	75,568	58,795	16,773	
31 <sup>st</sup> March, 2025	81,246	71,868	9,378	

- iii) a) During the year, the Company has not provided loans, advances in the nature of loans, stood guarantee and 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 investment made to Joint Venture Company is not prejudicial to the Company's interest. During the year, the Company has not made investment other than investment made in Joint Venture Company or provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, limited liability partnerships or any other parties.
- c) The Company has granted loan to Subsidiary Company which is repayable on demand. This loan is interest free. In respect of this loan, we are informed that the Company has not demanded repayment of such loan during the year. The Company has not granted loan other than Subsidiary Company or advance in the nature of loans to companies, firms, limited liability partnership or any other parties.
- d) There is no amount of loan granted to Subsidiary Company which is overdue for more than ninety days. The Company has not granted loan other than Subsidiary Company or advances in the nature of loans to companies, firms, limited liability partnerships or any other parties.
- e) There is no amount of loan granted to Subsidiary Company which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdue of existing loan given to the same parties. The Company has not granted loan other than Subsidiary Company or advances in the nature of loans to companies, firms, limited liability partnerships or any other parties.
- f) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has granted following interest free loans repayable on demand to a related party 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 Repayable on demand	737	-	737
<b>Total</b>	<b>737</b>	<b>-</b>	<b>737</b>
Percentage 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) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act, 2013 and the rules made thereunder, to the extent applicable. 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 account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of its products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- vii) a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.  
According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

(₹in Lakh)

Name of the Statute	Nature of the dues	Gross Amount in dispute	Amount paid under protest	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	0	2012-2015	Pending for Adjudication
Goods & Services Tax Act, 2017	Clean Energy Cess	80	4	2022-2023	Commissioner (Appeal)
	Goods & Services Tax	963	30	2017-2018 & 2018-2019	Appellate Authority

Note 1: Interest on demand not considered for the purpose of above disclosure.

- viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, 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) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.  
b) The Company has not been declared wilful defaulter by any bank or 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, no funds raised on short-term basis have been used for long-term purposes by the Company.  
e) According to the information and explanation given to us and on an overall examination of the Standalone Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its Subsidiary Companies and Joint Venture Companies as defined under the Act. The Company does not hold any investment in any associate (as defined under the Act) during the year ended March 31, 2025.  
f) According to the information and explanation given to us and procedure performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary Companies and joint ventures (as defined under the Act). The Company does not hold any investment in any associate (as defined under the Act) during the year ended March 31, 2025.
- x) a) 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) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- xi) a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.  
b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.  
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), 3(xii)(b) and 3(xii)(c) of the Order is not applicable to the Company.
- xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Standalone Financial Statements, as required by the 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) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence 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 (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 regulations made by Reserve Bank of India. 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) The Company has not incurred cash losses in the current and previous financial year.
- xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- xix) On the basis of the financial ratios disclosed in note no. 46 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 the 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 Act. This matter has been disclosed in note 40 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 with provisions of Sub-section 6 of Section 135 of the said Act. This matter has been disclosed in note 40 to the Standalone Financial Statements.

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

**New Delhi**  
**27<sup>th</sup> May, 2025**

**Ram Niwas Jalan**  
**Partner**  
**Membership No: 82389**  
**UDIN :- 25082389BMMJRU1281**

#### **"ANNEXURE- B" TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Sunflag Iron and Steel Company Limited of even date)**

#### **Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")**

We have audited the internal financial controls with reference to the Standalone Financial Statements of **Sunflag Iron and Steel Company Limited** ("the Company") as of March 31, 2025 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 with reference to Standalone Financial Statements based on the internal control over financial reporting criteria, established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to 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") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Standalone Financial Statements. 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 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 Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to 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 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 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 the 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 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 with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2025, based on the criteria for internal financial control with reference to Standalone Financial Statements 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  
27<sup>th</sup> May, 2025

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

**Ram Niwas Jalan**  
**Partner**  
**Membership No: 82389**  
**UDIN :- 25082389BMMJRU1281**

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**SUNFLAG IRON AND STEEL COMPANY LIMITED, NAGPUR**  
**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2025**

Particulars	Note No.	As at 31.03.2025 (₹ in Lakh)	As at 31.03.2024 (₹ in Lakh)
<b>A. ASSETS</b>			
<b>1. Non-current Assets</b>			
a) Property, plant and equipment	3	1,43,998	1,47,548
b) Right of Use Assets	3	4,316	4,735
c) Capital work-in-progress	3	27,401	25,797
d) Financial assets			
i. Investments	4	7,78,381	3,64,745
ii. Non- Current Loans	5	-	-
iii. Other Financial Assets	6(a)	3,454	3,834
e) Other non current asset	6(b)	2,398	1,885
<b>Total non-current assets</b>		<b>9,59,948</b>	<b>5,48,544</b>
<b>2. Current Assets</b>			
a) Inventories	7	93,119	83,260
b) Financial assets			
i. Trade receivables	8	36,167	34,606
ii. Cash and cash equivalents	9(a)	9,979	19,239
iii. Bank balances other than above	9(b)	5,700	5,927
iv. Other Financial Assets	10	332	187
c) Income tax assets (net)	11	55	790
d) Other current assets	12	11,219	7,530
<b>Total current assets</b>		<b>1,56,571</b>	<b>1,51,539</b>
<b>TOTAL ASSETS</b>		<b>11,16,519</b>	<b>7,00,083</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
a) Equity Share capital	13	18,022	18,022
b) Other equity	14	8,57,020	4,96,787
<b>Total Equity</b>		<b>8,75,042</b>	<b>5,14,809</b>
<b>2. Non-current Liabilities</b>			
a) Financial liabilities			
i. Borrowings	15	16,106	25,833
ii. Lease liabilities	16(a)	4,927	5,271
iii. Other financial liabilities	16(b)	627	431
b) Provisions	17	4,422	3,951
c) Deferred tax liabilities (Net)	18	1,10,061	44,587
<b>Total non-current liabilities</b>		<b>1,36,143</b>	<b>80,073</b>
<b>3. Current Liabilities</b>			
a) Financial liabilities			
i. Borrowings	19(a)	40,522	40,751
ii. Lease liabilities	19(b)	422	378
iii. Trade Payables	20		
- Total outstanding dues of Micro Enterprises and Small Enterprises		3,895	1,491
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		43,934	51,051
iv. Other financial liabilities	21	12,584	8,797
b) Other current liabilities	22	3,977	2,733
<b>Total current liabilities</b>		<b>1,05,334</b>	<b>1,05,201</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>11,16,519</b>	<b>7,00,083</b>

Material accounting policies

1 &amp; 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**  
**DIN 00054805**

**S. MAHADEVAN**  
**CHIEF FINANCIAL OFFICER**

**CA VINITA BAHRI**  
**DIRECTOR**  
**DIN 03109454**

**RAM NIWAS JALAN**  
**Partner**  
**M. No. 82389**

**RAMCHANDRA DALVI**  
**DIRECTOR (TECHNICAL)**  
**DIN 00012065**

**CA NEELAM KOTHARI**  
**DIRECTOR**  
**DIN 06709241**

**CA M. A. V. GOUTHAM**  
**DIRECTOR**  
**DIN 00101447**

**New Delhi**  
**27<sup>th</sup> May, 2025**

**Nagpur**  
**27<sup>th</sup> May, 2025**

**ASHUTOSH MISHRA**  
**HEAD COMPANY SECRETARY**  
**M. No. ACS 23011**

**ANAND S. KAPRE**  
**DIRECTOR**  
**DIN 00019530**

**TIRTHNATH JHA**  
**DIRECTOR**  
**DIN 07593002**

**SUNFLAG IRON AND STEEL COMPANY LIMITED, NAGPUR**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025**

Particulars	Note No.	Year Ended 31.03.2025 (₹ in Lakh)	Year Ended 31.03.2024 (₹ in Lakh)
<b>Income</b>			
1. Revenue from Operations	23(a)	3,53,559	3,41,528
2. Other Income	23(b)	1,646	607
<b>Total Income</b>		<b>3,55,205</b>	<b>3,42,135</b>
<b>3. Expenses :</b>			
Cost of Raw Materials & Components Consumed	24(a)	2,22,897	2,29,063
Other Manufacturing Expenses	24(b)	62,721	54,968
Changes in inventories of finished goods and work-in-progress	25	(2,145)	(7,582)
Employee Benefits Expense	26	13,732	12,107
Finance Costs	27	8,990	9,671
Depreciation and Amortization Expenses	28	10,445	10,301
Other Expenses	29	17,422	15,465
<b>Total Expenses</b>		<b>3,34,062</b>	<b>3,23,993</b>
<b>4. Profit before tax</b>		<b>21,143</b>	<b>18,142</b>
<b>5. Tax Expense :</b>			
(a) Current tax	18	(6,225)	(4,846)
(b) Deferred tax	18	1,257	865
<b>6. Net Profit after tax for the year</b>		<b>16,175</b>	<b>14,161</b>
<b>7. Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
- MTM gain on equity investments		4,11,150	1,90,380
- Re-measurements of the defined benefit plans		(317)	(486)
- Gain/(Loss) on Foreign Currency hedging		(44)	(44)
Income tax relating to items that will not be reclassified to profit or loss			
- MTM gain on equity instruments		(66,811)	(22,175)
- Re-measurement of the defined benefit plans		80	122
Items that will be reclassified to profit or loss		-	-
Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total Other Comprehensive Income (net of tax)</b>		<b>3,44,058</b>	<b>1,67,797</b>
<b>Total Comprehensive Income for the year (net of tax)</b>		<b>3,60,233</b>	<b>1,81,958</b>
Earnings per equity share (Amount in ₹)			
Basic	30	8.98	7.86
Diluted	30	8.98	7.86
Material 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**

**RAM NIWAS JALAN**  
**Partner**  
**M. No. 82389**

**New Delhi**  
**27<sup>th</sup> May, 2025**

**Nagpur**  
**27<sup>th</sup> May, 2025**

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

**PRANAV BHARDWAJ**  
**MANAGING DIRECTOR**  
**DIN 00054805**

**RAMCHANDRA DALVI**  
**DIRECTOR (TECHNICAL)**  
**DIN 00012065**

**ASHUTOSH MISHRA**  
**HEAD COMPANY SECRETARY**  
**M. No. ACS 23011**

**S. MAHADEVAN**  
**CHIEF FINANCIAL OFFICER**

**CA NEELAM KOTHARI**  
**DIRECTOR**  
**DIN 06709241**

**ANAND S. KAPRE**  
**DIRECTOR**  
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**CA VINITA BAHRI**  
**DIRECTOR**  
**DIN 03109454**

**CA M. A. V. GOUTHAM**  
**DIRECTOR**  
**DIN 00101447**

**TIRTHNATH JHA**  
**DIRECTOR**  
**DIN 07593002**

**SUNFLAG IRON AND STEEL COMPANY LIMITED, NAGPUR**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025**

Particulars	For the year ended 31.03.2025 (₹ in Lakh)		For the year ended 31.03.2024 (₹ in Lakh)	
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before tax		21,143		18,142
<u>Adjustments for:</u>				
Depreciation and amortisation		10,445		10,301
(Profit) / loss on sale of property, plant and equipment		(7)		(1)
Finance costs		8,990		9,671
Interest income		(975)		(564)
Capital work-in-progress provided for		-		42
Dividend Income		(600)		-
Actuarial Loss		-		24
Provision for doubtful trade and other receivables, loans and advances		743		151
Operating profit / (loss) before working capital changes		39,739		37,766
<u>Changes in working capital:</u>				
<u>Adjustments for (increase) / decrease in operating assets:</u>				
Inventories	(9,859)		3,297	
Trade receivables	(2,304)		(3,230)	
Short-term loans and advances	590		(837)	
Long-term loans and advances	380		(1,894)	
Other current assets	(3,689)		1,147	
Other non-current assets	(515)	(15,397)	627	(890)
<u>Adjustments for increase / (decrease) in operating liabilities:</u>				
Trade payables	(4,757)		(3,880)	
Other current liabilities	4,956		(1,090)	
Other long-term liabilities	196		62	
Long-term provisions	154	549	(27)	(4,935)
Cash generated from operations		24,891		31,941
Income Tax (paid)/refund (net)		(6,150)		(7,525)
<b>Net cash flow from / (used in) operating activities (A)</b>		18,741		24,416
<b>B. Cash flow from investing activities</b>				
Capital expenditure on Property, Plant & Equipment		(8,004)		(12,535)
Proceeds from sale of Property, Plant & Equipment		9		3
Other Bank deposits not considered in cash & cash equivalent (net)		227		4,757
Interest income		975		564
Dividend Income		600		-
Long-term investments in;				
- Joint ventures		(2,486)		(1,106)
<b>Net cash flow from / (used in) investing activities (B)</b>		(8,679)		(8,317)
<b>C. Cash flow from financing activities</b>				
Proceeds from long-term borrowings		3,285		430
Repayment of long-term borrowings		(11,927)		(13,663)
Net (decrease)/ increase in working capital borrowings		(1,252)		25,573
Repayment of unsecured Deferred Sales Tax Long Term Loan		(62)		(212)
Finance cost		(8,448)		(9,097)
Lease Repayment		(918)		(909)
<b>Net cash flow (used in)/ from financing activities (C)</b>		(19,322)		2,122
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>		(9,260)		18,221
Cash and cash equivalents at the beginning of the year		19,239		1,018
<b>Cash and cash equivalents at the end of the year</b>		9,979		19,239
<b>Component of cash and cash equivalents</b>	<b>As at 31.03.2025</b> <b>(₹ in Lakh)</b>		<b>As at 31.03.2024</b> <b>(₹ in Lakh)</b>	
<b>Cash and Cash Equivalents</b>				
- Cash on hand		29		26
- Balances in current accounts		444		2,213
- Fixed deposits with original maturity period of upto three months		9,506		17,000
		9,979		19,239



**SUNFLAG IRON AND STEEL COMPANY LIMITED, NAGPUR**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025**

Cash Flow Continued....

Changes in liabilities arising from financing activities

Particulars	As at the end 31 <sup>st</sup> March, 2023	Cashflows	As at the end 31 <sup>st</sup> March, 2024	Cashflows	As at the end 31 <sup>st</sup> March, 2025
Non-Current Borrowings	37,733	(11,900)	25,833	(9,727)	16,106
Current borrowings (current maturities of long-term debt)	12,811	(1,545)	11,266	1,023	12,289
Current Borrowings Others	3,912	25,573	29,485	(1,252)	28,233

**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**  
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**New Delhi**  
**27<sup>th</sup> May, 2025**

**Nagpur**  
**27<sup>th</sup> May, 2025**

**ASHUTOSH MISHRA**  
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**M. No. ACS 23011**

**ANAND S. KAPRE**  
**DIRECTOR**  
**DIN 00019530**

**TIRTHNATH JHA**  
**DIRECTOR**  
**DIN 07593002**

**Statement of changes in equity for the year ended 31<sup>st</sup> March, 2025**

**a) Equity Share Capital**

Particulars	No. of shares	Amount (₹ in Lakh)
<b>As at 1<sup>st</sup> April, 2023</b>	18,02,19,448	18,022
changes during the year	-	-
<b>As at 31<sup>st</sup> March, 2024</b>	18,02,19,448	18,022
changes during the year	-	-
<b>As at 31<sup>st</sup> March, 2025</b>	<b>18,02,19,448</b>	<b>18,022</b>

**b) Other equity**

(₹ in Lakh)

Particulars	Reservs and Surplus			Other comprehensive Income				Total
	Securities premium	General reserve	Retained earnings	MTM gain / (loss) on equity shares	Revaluation Surplus	Effective portion of cash flow Hedges	Remeasurement of the defined benefit plans	
<b>As at April 01, 2023</b>	3,785	256	2,30,128	42,594	37,369	123	574	3,14,829
Net Profit for the year	-	-	14,161	-	-	-	-	14,161
Other comprehensive income for the year	-	-	-	1,68,205	-	(44)	(364)	1,67,797
Equity Instruments	-	-	-	-	-	-	-	-
Additional Depreciation (net of taxes) on Revalued assets transferred to retained earnings	-	-	1,784	-	(1,784)	-	-	-
<b>As at March 31, 2024</b>	3,785	256	2,46,073	2,10,799	35,585	79	210	4,96,787
Net Profit for the year	-	-	16,175	-	-	-	-	16,175
Other comprehensive income for the year	-	-	-	3,44,339	-	(44)	(237)	3,44,058
Additional Depreciation (net of taxes) on Revalued assets transferred to retained earnings	-	-	1,746	-	(1,746)	-	-	-
<b>As at March 31, 2025</b>	3,785	256	2,63,994	5,55,138	33,839	35	(27)	8,57,020

**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 for 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 for in securities 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 securities 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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**DIN 00019530**

**TIRTHNATH JHA**  
**DIRECTOR**  
**DIN 07593002**

**Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2025****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 having its manufacturing facility located at Bhandara, Maharashtra. 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 33/1, Mount Road, Sadar, Nagpur - 440001, Maharashtra, India.

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

**2. Material 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.

Accordingly, the Company has prepared these standalone financial statements which comprise the Balance Sheet as at 31<sup>st</sup> March 2025, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as "standalone financial statements" or "financial statements").

These standalone financial statements have been prepared under the historical cost convention on the accrual basis, except for certain financial instruments 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 31<sup>st</sup> March 2025 were authorized and approved for issue by the Board of Directors on 27<sup>th</sup> May, 2025.

**II. Property, plant and equipment**

Plant & Machinery and Buildings are measured at fair value less accumulated depreciation 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 of 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 are eliminated from the financial statement either on disposal or when retired from the active use. Gains or losses arising from de-recognition of property, plant and equipment 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 asset is derecognized.

Assets in the course of construction are capitalised in the assets under Capital work in progress. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalized. Where the asset is available for use but incapable of operating at normal levels, revenue (net of cost) generated from production during the trial period is capitalised.

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.

**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.

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 Company 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 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.

**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: -

<b>Asset Description (As shown in Financials)</b>	<b>Useful life in years (As per Financials)</b>	<b>Useful life in years as per Schedule - II of the Companies Act, 2013</b>
<b>Lease Hold Land</b>		
Lease Hold Land	30,95	-
<b>Building including roads</b>		
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	10, 5	10 (RCC) & 5 (Other)
Railway Siding	15	15
<b>Plant and Machinery</b>		
Plant & Machinery	8, 10, 15, 18, 20, 25, 30	-
Electrical fittings	10	10
Computers	3,6	3,6
Combusters WHRB	15	15
<b>Furniture fixtures and others</b>		
Furniture fixtures and others	8	10
<b>Vehicles</b>		
Light Vehicles	6, 8, 10	8
Heavy Vehicles	8	8
<b>Office equipment</b>		
Office equipment	5, 10	5
<b>Development of Mines</b>		
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 weighted moving average cost method
b)	Consumables, store & spares	At weighted moving average cost method
c)	Finished and semi-finished goods	At lower of cost of raw material and proportion of manufacturing overheads or net realisable value.
d)	Work in progress	At lower of cost of raw material, plus appropriate production overheads or net realizable 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."

#### **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) Retirement benefit costs**

##### **■ Defined benefit plan**

The Company's liabilities on account of 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.

Liability in respect of compensated absences due or expected to be availed within one year from the Balance Sheet date is estimated on the basis of valuation carried out by third party actuaries at each Balance Sheet date. Re-Measurements comprising actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged / credited to profit and loss in the period in which they arise.

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 is 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 is 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.

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 Company.
- 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.

**XIV. Investment in Subsidiaries, Joint Ventures & Associates**

Investment in subsidiaries, joint ventures & associates are carried at cost in accordance with the option given in Ind AS 27, "Separate Financial Statements". The cost comprises price paid to acquire investment and directly attributable cost.

On transition to IND AS, the Company has adopted optional exemption under INDAS 101 to consider carrying value as deemed cost.

Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

**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.

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

## **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 and 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.

Trade receivables - A receivable is recognised when the goods are delivered and to the extent that it has an unconditional contractual right to receive cash or other financial assets (i.e., only the passage of time is required before payment of the consideration is due). Trade receivables is derecognised when the Company transfers substantially all the risks and rewards of ownership of the asset to another party including discounting of bills on a nonrecourse basis.

Refund liabilities - A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer including volume rebates and discounts. The Company updates its estimates of refund liabilities at the end of each reporting period.

### **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 initially recorded in the functional currency, using the exchange rate prevailing 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 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 regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from the commencement of activities relating to construction / development of the qualifying assets up to the date of capitalization of such assets is added to the cost of the assets. Other borrowing cost are expensed in the period in which they are incurred.

**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 or deducted from 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 cost 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 FVOCI, 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 in the statement of profit and 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.

**h) Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

**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 cancelled 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 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 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.

**f) Defined benefit obligations**

The cost of defined benefit gratuity plans, and post-retirement medical benefit is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

**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 Sheet :**

- 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 on 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 on 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 on 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 31<sup>st</sup> March, 2025

## 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												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	Right of use Assets as per Ind AS 116			
											Leasehold land	Plant & Machinery		
<b>Gross Block</b>														
<b>As at 01.04.2023</b>	8,070	89	375	294	789	428	2,203	2,041	37,734	1,27,232	92	6,927	1,86,274	17,004
Additions	1,150	-	-	614	26	278	-	105	1,147	380	-	-	3,700	11,962
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,127)
Adjustment of revaluation Gain / (Loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(26)	-	-	-	-	-	-	-	(26)	-
Other Adjustments	-	-	-	-	-	-	-	-	-	-	-	(74)	(74)	-
Adjustment of impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	(42)
<b>As at 31.03.2024</b>	9,220	89	375	908	789	706	2,203	2,146	38,881	1,27,612	92	6,853	1,89,874	25,797
Additions	-	-	-	6	53	5	-	8	1,380	4,948	-	77	6,477	7,815
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,211)
Adjustment of revaluation Gain / (Loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(19)	-	-	(1)	-	-	-	-	(20)	-
Other Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment of impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>As at 31.03.2025</b>	9,220	89	375	914	823	711	2,203	2,153	40,261	1,32,560	92	6,930	1,96,331	27,401
<b>Accumulated Depreciation/Amortisation</b>														
<b>As at 01.04.2023</b>	-	33	356	221	597	393	1,298	1,929	3,091	17,683	7	1,707	27,315	-
Charge for the year	-	1	-	33	62	21	131	9	1,547	8,001	2	494	10,301	-
Adjustment of revaluation Gain/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment of impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(25)	-	-	-	-	-	-	-	(25)	-
<b>As at 31.03.2024</b>	-	34	356	254	634	414	1,429	1,938	4,638	25,684	9	2,201	37,591	-
Charge for the year	-	1	-	82	52	57	131	17	1,563	8,046	2	494	10,445	-
Adjustment of revaluation Gain / (Loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment of impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(18)	-	-	(1)	-	-	-	-	(19)	-
<b>As at 31.03.2025</b>	-	35	356	336	668	471	1,560	1,954	6,201	33,730	11	2,695	48,017	-
Net Block as at 31.03.2024	9,220	55	19	654	155	292	774	208	34,243	1,01,928	83	4,652	1,52,283	25,797
<b>Net Block as at 31.03.2025</b>	<b>9,220</b>	<b>54</b>	<b>19</b>	<b>578</b>	<b>155</b>	<b>240</b>	<b>643</b>	<b>199</b>	<b>34,060</b>	<b>98,830</b>	<b>81</b>	<b>4,235</b>	<b>1,48,314</b>	<b>27,401</b>

## Notes :

- 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 31<sup>st</sup> 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 31<sup>st</sup> March, 2025 amounting to ₹2,334 Lakhs (Previous Year ₹2,384 Lakhs).
  - The Company had revalued its plant and machinery and building at the end of the year 31<sup>st</sup> March, 2023. As a result, the revaluation gain of ₹6,681 Lakhs (Plant & Machinery ₹2,947 Lakhs and Buildings ₹3,734 Lakhs) had been accounted for in the financial year ended 31<sup>st</sup> March, 2023 through other comprehensive income. (Previous revaluation was carried out as on 31<sup>st</sup> March, 2020).
  - Title deeds of all the immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) held by the Company are in the name of the Company.

**Additional information****1) Assets under construction**

Capital work in progress incurred as at 31<sup>st</sup> March, 2025 amounted ₹27,401 Lakhs (Previous Year ₹25,797 lakhs) 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) Based on the assessment as made by the management no impairment provision to be made in the current financial year.

**3) i) Contractual obligations**

Refer Note No.31 for disclosures of contractual commitments for the acquisition of property, plant and equipment.

- ii) Property, plant and equipment pledged as security

The Company has pledged certain property, plant and equipment against borrowings which have been disclosed in Note No. 15.

**Capital Work in Progress :\*** (₹ in Lakh)

Particulars	Amount
<b>Opening as at 01.04.2023</b>	<b>17,004</b>
Expenditure made during the year	11,962
Capitalised during the year	(3,127)
Capital work in progress written off	(42)
<b>Closing as at 31.03.2024</b>	<b>25,797</b>
Expenditure made during the year	7,815
Capitalised during the year	(6,211)
<b>Closing as at 31.03.2025</b>	<b>27,401</b>

\*Refer note No. 41 for information

**CWIP Ageing Schedule - As on 31.03.2025**

(₹ in Lakh)

CWIP - Project Name	Amount in CWIP for a Period of				
	Less than 1 Year	1 - 2 Years	2- 3 Years	More than 3 Years	Total
Projects in progress	7,440	7,264	5,042	7,611	27,357
Projects temporarily suspended	-	-	-	44	44
<b>Total</b>	<b>7,440</b>	<b>7,264</b>	<b>5,042</b>	<b>7,655</b>	<b>27,401</b>

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 31.03.2025**

(₹ in Lakh)

CWIP - Project Name	CWIP Completion Schedule within				
	Less than 1 Year	1 - 2 Years	2- 3 Years	More than 3 Years	Total
Mines under development	-	-	-	44	44
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44</b>	<b>44</b>

**CWIP Ageing Schedule - As on 31.03.2024**

(₹ in Lakh)

CWIP - Project Name	Amount in CWIP for a Period of				
	Less than 1 Year	1 - 2 Years	2- 3 Years	More than 3 Years	Total
Projects in progress	12,190	5,531	6,996	1,036	25,753
Projects temporarily suspended	-	-	-	44	44
<b>Total</b>	<b>12,190</b>	<b>5,531</b>	<b>6,996</b>	<b>1,080</b>	<b>25,797</b>

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, Kodoliband 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 31.03.2024**

(₹ in Lakh)

CWIP - Project Name	CWIP Completion Schedule within				
	Less than 1 Year	1 - 2 Years	2- 3 Years	More than 3 Years	Total
Mines under development	-	-	-	44	44
<b>Total</b>	-	-	-	44	44

**4. Non- Current Investments**

(₹ in Lakh)

Particulars	As at 31.03.2025	As at 31.03.2024
Investment in equity instruments (at cost, unquoted & fully paid)	5,693	3,207
Investment in equity instruments (at fair value through OCI, quoted & fully paid)	7,72,350	3,61,200
Investment in compulsory convertible debentures (at cost, unquoted & fully paid)	1,050	1,050
Less : Provision for diminution in the value of investments	(712)	(712)
<b>Total</b>	<b>7,78,381</b>	<b>3,64,745</b>
Aggregate amount of unquoted investments	6,031	3,545
Aggregate amount of quoted investments	7,72,350	3,61,200

**Details of 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 31.03.2025	As at 31.03.2024	As at 31.03.2025	As at 31.03.2024	As at 31.03.2025	As at 31.03.2024
<b>Subsidiaries</b>						
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
Sunflag Power Limited (zero coupon compulsory convertible debentures)	1,05,00,000	1,05,00,000	-	-	1,050	1,050
Diminution in the value of investments					(316)	(316)
<b>Joint Ventures</b>						
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	56,19,400	56,19,400	17.56	17.56	562	562
Ramesh Sunwire Private Limited	98,00,000	98,00,000	49.00	49.00	980	980
ReNew Green (MPR Three) Private Limited (Refer Note below)	3,39,04,800	90,38,778	31.20	31.20	3,390	904
Diminution in the value of investments					(396)	(396)
<b>Others</b>						
India Bulls CSEB Bhaiyathan Power Limited	74	74	-	-	-	-
Equity Shares in Lloyds Metals & Energy Limited.	6,00,00,000	6,00,00,000	11.47	11.88	1,22,610	1,22,610
Add :- MTM Gain on fair value measurement of equity shares					6,49,740	2,38,590
<b>Total</b>					<b>7,78,381</b>	<b>3,64,745</b>
<b>Additional Information :</b>						
Aggregate amount of quoted investments and market value thereof;					7,72,350	3,61,200
Aggregate amount of unquoted investments					6,743	4,257
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 Subsidiaries.						

**Note :-** During the year, the Company has made a strategic investment of ₹ 2486 lakhs (previous year ₹ 904 lakhs) in the equity shares (i.e. 31.20%) of Renew Green (MPR Three) Private Limited, an existing Company in the field of green energy generation. This investment aligns with our commitment to support sustainable and renewable energy initiatives, which are critical for the future of energy consumption and environmental conservation.

	As at 31.03.2025 (₹ in Lakh)	As at 31.03.2024 (₹ in Lakh)
<b>5. Non- Current loans (unsecured)</b>		
Loans and advances to related parties considered doubtful #	737	737
Less :- Provision for Advances to Subsidiary	(737)	( 737)
# (Refer Note No. 37)	-	-
# This loan is non interest bearing.		

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

Type of Borrowers	As at 31.03.2025	Percentage to the Total Loans and Advances in the nature of loans	As at 31.03.2024	Percentage to the Total Loans and Advances in the nature of loans
Promoters	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related Parties	737	100%	737	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 31.03.2025 (₹ in Lakh)	As at 31.03.2024 (₹ in Lakh)
<b>6a. Other Financial Assets (unsecured)</b>		
Security deposits	1,102	1,064
Security deposits Related Parties (Refer Note No. 37)	28	28
Bank deposits with more than 12 months maturity	2,043	2,493
Interest Accrued on bank deposits	42	60
Earmarked escrow bank deposit for mine restoration obligation	212	133
Earmarked escrow current account for mine restoration obligation	27	56
	<u>3,454</u>	<u>3,834</u>
<b>6b. Other non-current assets</b>		
Capital advances	2,398	1,885
	<u>2,398</u>	<u>1,885</u>
<b>7. Inventories (As taken, valued and certified by the management)</b>		
<b>(Refer note below)</b>		
Raw materials on hand	22,081	16,125
Goods-in transit (raw material)	211	1,167
Work-in-progress	25,579	23,409
Finished goods	35,612	33,593
Goods in Transit (finished goods)	2,843	4,886
Consumables, stores and spares #	6,793	4,080
	<u>93,119</u>	<u>83,260</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. 19 (a)(i)}		
iii. # Consumables, stores and spares are net of provision for obsolete items, amounting to ₹ 215 Lakhs (Previous year ₹ 250 Lakhs)		
<b>8. Trade receivables (Refer note below)</b>		
Secured, considered good	-	-
Unsecured, considered good	36,167	34,606
Unsecured, credit impaired	2,357	1,614
	<u>38,524</u>	<u>36,220</u>
Less: Provision for expected credit loss	(2,357)	(1,614)
<b>Total</b>	<u>36,167</u>	<u>34,606</u>

**Trade receivables ageing schedule - As on 31.03.2025**

(₹ 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	29,058	7,109	-	-	-	-	36,167
(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	-	-	369	705	234	1,049	2,357
Less- Provision for expected credit loss	-	-	(369)	(705)	(234)	(1,049)	(2,357)
<b>Total</b>	<b>29,058</b>	<b>7,109</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,167</b>

**Trade receivables ageing schedule - As on 31.03.2024**

(₹ 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	27,087	7,519	-	-	-	-	34,606
(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	-	-	337	249	80	948	1,614
Less- Provision for expected credit loss	-	-	(337)	(249)	(80)	(948)	(1,614)
<b>Total</b>	<b>27,087</b>	<b>7,519</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,606</b>

Note : i) Trade receivables are hypothecated to banks against working capital loans refer note No. 19(a)(i), further trade receivables are non interest bearing and receivable in normal operating cycle.

ii) Trade receivables from related parties' details has been described in note 37.

iii) Trade receivable does not include any receivables from directors and officer of the Company.

	<b>As at 31.03.2025 (₹ in Lakh)</b>	<b>As at 31.03.2024 (₹ in Lakh)</b>
<b>9a. Cash and cash equivalents</b>		
Cash on hand	29	26
Balances with banks in current accounts	444	2,213
Fixed deposits with original maturity period of upto three months	9,506	17,000
<b>Total (a)</b>	<b>9,979</b>	<b>19,239</b>
<b>9b. Bank balances other than above</b>		
Margin money deposit against Letter of Credit & Bank Guarantees	5,667	5,894
Earmarked Balance for Unclaimed dividend #	33	33
<b>Total (b)</b>	<b>5,700</b>	<b>5,927</b>
<b>Total (a+b)</b>	<b>15,679</b>	<b>25,166</b>

# During the year Nil (Previous year Nil) amount has been transferred to investors Education Protection Fund



	As at 31.03.2025 (₹ in Lakh)	As at 31.03.2024 (₹ in Lakh)
<b>10. Other - current financial assets</b>		
Accruals - Interest accrued on deposits with banks	241	179
Loans & advances to employees	81	-
Export incentives receivable	9	8
Claims receivables	26	25
Less : provision for claims receivable	(25)	(25)
<b>Total</b>	<b>332</b>	<b>187</b>
<b>11. Income tax assets (net)</b>		
Advance Tax (Net of provision)	55	790
<b>Total</b>	<b>55</b>	<b>790</b>
<b>12. Other current assets</b>		
Advance to vendors	10,265	6,372
Prepaid Expenses	607	854
Balances with Statutory / Govt Authorities #	178	266
Others	169	38
<b>Total</b>	<b>11,219</b>	<b>7,530</b>

# includes Mega Project incentives receivable and duty paid under protest of ₹118 Lakhs (Previous year ₹163 Lakhs)

**13. Equity Share capital** (₹ in Lakh)

Particulars	As at 31.03.2025		As at 31.03.2024	
	Number	Amount	Number	Amount
<b>Authorised</b>				
Equity Shares of ₹10/- each	20,50,00,000	20,500	20,50,00,000	20,500
<b>Total</b>	<b>20,50,00,000</b>	<b>20,500</b>	<b>20,50,00,000</b>	<b>20,500</b>
<b>Issued, Subscribed &amp; fully paid up</b>				
Equity shares of ₹10/- each	18,02,19,448	18,022	18,02,19,448	18,022
<b>Total</b>	<b>18,02,19,448</b>	<b>18,022</b>	<b>18,02,19,448</b>	<b>18,022</b>

**a) Terms/ Voting Rights attached to the Equity Shares**

- 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.
- 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 31.03.2025	As at 31.03.2024
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 shareholders	As at 31.03.2025		As at 31.03.2024	
	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
Suhrit Ravi Bhushan Bhardwaj	1,32,17,398	7.33	1,32,17,398	7.33
Dhirendra Bhupendra Sanghavi	1,27,92,000	7.10	1,27,86,431	7.09

**d) Shares held by promoters at the end of the year as on 31.03.2025**

Sr. No.	Shareholding of Promotors	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 31.03.2024**
**(₹ in Lakh)**

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

- 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".
- g) The Board of directors have recommended dividend of ₹ 0.75 per fully paid up equity share of ₹ 10 each for the year ended 31<sup>st</sup> March, 2025, subject to approval by the shareholders.

**14. Other equity**

	As at 31.03.2025 (₹ in Lakh)	As at 31.03.2024 (₹ in Lakh)
Securities premium	3,785	3,785
General reserve	256	256
Retained earnings	2,63,994	2,46,073
<b>Other Comprehensive income/ (Loss)</b>		
- Revaluation Surplus	33,839	35,585
- Remeasurements of the defined benefit plans	(27)	210
- MTM Gain on fair value measurement of equity shares	5,55,138	2,10,799
- Effective portion of cash flow Hedges	35	79
<b>Total</b>	<b>8,57,020</b>	<b>4,96,787</b>

**15. Non current borrowings**
**Secured**

a) Term loans - from Banks	18,755	22,628
b) Term loans - from NBFCs	8,265	13,080
Less : Current maturities of long-term debt {refer note 19(a)}		
- Term loans - from Banks	(8,240)	(6,448)
- Term loans - from NBFC	(4,049)	(4,802)
<b>Total (a)</b>	<b>14,731</b>	<b>24,458</b>

**Unsecured**

a) From promoters (interest free)	1,375	1,375
<b>Total (b)</b>	<b>1,375</b>	<b>1,375</b>

**Notes : Total (a+b)**

	<b>16,106</b>	<b>25,833</b>
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- 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 interest* and a first charge by way of hypothecation of all the Company's movables subject to prior charges created in favour of Company's bankers on Inventories, book debts and other movables for securing the borrowings for working capital requirement.
- b) Term Loans ₹ 5500 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. Term loan availed and outstanding during the year :-

**(₹ in Lakh)**

Sr. No.	Bank Name	ROI	Sanctioned Amount	Availed / Outstanding 31-03-2025	Availed / Outstanding 31-03-2024
1	State Bank of India	ROI for these from 9.05% to 10.40%	15,000	1,303	1,884
2	Axis Bank		10,000	953	1,365
3	Indian Bank		24,000	13,895	18,947
4	Axis Finance - NBFC		7,500	-	1,000
5	Bajaj Finance Ltd - NBFC		7,000	2,276	3,713
6	Bajaj Finance Ltd - NBFC		5,500	2,656	3,699
7	Tata Capital - NBFC		6,000	3,333	4,668
8	Indian Bank		10,000	2,604	432
			<b>85,000</b>	<b>27,020</b>	<b>35,708</b>

**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.

(₹ in Lakh)			
Maturity Profile	0-1 year	1 - 2 year	2 - 3 years
Term loan from Banks	8,240	6,401	4,114
Term loan from NBFCs	4,049	3,282	934

	As at 31.03.2025 (₹ in Lakh)	As at 31.03.2024 (₹ in Lakh)
<b>16. Other non-current financial liabilities</b>		
<b>a) Lease Liability (refer note 34)</b>		
Lease Liability Ind AS 116	5,349	5,649
Less : Lease Liability - Current Maturity	(422)	(378)
<b>Net Lease Liability</b>	<b>4,927</b>	<b>5,271</b>
<b>b) Other financial liabilities</b>		
Security Deposits	627	431
<b>Total (b)</b>	<b>627</b>	<b>431</b>
<b>Total (a+b)</b>	<b>5,554</b>	<b>5,702</b>
<b>17. Non-current provisions</b>		
Provision for employee benefits	1,669	1,216
Provision for contingencies (refer below mention note)	2,753	2,735
<b>Total</b>	<b>4,422</b>	<b>3,951</b>

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 & others		Total	
	2024-2025	2023-2024	2024-2025	2023-2024	2024-2025	2023-2024
<b>Opening</b>	<b>400</b>	<b>400</b>	<b>2,335</b>	<b>2,319</b>	<b>2,735</b>	<b>2,719</b>
Provision /(Reversal) during the year	-	-	-	-	-	-
Payment during the year	-	-	-	-	-	-
Interest Charge for the year	-	-	18	16	18	16
<b>Closing</b>	<b>400</b>	<b>400</b>	<b>2,353</b>	<b>2,335</b>	<b>2,753</b>	<b>2,735</b>

**18. Deferred tax liabilities** (₹ in Lakh)

Particulars	As on 31.03.2025	Charge/Credit during the year	As on 31.03.2024	Charge/Credit during the previous year	As on 31.03.2023
<b>a) Deferred Tax Liabilities on</b>					
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	5,792	(349)	6,141	(135)	6,276
Revaluation Gain	11,381	(587)	11,968	(600)	12,568
Fair value measurement of equity shares	94,602	66,811	27,791	22,175	5,616
Re-measurements of the defined benefit plans	(202)	(80)	(122)	(122)	-
	<b>1,11,573</b>	<b>65,795</b>	<b>45,778</b>	<b>21,318</b>	<b>24,460</b>
<b>Deferred Tax Asset on</b>					
Lease asset	(1,200)	261	(1,461)	143	(1,604)
Lease liability	1,251	(231)	1,482	(103)	1,585
Expenses Disallowed	1,461	291	1,170	90	1,080
	<b>1,512</b>	<b>321</b>	<b>1,191</b>	<b>130</b>	<b>1,061</b>
<b>Net Deferred Tax Liability</b>	<b>1,10,061</b>	<b>65,474</b>	<b>44,587</b>	<b>21,188</b>	<b>23,399</b>

Year ended 31.03.2025  
(₹ in Lakh)

Year ended 31.03.2024  
(₹ in Lakh)

**b) Current Tax Expenses :**

i) Current tax expense for the year	(6,225)	(4,846)
ii) Deferred tax	1,257	865
	<b>(4,968)</b>	<b>(3,981)</b>

**Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31.03.2025 and 31.03.2024.****Accounting profit before tax**

Applicable tax rate

Computed tax

**Adjustments :-**

Revaluation Gain

Permanent disallowance

Others

**Net Tax Expense for the Year****Year ended 31.03.2025****(₹ in Lakh)****21,143****25.168%****(5,321)****587****(298)****64****(4,968)****Year ended 31.03.2024****(₹ in Lakh)****18,142****25.168%****(4,566)****600****(68)****53****(3,981)****19a) Current financial liabilities - Borrowings****Secured****Loans repayable on demand**

Borrowings for working capital from banks

Customer bills discounted

**Total (a)****As at****31.03.2025****(₹ in Lakh)****22,227****6,006****28,233****As at****31.03.2024****(₹ in Lakh)****23,603****5,882****29,485****Current maturities of long-term debt :****Secured**

- Term loan from Banks

- Term loan from NBFC

**Unsecured**

Unsecured Interest free Sales Tax loan

**Total (b)****Total (a+b)****8,240****4,049****-****12,289****40,522****6,488****4,802****16****11,266****40,751****Note :**

- 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.
- Interest on working capital loan from Banks are charged between 9.25% to 10.40% by respective bank.
- 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.
- The quarterly returns or statements filed by the Company for working capital limits with such banks are generally in agreement with the books of account of the Company, however wherever the differences were noted between the amount as per books of account for respective quarters and amount as reported in the quarterly statements are given below. Reasons for the deviations are on account of adjustments in non-trade creditors, goods in transit, 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 limits sanctioned, hence the differences are not material.

**Current Reporting Period****(₹ in Lakh)**

Particulars	Period ended	Amount as Per Financials	Amount as Per statement filed with Bankers	Difference	DP Utilized
Eligible Trade Receivables/Inventory/other Assets net of trade Payables	30.06.2024	82,413	93,307	(10,894)	24,097
	30.09.2024	75,155	60,719	14,436	16,785
	31.12.2024	75,568	58,795	16,773	23,204
	31.03.2025	81,246	71,868	9,378	22,227

Please refer to note (iv) above.

**Pervious Reporting Period****(₹ in Lakh)**

Particulars	Period ended	Amount as Per Financials	Amount as Per statement filed with Bankers	Difference	DP Utilized
Eligible Trade Receivables/Inventory/other Assets net of trade Payables	30.06.2023	62,126	59,862	2,264	11,908
	30.09.2023	82,896	76,128	6,768	26,393
	31.12.2023	76,438	74,414	2,024	25,346
	31.03.2024	64,157	60,250	3,907	23,603

Please refer to note (iv) above.

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

	As at 31.03.2025 (₹ in Lakh)	As at 31.03.2024 (₹ in Lakh)
<b>19 b) Lease Liability - Current Maturity</b>		
Lease Liability - Current Maturity	<u>422</u>	<u>378</u>
	<u>422</u>	<u>378</u>
<b>20. Current financial liabilities - Trade payables</b>		
a) Total outstanding dues of Micro and Small Enterprises	3,895	1,491
b) Others		
i) Acceptances	22,811	30,212
ii) Other than acceptances	21,123	20,839
	<u>43,934</u>	<u>51,051</u>
<b>Total (a+b)</b>	<u>47,829</u>	<u>52,542</u>

**Trade Payables ageing schedule**

As on 31-03-2025

(₹ 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	2,457	1,431	-	-	-	3,888
(ii) Others	30,741	9,850	277	139	427	41,434
(iii) Disputed dues - MSME	-	-	-	-	7	7
(iv) Disputed dues - Others	-	-	-	-	2,500	2,500
<b>Total</b>	<b>33,198</b>	<b>11,281</b>	<b>277</b>	<b>139</b>	<b>2,934</b>	<b>47,829</b>

**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 the contractors.

**Trade Payables ageing schedule**

As on 31-03-2024

(₹ 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	1,290	191	-	2	1	1,484
(ii) Others	33,406	14,178	32	258	698	48,572
(iii) Disputed dues - MSME	-	-	-	-	7	7
(iv) Disputed dues - Others	-	-	-	-	2,479	2,479
<b>Total</b>	<b>34,696</b>	<b>14,369</b>	<b>32</b>	<b>260</b>	<b>3,185</b>	<b>52,542</b>

**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 the 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.

**Disclosure pertaining to Micro and small Enterprises (as per information available with the Company)**

	<b>As at 31.03.2025 (₹ in Lakh)</b>	<b>As at 31.03.2024 (₹ in Lakh)</b>
i. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	3,895	1,491
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.	-	-
	<b>3,895</b>	<b>1,491</b>

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.

**21. Other current financial liabilities**

Interest accrued but not due on borrowings	175	209
Unclaimed dividends #	33	33
Discounts	4,430	1,739
Managerial commission	416	363
Salary & Reimbursements	1,445	1,235
Capital Creditors	2,244	2,538
Others	3,841	2,680
<b>Total</b>	<b>12,584</b>	<b>8,797</b>

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

**22. Other Current Liabilities**

Advances received from customers	1,436	1,911
Statutory dues payable	2,481	774
Others	60	48
	<b>3,977</b>	<b>2,733</b>

		<b>For the Year ended</b>	
		<b>31.03.2025 (₹ in Lakh)</b>	<b>31.03.2024 (₹ in Lakh)</b>
<b>23 a) Revenue From Operations</b>			
Sale of manufactured goods		3,65,194	3,49,848
Less : Discounts		(11,772)	(8,623)
<b>Total (a)</b>		<b>3,53,422</b>	<b>3,41,225</b>
<b>Other operating income</b>			
Duty drawback & export incentives		72	81
Industrial Promotion Subsidy-Mega Project (2013)		65	-
Unclaimed liabilities written back		-	222
<b>Total (b)</b>		<b>137</b>	<b>303</b>
<b>Total Revenue From Operations (a+b)</b>		<b>3,53,559</b>	<b>3,41,528</b>

		For the year ended	
		31.03.2025	31.03.2024
		(₹ in Lakh)	(₹ in Lakh)
<b>23. b) Other Income</b>			
Interest Income		975	564
Amortization of Government grant		-	12
Dividend Income		600	-
Others		71	31
<b>Total Other Income</b>		<b>1,646</b>	<b>607</b>
<b>24. a) Cost of raw material &amp; components consumed</b>			
Inventory at the beginning of the year		21,373	32,250
Add: Purchases during the year		2,30,609	2,18,186
Less: Inventory at the end of the Year		(29,085)	(21,373)
<b>Total raw material &amp; components consumption</b>		<b>2,22,897</b>	<b>2,29,063</b>
<b>Details of raw material &amp; components consumed</b>			
Iron ore & iron ore fines		50,644	46,450
Coal & coal fines #		15,055	13,123
Coking coal		14,020	31,373
Coke		58,132	54,773
Scrap & HBI		829	485
Ferro alloys		37,581	38,103
Super alloy Raw Material		1,035	97
Fluxes, minerals & additives		10,023	10,523
Electrodes		3,001	3,673
Others		32,577	30,463
<b>Total (a)</b>		<b>2,22,897</b>	<b>2,29,063</b>
<b># Net of Consumption of Coal from Captive Mines</b>			
<b>24. b) Other Manufacturing Expenses</b>			
Consumption of fuel		11,762	11,932
Consumption of power (Net of captive consumption)		25,719	20,421
Coal mine FPO, Royalty, Coal Raising, freight and other expenses		6,991	7,778
Contract expenses		18,249	14,837
<b>Total Other Manufacturing Expenses (b)</b>		<b>62,721</b>	<b>54,968</b>
<b>Total Expenses (a+b)</b>		<b>2,85,618</b>	<b>2,84,031</b>
<b>Details of Inventory of Raw Material &amp; Components</b>			
Iron Ore & Iron Ore Fines		3,101	2,230
Coal & Coal Fines		2,324	2,026
Coking Coal		48	106
Coke		6,516	2,676
Scrap & HBI		760	235
Ferro Alloys		3,464	4,524
Super alloy Raw Material		1,324	460
Fluxes, Minerals & Additives		846	877
Electrodes		344	309
Goods in Transit		211	1,167
Others		10,147	6,763
<b>Total</b>		<b>29,085</b>	<b>21,373</b>
<b>25. Changes in inventories of finished goods and work-in-progress</b>			
<b><u>Inventories at the end of the year</u></b>			
Finished goods		38,455	38,479
Work-in-progress		25,578	23,409
<b>Total (a)</b>		<b>64,033</b>	<b>61,888</b>
<b><u>Inventories at the beginning of the year</u></b>			
Finished goods		38,479	25,286
Work-in-progress		23,409	29,020
<b>Total (b)</b>		<b>61,888</b>	<b>54,306</b>
<b>Net (increase) / decrease</b>	<b>Total (b-a)</b>	<b>(2,145)</b>	<b>(7,582)</b>

		For the year ended	
		31.03.2025 (₹ in Lakh)	31.03.2024 (₹ in Lakh)
<b>26. Employee Benefits Expenses</b>			
Salaries, Wages and Bonus		11,982	10,398
Contribution to provident and other funds		1,136	1,028
Staff welfare expenses		614	681
<b>Total</b>		<b>13,732</b>	<b>12,107</b>
<b>27. Finance Cost</b>			
Interest on term loans		2,962	3,977
Interest on working capital loans		1,911	2,312
Interest on bills discounted		394	241
Other borrowing costs		3,163	2,547
Unwinding of Interest		18	16
Interest on incremental liabilities of deferred sales tax loan (IND AS 109)		-	4
Interest on lease liability (IND AS 116) {Refer note No.34}		542	574
<b>Total</b>		<b>8,990</b>	<b>9,671</b>
<b>28. Depreciation and amortization expense</b>			
Depreciation and amortization of property, plant & equipment		9,949	9,805
Amortization of right of use assets #		496	496
# (Refer note No. 34)	<b>Total</b>	<b>10,445</b>	<b>10,301</b>
<b>29.</b>			
<b>29.1 Other Expenses</b>			
Freight & forwarding (net of recoveries)		10,900	9,953
Travelling expenses		588	497
Insurance charges		355	376
Rent, rates and taxes		303	213
Repairs & maintenance		95	118
Printing & stationery		32	52
Directors' sitting fee		6	7
Postage & telephones		43	68
Corporate social responsibility (Refer note No.40)		506	497
Administrative Expenses		907	816
Legal & professional expenses (Refer note No.29.2 below )		1,685	1,667
Exchange fluctuation Loss (net)		544	31
Commission		335	297
Bad Debts written-off		81	7
Provision for doubtful debts		743	151
Capital work in progress written off		-	42
Others		299	673
<b>Total</b>		<b>17,422</b>	<b>15,465</b>
<b>29.2 Payments to Auditors</b>			
Statutory Audit fees		18	18
Limited Review fees		10	10
<b>Total</b>		<b>28</b>	<b>28</b>
<b>30. Earnings Per Share</b>			
Net profit attributable to equity shareholders	₹ in lakh	16,175	14,161
Weighted Average shares outstanding during the 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	8.98	7.86
Nominal value of equity share	Rupees	10.00	10.00
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.			

**31. Contingent liabilities and commitments (to the extent not provided for)**

(₹ in Lakh)

Particulars	As at 31.03.2025	As at 31.03.2024
<b>Contingent Liabilities</b>		
Claims against the Company not acknowledged as debts *		
(a) Excise duty, custom duty, GST & other taxes against which Company has preferred an appeal	2,074	1,111
(b) Other Legal cases filed against the Company	21	21
Other		
(a) Unexpired letter of credit	23,874	11,829
(b) Guarantees issued by Company's bankers on behalf of the Company	12,202	13,621
<b>Note *</b>		
i) In respect of above matters, future cash outflows are determinable only on receipt of judgements / decisions pending at various forums / authorities.		
ii) Interest liabilities may arise on above contingent liabilities.		
<b>Commitments</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	10,830	7,513

**32. 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 :

(₹ in Lakh)

Name of the party	Relationship	Amount outstanding as at 31.03.2025	Maximum balance outstanding during the year
Khappa Coal Company Private Limited	Subsidiary	737 (737)	737 (737)

Note : i. Figures in brackets relate to the previous year ii. Refer Note No.37(v) for other details

**33. 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'.

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

**Geographical Information**
**a) Revenue**

(₹ in Lakh)

Particulars	For the Year ended 31 <sup>st</sup> March, 2025		For the Year ended 31 <sup>st</sup> March, 2024	
	Domestic	Foreign	Domestic	Foreign
<b>Revenues from Operations #</b>	<b>3,48,742</b>	<b>4,817</b>	3,36,313	5,215

# There is no single customer who has contributed 10% or more to the Company's revenue for both the years ended 31<sup>st</sup> March, 2025 and 31<sup>st</sup> March, 2024

**b) Non - Current Assets :**

Particulars	Domestic	Foreign	Domestic	Foreign
Property, Plant and Equipment	1,43,998	-	1,47,548	-
Right of Use Assets	4,316	-	4,735	-
Capital work in progress	27,401	-	25,797	-
Other non current assets	7,84,233	-	3,70,464	-

Note : There are no non-current assets located outside India.

**34. Leases (Ind AS 116 Disclosure)**

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

	As at 31.03.2025 (₹ in Lakh)	As at 31.03.2024 (₹ in Lakh)
<b>a) The movement in lease liabilities is as follows :</b>		
<b>Opening Balance</b>	<b>5,649</b>	<b>6,058</b>
Acquisition	76	-
Adjustments	-	(74)
Accretion of interest	542	574
Payments	(918)	(909)
<b>Closing balance</b>	<b>5,349</b>	<b>5,649</b>
Non-current lease liabilities	4,927	5,271
Current lease liabilities	422	378
<b>Total</b>	<b>5,349</b>	<b>5,649</b>

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

	For the year ended	
	31.03.2025 (₹ in Lakh)	31.03.2024 (₹ in Lakh)
<b>b) Lease expenses recognised in statement of profit &amp; loss</b>		
Amortisation expense of right of use assets	496	496
Interest expense on lease liabilities	542	574
<b>Total amount recognised in statement of profit &amp; loss</b>	<b>1,038</b>	<b>1,070</b>
<b>c) Amounts recognised in statement of cash flows :</b>		
<b>Financing activities :</b>		
Repayment of principal	376	335
Repayment of interest	542	574
<b>Total cash outflow for leases</b>	<b>918</b>	<b>909</b>
<b>d) The maturity analysis of lease liabilities are disclosed in note 39 (iii) Liquidity risk.</b>		

Note : Short-term/low value lease amounts are not separately disclosed as the same are not material.

### 35. 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 Company's capital management is intended to create value for shareholders by facilitating the achievement of long-term and short-term goals of the Company.

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 31.03.2025	As at 31.03.2024
Long term borrowing	16,106	25,833
Short term borrowing	28,233	29,485
Current maturities of long-term debt	12,289	11,266
Less : Cash and bank balance	(15,679)	(25,166)
<b>Net debt</b>	<b>40,949</b>	<b>41,418</b>
<b>Total Equity</b>	<b>8,75,042</b>	<b>5,14,809</b>
<b>Capital and net debt</b>	<b>9,15,991</b>	<b>5,56,227</b>
<b>Gearing ratio</b>	<b>4.47%</b>	<b>7.45%</b>

#### Note :

- To maintain or adjust the capital structure, the Company reviews the fund management at regular intervals and takes 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 31<sup>st</sup> March, 2025 and 31<sup>st</sup> March, 2024.

### 36. Employees benefit

#### a) Defined contribution plans

The Company operates defined contribution retirement benefit plans for all qualifying employees. Under these plans, the Company is required to contribute a specified percentage of payroll costs. Company's contribution to provident and other funds recognised in statement of profit and loss of ₹922 lakhs (Previous Year ₹851 lakhs)

#### b) Defined benefit plans

The Company sponsors funded defined benefit plans for all qualifying employees. The level of benefits provided depends on the member's length of service and salary at retirement age.

The gratuity plan is covered by The Payment of Gratuity Act, 1972. Under the gratuity plan, the eligible employees are entitled to get the benefit at the time of retirement / separation at the rate of 15 days' salary for each year of service until the retirement age of 60. The vesting period for gratuity as payable under The Payment of Gratuity Act, 1972 is 5 years.

The plans in India typically expose the Company to actuarial risks such as: investment risk, interest rate risk, salary escalation risk and liquidity risk.

**Investment Risk :** The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

**Interest Rate risk :** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).



**Salary Escalation Risk :** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

**Liquidity Risk :** This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Employee Provident Fund, the Company has made good the shortfall in interest on fund ₹44 lakhs (Previous Year surplus ₹130 lakhs).

Further the following table sets out for the Employee Benefits plan as required under Ind AS 19

(₹ in Lakh)

Particulars	Gratuity		Provident Fund	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024
<b>Statement showing changes in Present Value of obligation :</b>				
Present value of obligations at the beginning of the year	3,100	2,522	10,110	9,216
Interest cost	223	215	796	757
Current Service Cost	198	181	1,359	1,229
Benefits Paid	(256)	(307)	(1,825)	(1,092)
Actuarial Loss on obligations	333	489	-	-
Present value of obligations as at the end of the year	3,598	3,100	10,440	10,110
<b>Table showing changes in the fair value of Plan Assets :</b>				
Fair value of plan assets at the beginning of year	2,590	2,522	10,266	9,242
Expected return on plan assets	186	188	752	887
Contributions	248	184	1,359	1,229
Benefits paid	(255)	(307)	(1,825)	(1,092)
Actuarial Gain / (Loss) on plan assets	16	3	-	-
Transfer from opening MTM	-	-	(100)	-
Fair value of plan assets at the end of the year	2,785	2,590	10,452	10,266
Funded Status	813	510	12	156
<b>Actuarial Gain / (Loss) recognised in OCI :</b>				
Actuarial Loss for the year – Obligation	333	489	-	-
Actuarial Gain / (Loss) for the year – plan assets	16	3	-	-
Total Loss for the year	317	486	-	-
Actuarial Gain / (Loss) Recognised in the year	(317)	(486)	-	-
<b>Amounts to be recognised in the Balance Sheet :</b>				
Present value of obligations as at the end of the year	3,598	3,100	10,440	10,110
Fair value of Plan assets as at the end of the year	2,785	2,590	10,452	10,266
Funded Status	813	510	12	156
Net Asset / (Liability) Recognised in the Balance Sheet	(813)	(510)	12	156
<b>Expenses Recognised in the statement of Profit and Loss :</b>				
Current Service Cost	198	181	-	-
Interest Cost	223	215	796	757
Expected return on plan assets	186	188	752	887
Net Actuarial (Gain)/Loss recognised in the statement of Profit & Loss	-	-	-	-
Expenses Recognised in statement of Profit & Loss	235	208	(44)	130
<b>Actuarial Assumptions :</b>				
Discount rate	6.65%	7.20%	-	-
Salary escalation	5.00%	5.00%	-	-
<b>Investment Details :</b>				
GOI Securities	-	-	7%	9%
State Government securities	-	-	44%	40%
Bonds / Debentures etc.	-	-	37%	40%
Equity	-	-	12%	11%
Total			100%	100%

**Note :**

- The investment details of Gratuity funds are as per the scheme of Life Insurance Corporation of India (LIC)
- 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.
- Provident Fund managed by a trust set up by the Company:  
Provident Fund for certain eligible employees is managed by the Company through a trust. The plan guarantees interest at the rate notified by the Provident Fund Authorities.

**c) Sensitivity Analysis**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis are given below:

	Impact on defined benefit obligations [increase/(decrease)]	
	31.03.2025	31.03.2024
<b>Impact of the change in discount rate (p.a.)</b>		
Impact due to increase of 1.00%	(191)	(198)
Impact due to decrease of 1.00%	209	223
<b>Impact of change in salary escalation rate (p.a.)</b>		
Impact due to increase of 1.00%	212	226
Impact due to decrease of 1.00%	(194)	(205)
<b>Impact of change in attrition rate (p.a.)</b>		
Impact due to increase of 0.50%	40	16
Impact due to decrease of 0.50%	(32)	(16)

**d) Other long-term employee benefits**

An amount of ₹367 lakhs (Previous Year ₹137 lakhs) pertains to expense towards compensated absences.

Particulars	31.03.2025	31.03.2024
<b>Actuarial assumptions</b>		
Discount rate (per annum)	6.65%	7.20%
Salary escalation (per annum)	5.00%	5.00%

**37. 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, Relationship and Transactions**
**i) Key Management Personnel**

(₹ in Lakh)

Name	Designation	Account	Transactions year ended		Outstanding As at	
			31.03.2025	31.03.2024	31.03.2025	31.03.2024
Mr Ravi Bhushan Bhardwaj	Non Executive Chairman	Commission	94	150	7	56
Mr. Pranav Bhardwaj	Managing Director	Remuneration & Commission	534	792	1	16
Mr Surendra Kumar Gupta	Deputy Managing Director	Remuneration	-	155	-	-
Mr. R. Muralidhar	Director (Finance)	Remuneration	-	82	-	-
Mr. Ramchandra V Dalvi	Director (Technical)	Remuneration	138	124	-	-
Mr. S Mahadevan	Chief Financial Officer	Remuneration	89	76	-	-
Mr. Ashutosh Mishra	Head Company Secretary	Remuneration	62	51	-	-
Dr E.R.C. Shekar	Non Executive, Independent Director	Commission & Sitting Fees	-	1	-	-
Mr. Kumar Jitendra Singh	Non Executive, Independent Director	Commission & Sitting Fees	-	1	-	-
Mrs. Neelam Kothari	Non Executive, Independent Director	Commission & Sitting Fees	4	4	-	-
Mr. Anand S. Kapre	Non Executive, Independent Director	Commission & Sitting Fees	4	4	-	-
Mrs. Vinita Bahri	Non Executive, Independent Director	Commission & Sitting Fees	5	5	-	-
Mr. Sajiv Dhawan	Non Executive, Independent Director	Commission & Sitting Fees	4	4	-	-
Mr. M A V Goutham	Non Executive, Independent Director	Commission & Sitting Fees	4	3	-	-
Mr. Tirthnath Jha	Non Executive, Independent Director	Commission & Sitting Fees	4	2	-	-

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

**ii) Subsidiaries**

(₹ in Lakh)

Particulars	Shareholding as on 31.03.2025	Account	Transactions year ended		Outstanding As at	
			31.03.2025	31.03.2024	31.03.2025	31.03.2024
Sunflag Power Limited	100%	Un-secured Loan	-	1030	-	-
Sunflag Power Limited		Zero-coupon compulsory Convertible Debentures	-	1050	-	1050
Sunflag Power Limited		Share Capital	-	-	5	5
Khappa Coal Company Private Limited	63.27%	Advance Paid	-	-	737	737
Khappa Coal Company Private Limited		Share Capital	-	-	316	316
Sunflag Foundation	100%	Share Capital	-	-	1	1
Sunflag Foundation		CSR Expenses	506	497	-	-

a) Refer note No. 37(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	-	202	562	562
Ramesh Sunwire Private Limited	49.00%	Share Capital	-	-	980	980
Ramesh Sunwire Private Limited		Sale of Goods	2,482	3,097	1,093	513
Ramesh Sunwire Private Limited		Purchase of goods	(45)	(18)	37	-
C T Mining Private Limited	31.80%	Share Capital	-	-	318	318
Madanpur (North) Coal Block Pvt. Ltd.	11.73%	Share Capital	-	-	121	121
ReNew Green (MPR Three) Private Ltd.	31.20%	Share Capital	2,486	904	3,390	904

Note : Sales/Purchase figures given are inclusive of taxes.

**iv) Entities over which KMPs have significant influence**

Haryana Televisions Limited	Relationship through KMP	Rent	57	57	-	4
Haryana Televisions Limited	Relationship through KMP	Security deposit	-	-	28	28
Shrihari Coal & Power Pvt. Ltd.	Relationship through KMP	Transportation Service	-	8,286	-	170

Note : Above 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 / adjustment	Closing Balance	Provided	Purpose
1. Khappa Coal Company Private Limited	737	-	-	737	737	Operational

**b) Particulars of guarantee given :** The Company has not given any guarantee to its subsidiaries / joint venture Companies**c) Particulars of investment made :**

Name of the Company	Opening Balance	Investment made	Investment Sold	Closing Balance	Provided	Purpose
<b>Subsidiaries-</b>						
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
4. Sunflag Power Limited	1,050	-	-	1,050	-	Long term Inv.
<b>Joint Ventures -</b>						
1. Madanpur (North) Coal Block Pvt. Ltd.	121	-	-	121	(121)	Long Term Inv.
2. CT Mining Private Limited	318	-	-	318	(125)	Long Term Inv.
3. Daido DMS India Private Limited	562	-	-	562	(150)	Long Term Inv.
4. Ramesh Sunwire Private Limited	980	-	-	980	-	Long Term Inv.
5. ReNew Green (MPR Three) Pvt. Limited	904	2,486	-	3,390	-	Long Term Inv.
<b>Total</b>	<b>4,257</b>	<b>2,486</b>	<b>-</b>	<b>6,743</b>	<b>(712)</b>	

**d) Particulars of security deposit : Nil****vi) Deemed related party - (As Daido Steel Co. Ltd., Japan holds 10% shares in Company.)**

Particulars	Account	Transactions for the year ended		Outstanding As at	
		31.03.2025	31.03.2024	31.03.2025	31.03.2024
Daido Steel Co. Ltd. Japan	Royalty	276	253	75	(51)
Daido Steel Co. Ltd. Japan	Technical services	6	7	-	-

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

**38. Fair value hierarchy of financial instruments**

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 31.03.2025		As at 31.03.2024	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets measured at fair value through profit and loss :</b>					
Non current financial asset - Investments	Level 3	6,031	6,031	3,545	3,545
<b>Financial assets measured at fair value through other comprehensive income :</b>					
Non current financial asset - Investments	Level 1	1,22,610	7,72,350	1,22,610	3,61,200
<b>Financial assets measured at amortised cost :</b>					
Non current financial asset - others	Level 3	3,454	3,454	3,834	3,834
Current financial asset - trade receivables	Level 3	36,167	36,167	34,606	34,606
Current financial asset - Cash and cash equivalents	Level 2	9,979	9,979	19,239	19,239
Current financial Asset - Bank balances other than above	Level 2	5,700	5,700	5,927	5,927
Current financial asset - others	Level 3	332	332	187	187
<b>Total</b>		<b>1,84,273</b>	<b>8,34,013</b>	<b>1,89,948</b>	<b>4,28,538</b>

**Financial Liabilities :**

<b>Financial liability measured at amortised cost :</b>					
Non current financial liabilities : borrowings	Level-2	14,731	14,731	24,458	24,458
Non current financial liabilities : Other	Level-3	2,002	2,002	1,806	1,806
Current financial liabilities - Borrowings	Level-2	40,522	40,522	40,735	40,735
Current financial liabilities - Other	Level-3	12,584	12,584	8,813	8,813
Trade payables	Level-3	47,829	47,829	52,542	52,542
Lease liabilities	Level-3	5,349	5,349	5,649	5,649
		<b>1,23,017</b>	<b>1,23,017</b>	<b>1,34,003</b>	<b>1,34,003</b>

**Note :** 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.

**Reconciliation of Level 3 fair value measurement of unquoted equity instruments**

(₹ in Lakh)

Particulars	As at 31.03.2025	As at 31.03.2024
Opening balance	3,545	1,389
Additions during the year	2,486	2,156
Gain/(loss) in profit and loss / other comprehensive income	-	-
<b>Closing balance</b>	<b>6,031</b>	<b>3,545</b>

**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 other Comprehensive income.
- 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:** The Company uses following hierarchy for determining and / or disclosing the fair value of financial instruments by valuation techniques:

**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).

**39. 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 31<sup>st</sup> March, 2025 and 31<sup>st</sup> March, 2024.

**a) 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 which approximates fair value.

(₹ in Lakh)

Particulars	As at 31.03.2025	As at 31.03.2024
Variable rate borrowings	49,247	59,311

**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 31.03.2025	As at 31.03.2024	As at 31.03.2025	As at 31.03.2024
0.50%	0.50%	(246)	(297)
- 0.50%	- 0.50%	246	297

**b) 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.

**Foreign currency sensitivity**

1% increase and decrease in foreign currency rate will have the following impact on profit before tax.

Currency	As at 31.03.2025		As at 31.03.2024	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
CNY	2	(2)	2	(2)
USD	57	(57)	60	(60)
<b>Foreign currency exposure as at</b>			<b>As at 31.03.2025</b>	<b>As at 31.03.2024</b>
Trade Payable				
- Exposure in Dollars (In INR)			5,700	6,036
- Exposure in Euros (in INR)			21	43
- Exposure in CNY (in INR)			205	229

**c) Equity price risk**

Equity price risk is related to change in market reference price of investments in equity securities held by the Company.

The fair value of quoted investments held by the Company exposes the Company to equity price risks. In general, these investments are not held for trading purposes.

**Equity price sensitivity analysis**

The sensitivity analysis below has been determined based on the exposure to equity price at the end of the reporting period.

A 5% change in equity prices of such securities held as at 31 March 2025 and 31 March 2024, would result in an impact of ₹38,618 lakhs and ₹18,060 Lakhs respectively on equity before considering tax impact.

**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 for which loss allowance is measure using life time expected credit losses (ECL)**

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 quarter end on an individual basis for major customers.



Summary of the Company's exposure to credit risk for trade receivables based on the ageing is as follows: (₹ in Lakh)

Ageing	Total		Up to 6 month		More than 6 month	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024	31.03.2025	31.03.2024
Trade receivables	38,524	36,220	36,167	34,606	2,357	1,614
Less : ECL Provision	(2,357)	(1,614)	-	-	(2,357)	(1,614)

Movement of expected credit loss of trade receivable: (₹ in Lakh)

Particulars	Opening Balance	Addition	Reversal	Closing Balance
Expected Credit loss - 2024-2025	1,614	743	-	2,357
2023-2024	1,463	151	-	1,614

### 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 year - 2 year		2 year and above	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024	31.03.2025	31.03.2024	31.03.2025	31.03.2024
<b>Non current financial liabilities</b>								
i) Borrowings*	28,395	37,083	12,289	11,250	9,683	10,093	6,423	15,740
ii) Others	5,554	5,702	-	-	1,093	848	4,461	4,854
<b>Current financial liabilities</b>								
i) Borrowings	28,233	29,485	28,233	29,485	-	-	-	-
ii) Trade Payables	47,829	52,542	47,829	52,542	-	-	-	-
iii) Others	13,006	9,191	13,006	9,191	-	-	-	-

\*including current maturity of long term debt

## 40. Corporate Social Responsibility (CSR)

i) The Company has spent amount on corporate social responsibility expenditure as below: (₹ in Lakh)

Particulars	For the year ended 31.03.2025	For the year ended 31.03.2024
Gross amount required to be spent during the year	506	497
Amount spent during the year		
- Construction / acquisition of any assets	-	-
- On purpose other than above	506	497

### ii) Provision made for Corporate Social Responsibility

Particulars	For the year ended 31.03.2025	For the year ended 31.03.2024
Opening balance of Provision	-	-
Addition during the Year	506	497
Funds transferred to Sunflag Foundation for CSR activities	506	497
Closing balance of provision	-	-

### iii) CSR expenditure incurred by the implementing agency and the Company

Description	Relevant Clause of SCH VII of Companies Act, 2013	For the year ended 31.3.2025	For the year ended 31.3.2024
<b>a) Expenditure done through Sunflag Foundation</b>			
Rural Development	Clause No. X	117	65
Health Care	Clause No. I	187	33
Education training & skill development	Clause No. II	117	245
Environment sustainability & protection of Flora and Fauna	Clause No. IV	52	17
District Sport & cultural activities	Clause No. VII	33	71
<b>Sub Total</b>		<b>506</b>	<b>431</b>
<b>b) Expenditure done directly by the Company</b>			
Rural Development	Clause No. X	-	-
<b>Total Expenditure incurred</b>		<b>506</b>	<b>431</b>

**iv) Corporate Social Responsibility (CSR)**

(₹ in Lakh)

Particulars	For the year ended 31.03.2025	For the year ended 31.03.2024
i) Amount required to be spent by the company during the year a	506	497
ii) Amount of expenditure incurred for the current year b	506	431
iii) Projected spent of earlier years, spent during the year	116	134
iv) Shortfall for the current year (a-b)	-	66
v) Funds Kept in Special Allocated Bank Accounts	-	66
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.	506	497

41. 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 31.03.2025	As at 31.03.2024
<b>Brought forward from last year</b>	<b>25,797</b>	17,004
<b>Expenditure incurred during the year :</b>		
Building and civil constructions	2,380	3,457
Machinery and equipments	5,435	8,505
<b>Total expenditure during the year</b>	<b>7,815</b>	<b>11,962</b>
Less : Capitalised during the year	6,211	3,127
Less : Written off during the year	-	42
<b>Carried forward as part of Capital work-in-progress</b>	<b>27,401</b>	<b>25,797</b>

**42. Subsequent events**

No adjusting or significant non- adjusting events have occurred between the reporting date and date of authorization of these financial statements.

43. 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 13<sup>th</sup> 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.

**44. Vendor's / Customer's reconciliations**

The Company is obtaining confirmations and reconciliation with its trade receivables, trade payables and other dues receivables regularly. The confirmations to the extent received have been reconciled and adjustments, if any, have been made. The others are pending for confirmations, reconciliations and adjustments, if any. However, the management does not expect any significant variations in the existing status and material financial impact.

**45. GST reconciliations**

The Company is in the process of reconciliation of Input Tax Credit as per Books and GST Portal. The reconciliation to the extent done have been accounted for in the books of accounts. The management does not expect any material financial impact.

**46. Ratio Analysis**

Sr. No.	Ratio	UOM	Numerator	Denominator	2025	2024	Change%	Change in ratio in excess of 25% compared to preceding year
1	Net Profit Margin	Percentage Tax	Net Profit after Operation	Revenue from	<b>4.57%</b>	4.15%	10.12%	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	<b>1.94</b>	1.63	19.02%	NA
3	Trade Receivable Turnover Ratio	Times	Revenue from Operation	Average Accounts Receivable	<b>9.46</b>	9.87	- 4.15%	NA
4	Inventory Turnover Ratio	Times	Cost of goods sold	Average Inventories	<b>2.50</b>	2.61	- 4.21%	NA
5	Trade payable Turnover Ratio	Times	Purchases	Average Trade payable	<b>4.60</b>	4.01	14.71%	NA
6	Debt- Equity Ratio	Times	Total Borrowings	Total Equity (equity share capital+other equity)	<b>0.06</b>	0.13	- 53.85%	Movement in ratio is due to change in market value of quoted investment.
7	Current Ratio	Times	Current Assets	Current Liabilities	<b>1.49</b>	1.44	3.47%	NA
8	Return on Equity Ratio	Percentage	Net profit after tax	Paid up capital + Free reserves	<b>6%</b>	5%	20.00%	NA
9	Return on Capital Employed	Percentage	EBIT	Paid up capital +Long term debts+ Free reserves + Current maturity of long term debt	<b>10%</b>	9%	11.11%	NA
10	Return on Investment	Percentage	Net Profit after Tax	Total Assets	<b>1%</b>	2%	- 50.00%	Movement in ratio is due to change in market value of quoted investment.
11	Net Capital Turnover Ratio	Times	Revenue from Operation	Average Equity	<b>0.51</b>	0.81	- 37.04%	Movement in ratio is due to change in market value of quoted investment.

**47. Other Statutory information**

- The Company does not have any benami property, and no proceeding has been initiated against the Company for holding any benami property.
- The Company does not have any transactions with companies struck off.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- 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)
- The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 (as amended).
- The Company has not been declared willful defaulter by any bank or any other financial institution at any time during the financial year.
- All immovable properties are held in the name of the Company.

**48.** On 27<sup>th</sup> May, 2025 the Board of Directors of the Company had proposed a dividend of ₹ 0.75 per fully paid up equity share of ₹ 10 each for the year ended 31<sup>st</sup> March, 2025 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of approximately ₹ 1352 lakhs.

**49.** Previous year's figures have been regrouped / re-classified wherever necessary to make them more comparable.

As per our report of even date as attached

**For NSBP & CO.**  
Chartered Accountants  
FRN : 001075N

**RAM NIWAS JALAN**  
Partner  
M. No. 82389

New Delhi  
27<sup>th</sup> May, 2025

Nagpur  
27<sup>th</sup> May, 2025

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

**PRANAV BHARDWAJ**  
MANAGING DIRECTOR  
DIN 00054805

**RAMCHANDRA DALVI**  
DIRECTOR (TECHNICAL)  
DIN 00012065

**ASHUTOSH MISHRA**  
HEAD COMPANY SECRETARY  
M. No. ACS 23011

**S. MAHADEVAN**  
CHIEF FINANCIAL OFFICER

**CA NEELAM KOTHARI**  
DIRECTOR  
DIN 06709241

**ANAND S. KAPRE**  
DIRECTOR  
DIN 00019530

**CA VINITA BAHRI**  
DIRECTOR  
DIN 03109454

**CA M. A. V. GOUTHAM**  
DIRECTOR  
DIN 00101447

**TIRTHNATH JHA**  
DIRECTOR  
DIN 07593002

**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	31.03.2025	31.03.2025	31.03.2025
% 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	-	1,165.00	-
Zero Coupon Compulsory Convertible Debentures	1,050.00	-	-
Share Application Money	-	-	-
Reserves and Surplus	-	(63.55)	-
Other Liabilities	0.45	0.24	17.52
Total Assets	1,055.00	1,601.69	18.52
Total Liabilities	1,055.00	1,601.69	18.52
Investments	-	-	-
Turnover	-	-	-
Profit/(Loss) before Taxation	-	5.14	-
Provision for Taxation	-	-	-
Profit/(Loss) after Taxation	-	5.14	-
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	ReNew Green (MPR Three) Private Limited
1	Latest audited Balance Sheet date	# 31.03.2019	31.03.2025	31.03.2025	31.03.2025	31.03.2025
2	Shares of Associate / Joint Ventures held by the Company on the year end					
	No. of Shares	12,10,188	31,80,000	56,19,400	98,00,000	3,39,04,800
	Amount of investment in Associate / Joint Ventures	121.00	318.00	561.94	980.00	3,390.48
	Extent of holding %	11.73%	31.80%	17.56%	49.00%	31.20%
3	Description of how there is significant influence	Part of decision making	Shareholding exceeding 20%	Part of decision making	Part of decision making	Shareholding exceeding 20%
4	Reason why the Associate / Joint Ventures not consolidated	-*	NA	NA	NA	NA
5	Networth attributable to Shareholding as per latest audited Balance Sheet	109.61	389.44	501.24	1,197.53	3,335.48
6	Profit / (Loss) for the year	(11.40)	17.05	(1.31)	49.49	(37.56)
	Considered in consolidation	No	Yes	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 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  
DIN 00054805

**S. MAHADEVAN**  
CHIEF FINANCIAL OFFICER

**CA VINITA BAHRI**  
DIRECTOR  
DIN 03109454

**RAM NIWAS JALAN**  
Partner  
M. No. 82389

**RAMCHANDRA DALVI**  
DIRECTOR (TECHNICAL)  
DIN 00012065

**CA NEELAM KOTHARI**  
DIRECTOR  
DIN 06709241

**CA M. A. V. GOUTHAM**  
DIRECTOR  
DIN 00101447

New Delhi  
27<sup>th</sup> May, 2025

Nagpur  
27<sup>th</sup> May, 2025

**ASHUTOSH MISHRA**  
HEAD COMPANY SECRETARY  
M. No. ACS 23011

**ANAND S. KAPRE**  
DIRECTOR  
DIN 00019530

**TIRTHNATH JHA**  
DIRECTOR  
DIN 07593002

## 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 Subsidiary Companies (Holding Company and its Subsidiary Companies together referred to as "the Group") and its Joint Venture Companies, as stated in Annexure 1 which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2025, 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 material accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of Subsidiary Companies and Joint Venture Companies referred to in the other matters section below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013, ("the Act"), in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, and other accounting principles generally accepted in India, of the state of affairs of the Group and its Joint Venture Companies as at 31<sup>st</sup> March, 2025, and their consolidated profit and consolidated other comprehensive income, their consolidated changes in equity and their 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"), 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 Consolidated Financial Statements section of our report. We are independent of the Group and its Joint Venture Companies in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p><b>Recognition of Revenue, measurement, presentation and disclosure as per Ind AS-115 "Revenue from Contracts with Customers".</b> (Refer Sub-note No XVIII 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><b>Our procedures included the following:</b></p> <ul style="list-style-type: none"> <li>• We performed walkthroughs to understand the key processes and identify key controls related Ind AS 115 "Revenue from Contracts with Customers"</li> <li>• On a sample basis we performed testing to verify physical deliveries of product in the year to ascertain transfer of control.</li> <li>• Assessed the design and tested the operating effectiveness of internal controls related to sales and related rebates and discounts;</li> <li>• 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</li> <li>• Selected a sample of sales contracts and read, analysed and identified the distinct performance obligations in these contracts.</li> </ul>
2.	<p><b>Litigations Matters &amp; Contingent Liabilities (Refer note 32 of the consolidated financial statements)</b></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><b>Our procedures included the following:</b></p> <ul style="list-style-type: none"> <li>• Assessing the procedures implemented by the Company to identify and gather the risks it is exposed to.</li> <li>• Discussion with the management on the development in these litigations during the year ended 31<sup>st</sup> March, 2025.</li> <li>• 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.</li> <li>• 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.</li> <li>• Obtaining representation letter from the management on the assessment of those matters as per SA 580 (revised) - written representations.</li> </ul>



**Information Other than the Financial Statements and Auditor's Report Thereon**

The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility & Sustainability Report and Report on Corporate Governance and Shareholder's information, but does not include the Financial Statements and our auditor's 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, compare with the financial statements of the Subsidiary Companies and Joint Venture Companies audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and 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. Other information so far as it relates to the Subsidiary Companies and Joint Venture Companies is traced from their financial statements audited by the other auditors.

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 matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements 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 Venture Companies in accordance with the accounting principles generally accepted in India, including Ind AS specified under Section 133 of the Act.

The respective Board of Directors of the entities included the Group and its Joint Venture Companies are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its Joint Venture Companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the respective Management and Board of Directors of the Companies included in the Group and its Joint Venture Companies are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities 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 Venture Companies are 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these Consolidated Financial Statements.

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group and its Joint Venture Companies has adequate internal financial controls with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and its Joint Venture Companies 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 Venture Companies 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 and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities 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 the 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 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.

#### Other Matters

We did not audit the financial information of 2 Subsidiary Companies included in the Consolidated Financial Statements, whose financial information reflects total assets of Rs.2,657 lakhs as at March 31, 2025 and total revenues of Rs.6 lakhs and net cash flow of Rs.(2 lakhs) for the year ended March 31, 2025.

The Consolidated Financial Statements also includes the Group's share of total net profit after tax of Rs.67 lakhs, and total comprehensive income (net) of Rs.66 lakhs for the year ended March 31, 2025 in respect of two Joint Venture Companies.

The financial information of these Subsidiary Companies and Joint Venture Companies have not been audited by us. This financial information has been audited, as applicable, by the other auditors whose reports have been furnished to us by the Holding Company's Management and our opinion and conclusion in the Consolidated Financial Statements, insofar as it relates to the amounts and disclosures included in respect of these Subsidiary Companies and Joint Venture Companies, is based solely on the reports of the other auditors and the procedures performed by us as stated under Auditor's Responsibilities section above.

Our report on the statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

The Consolidated Financial Statements also includes the Group's share of total net profit/(loss) after tax of Rs.(39 lakhs), and total comprehensive income (net) of Rs.(39 lakhs) for the year ended March 31, 2025 respectively in respect of two Joint Venture Companies, whose financial information has not been audited by us. This financial information has not been audited, as applicable, by the respective auditors. These financial information are unaudited and have been furnished to us by the Holding Company's Management and our opinion and conclusion in the Consolidated Financial Statements, insofar as it relates to the amounts and disclosures included in respect of these Joint Venture Companies, is based solely on such unaudited financial information. In our opinion and according to the information and explanation given to us by the Board of Directors, these financial information is not material to the Group.

Our report on the statement is not modified in respect of the above matter with respect to our reliance on the financial information certified by the management.

The financial information of 1 Joint Venture namely Madanpur (North) Coal Block Private Limited was not available and therefore the same has not been consolidated in the Consolidated Financial Statements. The investment made in above Joint Venture is fully impaired. In our opinion and according to the information and explanation given to us by the Board of Directors, these financial information is not material to the Group.

Our report on the statement is not modified in respect of the above matter.

#### Report on Other Legal and Regulatory Requirements

- With respect to the matters specified in clause (xxi) of paragraph 3 and 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, to be included in the Auditor's Report, according to the information and explanations given to us, and based on the Auditor's Report on the Financial Statements of Company and its Subsidiary Companies as at and for the year ended March 31, 2025, included in the Consolidated Financial Statements of the Group, we report in respect of those Companies where audit have been completed under Section 143 of the Act, we have not reported any qualifications or adverse remarks. Further, the following are the Joint Venture Companies, included in the consolidated financial statements for the year ended March 31, 2025, 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 in this respect.

S.No	Name of the Company	CIN	Relationship
1	Daido DMS India Private Limited	U28113HR2015FTC054839	Joint Venture
2	Madanpur (North) Coal Block Private Limited	U10101CT2007PTC020161	Joint Venture
3	ReNew Green (MPR Three) Private Limited	U40106DL2022PTC400111	Joint Venture

- As required by Section 143(3) of the Act, based on our audit and based on the consideration of the reports of other auditors on the separate financial information of the Subsidiary Companies and Joint Venture Companies referred to in Other Matters section above we report that:
  - We have sought and obtained all the information and explanations which to the best of our knowledge and beliefs were necessary for the purposes of our audit.
  - In our opinion, proper books of account as required by law have been kept so far as it appears from our examination of those books.
  - 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 Flow dealt with by this Report are in agreement with the relevant books of account.

- d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2025, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its Subsidiary Companies and Joint Venture Companies incorporated in India, none of the directors of the Group and its Joint Venture Companies incorporated in India is disqualified as on March 31, 2025, 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 Consolidated Financial Statements of the Holding Company, its Subsidiary Companies and its Joint Venture Companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group and its Joint Venture Companies internal financial controls with reference to the Consolidated Financial Statements.
- g) With respect to the Other Matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended in our opinion and to the best of our information and according to the explanation given to us and based on the auditors reports of Subsidiary Companies and its Joint Venture Companies, the remuneration paid/provided by the Company to its directors is in accordance with the provisions of Section 197 of 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:
- The Consolidated Financial Statements disclose the impact of pending litigations as at 31<sup>st</sup> March, 2025 on its consolidated financial position of the Group and its Joint Venture Companies in its Consolidated Financial Statements- Refer note 32 to the Consolidated Financial Statements.
  - The Company has long-term contracts including derivative contracts for which there were no material foreseeable losses.
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its Subsidiary Companies and its Joint Venture Companies incorporated in India during the year ended 31<sup>st</sup> March, 2025.
  - (a) The respective Managements of the Holding Company, its Subsidiary Companies and its Joint Venture Companies which are Companies incorporated in India whose financial statements have been audited under the Act have represented to us 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, Subsidiary Companies and its Joint Venture Companies 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 Subsidiary Companies and its Joint Venture Companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (b) The respective Managements of the Holding Company and its Subsidiary Companies and its Joint Venture Companies which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, no funds have been received by the Holding Company, its Subsidiary Companies or its Joint Venture Companies from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company, its Subsidiary Companies and its Joint Venture Companies 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 caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e), as provided under (a) & (b) above, contain any material misstatement.
  - The Board of Directors of the Holding Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
  - Based on our examination which included test checks, performed by us on the Holding Company and its Subsidiary Companies and its Joint Venture Companies incorporated in India, have used accounting software for maintaining their respective books of account for the financial year ended 31<sup>st</sup> March, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with.
- As proviso to the Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1<sup>st</sup> April, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rule, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31<sup>st</sup> March, 2025.

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

**New Delhi**  
**27<sup>th</sup> May, 2025**

**Ram Niwas Jalan**  
**Partner**  
**Membership No: 82389**  
**UDIN :- 25082389BMMJRT7762**

**Annexure I****List of entities included in the Statement:****Subsidiary Companies**

- |                          |  |
|--------------------------|--|
| 1. Sunflag Power Limited | 2. Khappa Coal Company Private Limited |
|--------------------------|--|

**Joint Venture Companies**

- |  |  |
|--|--|
| 1. CT Mining Private Limited               | 3. Daido DMS India Private Limited             |
| 3. Ramesh Sunwire Private Limited          | 4. Madanpur (North) Coal Block Private Limited |
| 5. ReNew Green (MPR Three) Private Limited |  |

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Sunflag Iron and Steel Company Limited of even date)**

**Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")**

In conjunction with our audit of the Consolidated Financial Statements of the Holding Company as of and for the year ended March 31, 2025, 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"), its Subsidiary Companies and its Joint Venture Companies which are companies incorporated in India (the Holding Company and its Subsidiary Companies together referred to as "the Group"), as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company, its Subsidiary Companies and its Joint Venture Companies 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 respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("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 group'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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial control with reference to Consolidated Financial Statements of the Holding Company and its Subsidiary companies and its Joint Venture Companies which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI") and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Consolidated Financial Statements. 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 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 with reference to Consolidated Financial Statements, 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 other auditors of the subsidiary Companies and Joint Venture Companies which are companies incorporated in India, 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 of the Holding Company, its Subsidiary companies and its Joint Venture Companies which are companies incorporated in India.

**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 and to the best of our information and according to the explanation given to us and based on the consideration of the reports of the other auditors referred to the Other Matters paragraph below, the Holding Company, its Subsidiary Companies and its Joint Venture 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 March 31, 2025, based on the criteria for internal financial control with reference to Consolidated Financial Statement established by the Holding Company and its Subsidiary Companies and its Joint Ventures 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 Subsidiary Companies 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 two Joint Venture Companies which are incorporated in India, as the financial statements of this Joint Venture Companies is based solely on the basis of management certified financial statements. This Joint Venture Companies 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 Company 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 Company 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  
27<sup>th</sup> May, 2025**

**Ram Niwas Jalan  
Partner  
Membership No: 82389  
UDIN :- 25082389BMMJRT7762**



**SUNFLAG IRON AND STEEL COMPANY LIMITED, ITS SUBSIDIARIES AND JOINT VENTURES  
CONSOLIDATED BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2025**

Particulars	Note No.	As at 31.03.2025 (₹ in Lakh)	As at 31.03.2024 (₹ in Lakh)
<b>A. ASSETS</b>			
<b>1. Non-current Assets</b>			
a) Property, plant and equipment	3	1,44,183	1,47,733
b) Right of Use Assets	3	4,316	4,735
c) Capital work - in - progress	3	29,709	28,098
d) Financial assets			
i. Investments	4	7,77,906	3,64,244
ii. Other Financial Assets	5	3,454	3,834
e) Other non current asset	6	2,419	1,906
<b>Total non-current assets</b>		<b>9,61,987</b>	<b>5,50,550</b>
<b>2. Current assets</b>			
a) Inventories	7	93,119	83,260
b) Financial assets			
i. Trade receivables	8	36,167	34,606
ii. Cash and cash equivalents	9(a)	10,121	19,383
iii. Bank balances other than above	9(b)	5,700	5,927
iv. Other Financial Assets	10	332	187
c) Income tax assets (net)	11	55	790
d) Other current assets	12	11,220	7,531
<b>Total current assets</b>		<b>1,56,714</b>	<b>1,51,684</b>
<b>TOTAL ASSETS</b>		<b>11,18,701</b>	<b>7,02,234</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
a) Equity Share capital	13	18,022	18,022
b) Other equity	14	8,58,615	4,98,351
c) Non Controlling Interest		160	158
<b>Total Equity</b>		<b>8,76,797</b>	<b>5,16,531</b>
<b>2. Non-current Liabilities</b>			
a) Financial liabilities			
i. Borrowings	15	16,534	26,261
ii. Lease liabilities	16(a)	4,927	5,271
iii. Other financial liabilities	16(b)	627	431
b) Provisions	17	4,422	3,951
c) Deferred tax liabilities (Net)	18	1,10,061	44,587
<b>Total non-current liabilities</b>		<b>1,36,571</b>	<b>80,501</b>
<b>3. Current Liabilities</b>			
a) Financial liabilities			
i. Borrowings	19(a)	40,522	40,751
ii. Lease liabilities	19(b)	422	378
iii. Trade Payables	20		
- Total outstanding dues of Micro Enterprises and Small Enterprises		3,895	1,491
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		43,933	51,052
iv. Other financial liabilities	21	12,584	8,797
b) Other current liabilities	22	3,977	2,733
<b>Total current liabilities</b>		<b>1,05,333</b>	<b>1,05,202</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>11,18,701</b>	<b>7,02,234</b>

Material accounting policies

1 &amp; 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**  
**DIN 00054805**
**S. MAHADEVAN**  
**CHIEF FINANCIAL OFFICER**
**CA VINITA BAHRI**  
**DIRECTOR**  
**DIN 03109454**
**RAM NIWAS JALAN**  
**Partner**  
**M. No. 82389**
**RAMCHANDRA DALVI**  
**DIRECTOR (TECHNICAL)**  
**DIN 00012065**
**CA NEELAM KOTHARI**  
**DIRECTOR**  
**DIN 06709241**
**CA M. A. V. GOUTHAM**  
**DIRECTOR**  
**DIN 00101447**
**New Delhi**  
**27<sup>th</sup> May, 2025**
**Nagpur**  
**27<sup>th</sup> May, 2025**
**ASHUTOSH MISHRA**  
**HEAD COMPANY SECRETARY**  
**M. No. ACS 23011**
**ANAND S. KAPRE**  
**DIRECTOR**  
**DIN 00019530**
**TIRTHNATH JHA**  
**DIRECTOR**  
**DIN 07593002**

**SUNFLAG IRON AND STEEL COMPANY LIMITED, ITS SUBSIDIARIES AND JOINT VENTURES  
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025**

Particulars	Note No.	Year Ended 31.03.2025 (₹ in Lakh)	Year Ended 31.03.2024 (₹ in Lakh)
<b>Income</b>			
1. Revenue from operations	23	3,53,559	3,41,528
2. Other income	24	1,652	613
<b>Total Income</b>		<b>3,55,211</b>	<b>3,42,141</b>
<b>3. Expenses</b>			
Cost of raw materials & components consumed	25(a)	2,22,897	2,29,063
Other manufacturing expenses	25(b)	62,721	54,968
Changes in inventories of finished goods and work-in-progress	26	(2,145)	(7,582)
Employee benefits expense	27	13,732	12,107
Finance costs	28	8,990	9,671
Depreciation and amortization expenses	29	10,445	10,301
Other expenses	30	17,423	15,466
<b>Total expenses</b>		<b>3,34,063</b>	<b>3,23,994</b>
<b>4. Profit/(loss) before share of profit/(loss) from JVs and exceptional items &amp; tax</b>		<b>21,148</b>	<b>18,147</b>
Exceptional items		-	-
<b>5. Profit before tax</b>		<b>21,148</b>	<b>18,147</b>
<b>6. Share of Profit / (Loss) in Joint Ventures &amp; Associates</b>		<b>28</b>	<b>189</b>
<b>7. Tax Expense :</b>			
(a) Current tax	18	(6,225)	(4,846)
(b) Deferred tax	18	1,257	865
<b>8. Net Profit after tax</b>		<b>16,208</b>	<b>14,355</b>
<b>Net Profit after tax attributable to</b>			
Owners Equity		16,206	14,353
Non-Controlling Interest		2	2
<b>9. Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
- MTM gain on equity investments		4,11,150	1,90,380
- Revaluation gain on fixed assets		-	-
- Re-measurement of the defined benefit plans		(319)	(486)
- Gain/(Loss) on Foreign Currency hedging		(44)	(44)
Income tax relating to items that will not be reclassified to profit or loss			
- MTM gain on equity instruments		(66,811)	(22,175)
- Revaluation gain on fixed assets		-	-
- Re-measurement of the defined benefit plans		80	122
<b>Total other comprehensive income (Net of Tax)</b>		<b>3,44,056</b>	<b>1,67,797</b>
<b>Total comprehensive income for the year (Net of Tax)</b>		<b>3,60,264</b>	<b>1,82,152</b>
<b>Other comprehensive income for the year attributable to:</b>			
Owners equity		3,44,056	1,67,797
Non-controlling interest		-	-
<b>Total comprehensive income for the year (net of tax) attributable to:</b>			
Owners equity		3,60,262	1,82,150
Non-controlling interest		2	2
<b>10. Earnings per equity share (in ₹)</b>			
Basic	31	8.99	7.97
Diluted		8.99	7.97

Material accounting policies

1 &amp; 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**  
**DIN 00054805**
**S. MAHADEVAN**  
**CHIEF FINANCIAL OFFICER**
**CA VINITA BAHRI**  
**DIRECTOR**  
**DIN 03109454**
**RAM NIWAS JALAN**  
**Partner**  
**M. No. 82389**
**RAMCHANDRA DALVI**  
**DIRECTOR (TECHNICAL)**  
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**DIN 06709241**
**CA M. A. V. GOUTHAM**  
**DIRECTOR**  
**DIN 00101447**
**New Delhi**  
**27<sup>th</sup> May, 2025**
**Nagpur**  
**27<sup>th</sup> May, 2025**
**ASHUTOSH MISHRA**  
**HEAD COMPANY SECRETARY**  
**M. No. ACS 23011**
**ANAND S. KAPRE**  
**DIRECTOR**  
**DIN 00019530**
**TIRTHNATH JHA**  
**DIRECTOR**  
**DIN 07593002**

**SUNFLAG IRON AND STEEL COMPANY LIMITED, ITS SUBSIDIARIES AND JOINT VENTURES  
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025**

Particulars	For the year ended 31.03.2025 (₹ in Lakh)		For the year ended 31.03.2024 (₹ in Lakh)	
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before tax		21,148		18,147
Adjustments for :				
Depreciation and amortisation		10,445		10,301
(Profit) / loss on sale of property, plant and equipment		(7)		(1)
Finance costs		8,990		9,671
Interest income		(981)		(570)
Capital work-in-progress provided for		-		42
Dividend Income		(600)		-
Actuarial Loss		-		24
Provision for doubtful trade and other receivables, loans and advances		743		151
Operating profit / (loss) before working capital changes		39,738		37,765
<b>Changes in working capital :</b>				
Adjustments for (increase) / decrease in operating assets :				
Inventories	(9,859)		3,297	
Trade receivables	(2,305)		(3,230)	
Short-term loans and advances	590		(837)	
Long-term loans and advances	379		(1,872)	
Other current assets	(3,690)		1,148	
Other non-current assets	(513)	(15,398)	628	(866)
Adjustments for increase / (decrease) in operating liabilities :				
Trade payables	(4,758)		(3,881)	
Other current liabilities	4,958		(1,090)	
Other long-term liabilities	196		62	
Long-term provisions	153	549	(26)	(4,935)
Cash generated from operations		24,889		31,964
Income tax (paid)/refund net		(6,150)		(7,525)
<b>Net cash flow from / (used in) operating activities (A)</b>		18,739		24,439
<b>B. Cash flow from investing activities</b>				
Capital expenditure on Property, Plant & Equipment		(8,010)		(12,550)
Proceeds from sale of Property, Plant & Equipment		9		3
Other Bank deposits not considered in cash & cash equivalents (net)		227		4,757
Interest income		981		570
Dividend Income		600		-
Long-term investments in; - Joint ventures		(2,486)		(1,106)
<b>Net cash flow from / (used in) investing activities (B)</b>		(8,679)		(8,326)
<b>C. Cash flow from financing activities</b>				
Proceeds from long-term borrowings		3,285		430
Repayment of long-term borrowings		(11,927)		(13,663)
Net (decrease)/ increase in working capital borrowings		(1,252)		25,572
Repayment of unsecured Deferred Sales Tax Loan		(62)		(212)
Finance cost		(8,448)		(9,097)
Lease Repayment		(918)		(909)
<b>Net cash flow (used in)/ from financing activities (C)</b>		(19,322)		2,121
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>		(9,262)		18,234
Cash and cash equivalents at the beginning of the year		19,383		1,149
<b>Cash and cash equivalents at the end of the year</b>		10,121		19,383

Component of cash and cash equivalents	As at 31.03.2025 (₹ in Lakh)	As at 31.03.2024 (₹ in Lakh)
<b>Cash and Cash Equivalents</b>		
- Cash on hand	29	26
- Balances in current accounts	586	2,357
- Fixed deposits with original maturity period of upto three months	9,506	17,000
	10,121	19,383

## SUNFLAG IRON AND STEEL COMPANY LIMITED, ITS SUBSIDIARIES AND JOINT VENTURES CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025

Cash Flow Continued....

**Changes in liabilities arising from financing activities**

Particulars	As at the end 31 <sup>st</sup> March, 2023	Cashflows	As at the end 31 <sup>st</sup> March, 2024	Cashflows	As at the end 31 <sup>st</sup> March, 2025
Non-Current Borrowings	38,162	(11,901)	26,261	(9,727)	16,534
Current borrowings (current maturities of long-term debt)	12,811	(1,545)	11,266	1,023	12,289
Current Borrowings Others	3,913	25,572	29,485	(1,252)	28,233

**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, 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  
DIN 00054805

**S. MAHADEVAN**  
CHIEF FINANCIAL OFFICER

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New Delhi  
27<sup>th</sup> May, 2025

Nagpur  
27<sup>th</sup> May, 2025

**ASHUTOSH MISHRA**  
HEAD COMPANY SECRETARY  
M. No. ACS 23011

**ANAND S. KAPRE**  
DIRECTOR  
DIN 00019530

**TIRTHNATH JHA**  
DIRECTOR  
DIN 07593002

**Consolidated Statement of changes in equity for the year ended 31<sup>st</sup> March, 2025****a) Equity share Capital**

Particulars	No. of shares	Amount (₹ in Lakh)
As at 1 <sup>st</sup> April, 2023	18,02,19,448	18,022
Changes during the year	-	-
As at 31 <sup>st</sup> March, 2024	18,02,19,448	18,022
Changes during the year	-	-
As at 31 <sup>st</sup> March, 2025	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	MTM gain/(loss) on equity shares	Revaluation Surplus	Effective portion of cash flow Hedges	Remeasurement of the defined benefit plans	
As at April 01, 2023	3,785	256	2,30,939	559	42,594	37,369	123	574	3,16,199
Net Profit for the year	-	-	14,353	2	-	-	-	-	14,355
Other comprehensive income for the year	-	-	-	-	1,68,205	-	(44)	(364)	1,67,797
Equity instruments	-	-	-	-	-	-	-	-	-
Additional Depreciation on Revalued assets transferred to retained earnings	-	-	1,784	-	-	(1,784)	-	-	-
As at March 31, 2024	3,785	256	2,47,076	561	2,10,799	35,585	79	210	4,98,351
Net Profit for the year	-	-	16,206	2	-	-	-	-	16,208
Other comprehensive income for the year	-	-	-	-	3,44,339	-	(44)	(239)	3,44,056
Additional Depreciation on Revalued assets transferred to retained earnings	-	-	1,746	-	-	(1,746)	-	-	-
As at March 31, 2025	3,785	256	2,65,028	563	5,55,138	33,839	35	(29)	8,58,615

**c) Non Controlling Interest**

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Opening Balance	158	156
Changes during the year	2	2
Closing Balance	160	158

**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 for 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 for in securities premium available. When securities 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 securities 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  
DIN 00054805

**S. MAHADEVAN**  
CHIEF FINANCIAL OFFICER

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New Delhi  
27<sup>th</sup> May, 2025

Nagpur  
27<sup>th</sup> May, 2025

**ASHUTOSH MISHRA**  
HEAD COMPANY SECRETARY  
M. No. ACS 23011

**ANAND S. KAPRE**  
DIRECTOR  
DIN 00019530

**TIRTHNATH JHA**  
DIRECTOR  
DIN 07593002

**Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2025**
**1. Corporate information**

Sunflag Iron and Steel Company Limited (the 'Company'), including its subsidiaries 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 having its manufacturing facility located at Bhandara, Maharashtra. 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 33/1, Mount Road, Sadar, Nagpur - 440001, Maharashtra, India.

The details of Subsidiaries and Joint Ventures are as follows :

Subsidiaries	Joint Ventures
Sunflag Power Limited Khappa Coal Company Private Limited Sunflag Foundation (not considered for consolidation as this Company is formed for incurring CSR expenses)	Daido D.M.S India Private Limited Ramesh Sunwire Private Limited C T Mining Private Limited Madanpur (North) Coal Block Private Limited ReNew Green (MPR Three) Private Limited

These consolidated financial statements are presented in Indian Rupees (₹) which is the Company's functional currency, and all values are rounded to the nearest lakhs ( ₹00,000) except when otherwise indicated.

**2. Material 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.

Accordingly, the Company has prepared these Consolidated Financial Statements which comprise the Balance Sheet as at 31 March 2025, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as "Consolidated Financial Statements" or "financial statements").

These consolidated financial statements have been prepared under the historical cost convention on the accrual basis, except for certain financial instruments 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 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 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 the financial statements. Actual results could vary from these estimates.

The financial statements for the year ended 31<sup>st</sup> March, 2025 were authorized and approved for issue by the Board of Directors on 27<sup>th</sup> May, 2025.

**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**
**Subsidiary Companies**

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 holding Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter Company 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 Venture Companies**

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 asset. 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 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 a 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 costs 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 are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the costs of the item can be measured reliably. Repair 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 are eliminated from the financial statement, either on disposal or when retired from the active use. Gains or losses arising from de-recognition of property, plant and equipment 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 asset is derecognized.

Assets in the course of construction are capitalised in the assets under Capital work in progress. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalized. Where the asset is available for use but incapable of operating at normal levels, revenue (net of cost) generated from production during the trial period is capitalised.

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 in years as per Schedule - II of the Companies Act, 2013
<b>Lease Hold Land</b>		
Lease Hold Land	30, 95	-
<b>Building including roads</b>		
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	10, 5	10 (RCC) & 5 (Other)
Railway Siding	15	15
<b>Plant and Machinery</b>		
Plant and Machinery	8, 10, 15, 18, 20, 25, 30	-
Electrical fittings	10	10
Computers	3, 6	3, 6
Combustor WHRB	15	15
<b>Furniture fixtures and others</b>		
Furniture fixtures and others	8	10
<b>Vehicles</b>		
Light Vehicles	6, 8, 10	8
Heavy Vehicles	8	8
<b>Office equipment</b>		
Office equipment	5, 10	5
<b>Development of Mines</b>		
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 weighted moving average cost method.
ii	Consumables, store & spares	At weighted moving average cost method
iii	Finished and semi-finished goods	At lower of cost of raw material and proportion of manufacturing overheads or net realisable value.
iv	Work in progress	At lower of cost of raw material, plus appropriate production overheads or net realizable 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."

#### **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) Retirement benefit costs**

##### **i) Defined benefit plan**

The Group's liabilities on account of 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.

Liability in respect of compensated absences due or expected to be availed within one year from the Balance Sheet date is estimated on the basis of valuation carried out by third party actuaries at each Balance Sheet date. Re-Measurements comprising actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged / credited to profit and loss in the period in which they arise.

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 is 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 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 of 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 in accordance with the option given in Ind AS 27, "Separate Financial Statements". 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.

Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

### **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. The 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.

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

## **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 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.

## **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 and 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.

Trade receivables - A receivable is recognised when the goods are delivered and to the extent that it has an unconditional contractual right to receive cash or other financial assets (i.e., only the passage of time is required before payment of the consideration is due). Trade receivables is derecognised when the Company transfers substantially all the risks and rewards of ownership of the asset to another party including discounting of bills on a nonrecourse basis.

Refund liabilities - A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer including volume rebates and discounts. The Company updates its estimates of refund liabilities at the end of each reporting period.

### **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 initially recorded in the functional currency, using the exchange rate prevailing 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 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 regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from the commencement of activities relating to construction / development of the qualifying assets up to the date of capitalization of such assets is added to the cost of the assets. Other borrowing cost are expensed in the period in which they are incurred.

**XX. Equity shares**

Ordinary shares are classified as equity. Incremental cost net of taxes directly attributable to the issue of new equity shares are reduced from retained earnings, net of taxes.

**XXI. Financial Instruments****1) Initial recognition**

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivable which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to or deducted from 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 cost 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 FVOCI, 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 in the statement of profit and 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.

**h) Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

**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 cancelled 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 the 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.

**f) Defined benefit obligations**

The cost of defined benefit gratuity plans, and post-retirement medical benefit is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

**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 Sheet :**

- 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 assets 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 on 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 on 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 on 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 31<sup>st</sup> March, 2025

## 3. Property, plant and equipment (PPE), Right of use assets &amp; 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		
<b>Gross Block</b>												
<b>As at 31.03.2023</b>	8,251	89	375	297	814	428	2,203	2,043	37,734	1,27,239	1,86,492	19,290
Additions	1,150	-	-	614	26	278	-	105	1,147	380	3,700	11,977
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	(3,127)
Adjustment of revaluation Gain / (Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(26)	-	-	-	-	-	(26)	-
Adjustments	-	-	-	-	-	-	-	-	-	-	(74)	(42)
<b>As at 31.03.2024</b>	9,401	89	375	911	814	706	2,203	2,148	38,881	1,27,619	1,90,092	28,098
Additions	-	-	-	6	53	5	-	8	1,380	4,948	7,822	7,822
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	(6,211)
Adjustment of revaluation Gain / (Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(19)	-	-	(1)	-	-	(20)	-
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
<b>As at 31.03.2025</b>	9,401	89	375	917	848	711	2,203	2,155	40,261	1,32,567	1,96,549	29,709
<b>Accumulated Depreciation/ Amortisation</b>												
<b>As at 31.03.2023</b>	-	33	356	224	620	393	1,298	1,931	3,091	17,688	27,348	-
Charge for the year	-	1	-	33	62	21	131	9	1,547	8,001	10,301	-
Adjustment of revaluation Gain / (Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(25)	-	-	-	-	-	(25)	-
<b>As at 31.03.2024</b>	-	34	356	257	657	414	1,429	1,940	4,638	25,689	37,624	-
Charge for the year	-	1	-	82	52	57	131	17	1,563	8,046	10,445	-
Adjustment of revaluation Gain / (Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(18)	-	-	(1)	-	-	(19)	-
<b>As at 31.03.2025</b>	-	35	356	339	691	471	1,560	1,956	6,201	33,735	48,050	-
Net Block As at 31.03.2024	9,401	55	19	654	157	292	774	208	34,243	1,01,930	1,52,468	28,098
<b>Net Block As at 31.03.2025</b>	9,401	54	19	578	157	240	643	199	34,060	98,832	1,48,499	29,709

## Notes :

ii) Cost of Leasehold land is amortised over the period of lease i.e. 95 years.

ii) a) The Company had adopted the revaluation model as per IND AS-16 for plant & machinery and building, as at 31<sup>st</sup> 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 31<sup>st</sup> March, 2025 amounting to ₹2,334 Lakh. (Previous Year ₹2,384 Lakh).

b) The Company had revalued its plant and machinery and building at the end of the year 31<sup>st</sup> March, 2023. As a result, the revaluation gain of ₹6,681 Lakhs (Plant & Machinery ₹2,947 Lakhs and Buildings ₹3,734 Lakhs) had been accounted for in the financial year ended 31<sup>st</sup> March, 2023 through other comprehensive income. (Previous revaluation was carried out as on 31<sup>st</sup> March, 2020).

iii) Title deeds of all the immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) held by the Company are in the name of the Company.



**Notes forming part of the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2025**
**Additional Information**
**1. Assets under construction**

Capital work in progress incurred as at 31<sup>st</sup> March, 2025 amounted ₹29,709 Lakh (Previous Year ₹28,098 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) Contractual obligations**

Refer Note No.32 for disclosures of contractual commitments for the acquisition of property, plant and equipment.

ii) Property, plant and equipment pledged of security

The Company has pledged certain property, plant and equipment against borrowings which have been disclosed in note No. 15.

**Capital Work in Progress:\***
**(₹ in Lakh)**

Particulars	Amount
<b>Opening as at 01.04.2023</b>	<b>19,290</b>
Expenditure made during the year	11,977
Capitalised during the year	(3,127)
Capital work in progress written off	(42)
<b>Closing as at 31.03.2024</b>	<b>28,098</b>
Expenditure made during the year	7,822
Capitalised during the year	(6,211)
<b>Closing as at 31.03.2025</b>	<b>29,709</b>

\*Refer note No. 43 for information

**CWIP Ageing Schedule - As on 31.03.2025**
**(₹ in Lakh)**

CWIP - Project Name	Amount in CWIP for a Period of				
	Less than 1 Year	1 - 2 Years	2- 3 Years	More than 3 Years	Total
Projects in progress	7,447	7,280	5,042	7,611	27,380
Projects temporarily suspended	-	-	-	2,329	2,329
<b>Total</b>	<b>7,447</b>	<b>7,280</b>	<b>5,042</b>	<b>9,940</b>	<b>29,709</b>

Note: 1) Delay in execution of projects are mainly due to suspension of activities during COVID-19 period. However, there is 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 Nagpur Bench of Bombay High Court. Khappa Coal Company Private Limited, due to de-allocation of coal block mine. Sunflag Power Limited, due to delay in finalisation of power evacuation process and facility thereof, by the state government.

**CWIP Project Completion Schedule whose completion is overdue - As on 31.03.2025**
**(₹ in Lakh)**

CWIP - Project Name	CWIP Completion Schedule within				
	Less than 1 Year	1 - 2 Years	2- 3 Years	More than 3 Years	Total
Mines under development	-	-	-	1,319	1,319
Hydro power project	-	-	-	1,010	1,010
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,329</b>	<b>2,329</b>

**CWIP Ageing Schedule - As on 31.03.2024**
**(₹ in Lakh)**

CWIP - Project Name	Amount in CWIP for a Period of				
	Less than 1 Year	1 - 2 Years	2- 3 Years	More than 3 Years	Total
Projects in progress	12,206	5,531	6,996	1,036	25,769
Projects temporarily suspended	-	-	-	2,329	2,329
<b>Total</b>	<b>12,206</b>	<b>5,531</b>	<b>6,996</b>	<b>3,365</b>	<b>28,098</b>

- Note: 1) Delay in execution of projects are mainly due to suspension of activities during COVID-19 period. However, there is 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. Khappa Coal Company Private Limited, due to de-allocation of coal block mine. Sunflag Power Limited, due to delay in finalisation of power evacuation process and facility thereof, by the state government.

**CWIP Project Completion Schedule whose completion is overdue - As on 31.03.2024**

(₹ in Lakh)

CWIP - Project Name	CWIP Completion Schedule within				
	Less than 1 Year	1 - 2 Years	2- 3 Years	More than 3 Years	Total
Mines under development	-	-	-	1,319	1,319
Hydro power project	-	-	-	1,010	1,010
<b>Total</b>	-	-	-	<b>2,329</b>	<b>2,329</b>

**4. Non- Current Investments**

(₹ in Lakh)

Particulars	As at 31.03.2025	As at 31.03.2024
Investment in equity instruments (at cost, unquoted & fully paid)	5,373	2,887
Investment in equity instruments (at fair value through OCI, quoted & fully paid)	7,72,350	3,61,200
Add :- Company's share in the Profit/(Loss) of the Joint Ventures (Equity Method)	183	157
<b>Total</b>	<b>7,77,906</b>	<b>3,64,244</b>
Aggregate amount of unquoted investments	5,556	3,044
Aggregate amount of quoted investments	7,72,350	3,61,200

**Details of 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 31.03.2025	As at 31.03.2024	As at 31.03.2025	As at 31.03.2024	As at 31.03.2025	As at 31.03.2024
<b>Subsidiaries</b>						
Sunflag Foundation	10,000	10,000	100.00	100.00	1	1
<b>Joint Ventures</b>						
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	56,19,400	56,19,400	17.56	17.56	563	563
Ramesh Sunwire Private Limited	98,00,000	98,00,000	49.00	49.00	980	980
ReNew Green (MPR Three) Private Limited	3,39,04,800	90,38,778	31.20	31.20	3,390	904
(refer note below)						
Add :- Company's share in the profit/(loss) of the Joint Ventures (Equity Method)					183	157
<b>Others</b>						
India Bulls CSEB Bhaiyathan Power Limited	74	74	-	-	-	-
Equity Shares in Lloyds Metals & Energy Ltd.	6,00,00,000	6,00,00,000	11.47	11.88	1,22,610	1,22,610
Add :- MTM Gain on fair value measurement of equity shares	-	-	-	-	6,49,740	2,38,590
<b>Total</b>					<b>7,77,906</b>	<b>3,64,244</b>
<b>Additional Information :</b>						
Aggregate amount of quoted investments and market value thereof;					7,72,350	3,61,200
Aggregate amount of unquoted investments					5,556	3,044
Aggregate amount of diminution in value of investments					-	-
Carrying amounts of investments have been adjusted to reflect losses incurred at Joint Ventures.						

**Note :-**

During the year, the Company has made a strategic investment of ₹2,486 lakhs (previous year ₹ 904 lakhs) in the equity shares (i.e. 31.20%) of Renew Green (MPR Three) Private Limited, an existing Company in the field of green energy generation. This investment aligns with our commitment to support sustainable and renewable energy initiatives, which are critical for the future of energy consumption and environmental conservation.

	As at 31.03.2025 (₹ in Lakh)	As at 31.03.2024 (₹ in Lakh)
<b>5. Other Financial Assets (unsecured)</b>		
Security deposits	1,102	1,064
Security deposits Related Parties (Refer Note No. 37)	28	28
Bank deposits with bank more than 12 months maturity	2,043	2,493
Interest Accrued on bank deposits	42	60
Earmarked escrow bank deposit for mine restoration obligation	212	133
Earmarked escrow current account for mine restoration obligation	27	56
<b>Total</b>	<b>3,454</b>	<b>3,834</b>
<b>6. Other non-current assets</b>		
Capital advances	2,419	1,906
<b>Total</b>	<b>2,419</b>	<b>1,906</b>
<b>7. Inventories (As taken, valued and certified by the management) (Refer Note below)</b>		
Raw materials on hand	22,081	16,125
Goods-in transit (raw material)	211	1,167
Work-in-progress	25,579	23,409
Finished goods	35,612	33,593
Goods in transit (Finished goods)	2,843	4,886
Consumables, stores and spares #	6,793	4,080
<b>Total</b>	<b>93,119</b>	<b>83,260</b>
<b>Note :-</b>		
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. 19(a)(i)		
iii. # Consumables, stores and spares are net of provision for obsolete items, amounting to ₹215 Lakhs (Previous year ₹250 Lakhs)		
<b>8. Trade receivables</b>	As at 31.03.2025 (₹ in Lakh)	As at 31.03.2024 (₹ in Lakh)
(Refer note below)		
Secured, considered good	-	-
Unsecured, considered good	36,167	34,606
Unsecured, credit impaired	2,357	1,614
	<b>38,524</b>	<b>36,220</b>
Less: Provision for expected credit loss	(2,357)	(1,614)
	<b>36,167</b>	<b>34,606</b>

**Trade receivables ageing schedule - As on 31.03.2025**

(₹ 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	29,058	7,109	-	-	-	-	36,167
(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	-	-	369	705	234	1,049	2,357
Less:- Provision for expected credit loss	-	-	(369)	(705)	(234)	(1,049)	(2,357)
<b>Total</b>	<b>29,058</b>	<b>7,109</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,167</b>

**Trade receivables ageing schedule - As on 31.03.2024**

(₹ 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	27,087	7,519	-	-	-	-	34,606
(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	-	-	337	249	80	948	1,614
Less:- Provision for expected credit loss	-	-	(337)	(249)	(80)	(948)	(1,614)
<b>Total</b>	<b>27,087</b>	<b>7,519</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,606</b>

**Note :**

- Trade receivables are hypothecated to banks against working capital loans refer note No. 19(a)(i), further trade receivables are non interest bearing and receivable in normal operating cycle.
- Trade receivables from related parties' details has been described in note 37.
- Trade receivable does not include any receivables from directors and officer of the Company.

	As at 31.03.2025 (₹ in Lakh)	As at 31.03.2024 (₹ in Lakh)
<b>9a. Cash and cash equivalents</b>		
Cash on hand	29	26
Balances with banks in current accounts	586	2,357
Fixed deposits with original maturity period of upto three months	9,506	17,000
<b>Total (a)</b>	<b>10,121</b>	<b>19,383</b>
<b>9b. Bank balances other than above</b>		
Margin money deposit against Letter of Credit & Bank Guarantees	5,667	5,894
Earmarked balance for Unclaimed dividend #	33	33
<b>Total (b)</b>	<b>5,700</b>	<b>5,927</b>
<b>Total (a+b)</b>	<b>15,821</b>	<b>25,310</b>
# During the year NIL (Previous year NIL) amount has been transferred to Investor Education Protection Fund.		
<b>10. Others - current financial assets</b>		
Accruals - Interest accrued on deposits with Banks	241	179
Advances to employees	81	-
Export incentives receivable	9	8
Claims receivables	26	25
Less: provision for claims receivable	(25)	(25)
<b>Total</b>	<b>332</b>	<b>187</b>
<b>11. Income tax assets (net)</b>		
Advance Tax (Net of Provision)	55	790
<b>Total</b>	<b>55</b>	<b>790</b>
<b>12. Other current assets</b>		
Advance to vendors	10,266	6,373
Prepaid Expenses	607	854
Balances with Statutory / Govt Authorities #	178	266
Others	169	38
<b>Total</b>	<b>11,220</b>	<b>7,531</b>

# includes Mega Project incentive receivable and duty paid under protest of ₹118 Lakh (Previous year ₹163 Lakh)

## 13. Equity Share capital

(₹ in Lakh)

Particulars	As at 31.03.2025		As at 31.03.2024	
	Number	Amount	Number	Amount
<b>Authorised</b>				
Equity Shares of ₹10/- each	20,50,00,000	20,500	20,50,00,000	20,500
<b>Total</b>	20,50,00,000	20,500	20,50,00,000	20,500
<b>Issued, Subscribed &amp; fully paid up</b>				
Equity shares of ₹10/- each	18,02,19,448	18,022	18,02,19,448	18,022
<b>Total</b>	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 31.03.2025	As at 31.03.2024
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 shareholders	As at 31.03.2025		As at 31.03.2024	
	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
Suhrit Ravi Bhushan Bhardwaj	1,32,17,398	7.33	1,32,17,398	7.33
Dhirendra Bhupendra Sanghavi	1,27,92,000	7.10	1,27,86,431	7.09

## d) Shares held by promoters at the end of the year as on 31.03.2025

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 31.03.2024

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".
- g) The Board of directors have recommended dividend of ₹ 0.75 per fully paid up equity share of ₹ 10 each for the year ended 31<sup>st</sup> March, 2025, subject to approval by the shareholders.



	As at 31.03.2025 (₹ in Lakh)	As at 31.03.2024 (₹ in Lakh)
<b>14. Other equity</b>		
Securities premium	3,785	3,785
General reserve	256	256
Retained earnings	2,65,028	2,47,076
Retained Earnings of Subsidiaries	563	561
<b>Other Comprehensive Income/(Loss)</b>		
Revaluation Surplus	33,839	35,585
Remeasurements of the defined benefit plans	(29)	210
MTM Gain on fair value measurement of equity shares	5,55,138	2,10,799
Effective portion of cash flow Hedge	35	79
<b>Total</b>	<b>8,58,615</b>	<b>4,98,351</b>
<b>15. Non-current borrowings</b>		
<b>i. Secured</b>		
a) Term loans - from Banks	18,755	22,628
b) Term loans - from NBFCs	8,265	13,080
Less : Current maturities of long-term debt {refer note 19(a)}		
- Term loans - from Banks	(8,240)	(6,448)
- Term loans - from NBFCs	(4,049)	(4,802)
<b>Total (a)</b>	<b>14,731</b>	<b>24,458</b>
<b>ii. Unsecured</b>		
a) Unsecured loan from Promoters (interest free)	1,375	1,375
b) Unsecured loan from others (interest free)	428	428
<b>Total (b)</b>	<b>1,803</b>	<b>1,803</b>
<b>Total (a+b)</b>	<b>16,534</b>	<b>26,261</b>

**Notes :**

- 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. Term loan availed and outstanding during the year :

(₹ in Lakh)

Sr. No.	Bank Name	ROI	Sanctioned Amount	Availed / Outstanding 31.03.2025	Availed / Outstanding 31.03.2024
1	State Bank of India		15,000	1,303	1,884
2	Axis Bank		10,000	953	1,365
3	Indian Bank		24,000	13,895	18,947
4	Axis Finance - NBFC	ROI for these loans ranges from 9.05% to 10.40%	7,500	-	1,000
5	Bajaj Finance Ltd. - NBFC		7,000	2,276	3,713
6	Bajaj Finance Ltd. - NBFC		5,500	2,656	3,699
7	Tata Capital - NBFC		6,000	3,333	4,668
8	Indian Bank		10,000	2,604	432
			<b>85,000</b>	<b>27,020</b>	<b>35,708</b>

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.

(₹ in Lakh)

Maturity Profile	0-1 year	1 - 2 year	2 - 3 years
Term loan from Banks	8,240	6,401	4,114
Term loan from NBFCs	4,049	3,282	934

	As at 31.03.2025 (₹ in Lakh)	As at 31.03.2024 (₹ in Lakh)
<b>16. Other non-current financial liabilities</b>		
<b>a) Lease Liability (refer Note 34)</b>		
Lease Liability Ind AS 116	5,349	5,649
Less : Lease Liability - Current Maturity	(422)	(378)
<b>Total (a)</b>	<b>4,927</b>	<b>5,271</b>
<b>b) Other financial liabilities</b>		
Security Deposits	627	431
<b>Total (b)</b>	<b>627</b>	<b>431</b>
<b>Total (a+b)</b>	<b>5,554</b>	<b>5,702</b>
<b>17. Non-current provisions</b>		
Provision for employee benefits	1,669	1,216
Provision for contingencies (refer details mentioned below)	2,753	2,735
	<b>4,422</b>	<b>3,951</b>

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 & others		Total	
	2025	2024	2025	2024	2025	2024
<b>Opening</b>	<b>400</b>	400	<b>2,335</b>	2,319	<b>2,735</b>	2,719
Provision/(Reversal) during the year	-	-	-	-	-	-
Payment during the year	-	-	-	-	-	-
Interest Charge for the year	-	-	18	16	18	16
<b>Closing</b>	<b>400</b>	400	<b>2,353</b>	2,335	<b>2,753</b>	2,735

#### 18. Deferred tax liabilities

Particulars	As at 31.03.2025	Charge/Credit during the year	As at 31.03.2024	Charge/Credit during the previous year	As at 31.03.2023
<b>a) Deferred Tax Liabilities on</b>					
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	5,792	(349)	6,141	(135)	6,276
Revaluation Gain	11,381	(587)	11,968	(600)	12,568
Fair value measurement of equity shares	94,602	66,811	27,791	22,175	5,616
Re-measurements of the defined benefit plans	(202)	(80)	(122)	(122)	-
	<b>1,11,573</b>	<b>65,795</b>	<b>45,778</b>	<b>21,318</b>	<b>24,460</b>
<b>Deferred Tax Asset on</b>					
Lease asset	(1,200)	261	(1,461)	143	(1,604)
Lease liability	1,251	(231)	1,482	(103)	1,585
Expenses Disallowed	1,461	291	1,170	90	1,080
	<b>1,512</b>	<b>321</b>	<b>1,191</b>	<b>130</b>	<b>1,061</b>
<b>Net Deferred Tax Liability</b>	<b>1,10,061</b>	<b>65,474</b>	<b>44,587</b>	<b>21,188</b>	<b>23,399</b>

Year ended 31.03.2025  
(₹ in Lakh)

Year ended 31.03.2024  
(₹ in Lakh)

#### b) Current Tax Expenses :

i) Current Tax expenses for the year	(6,225)	(4,846)
ii) Deferred Tax	1,257	865
<b>Total</b>	<b>(4,968)</b>	<b>(3,981)</b>

#### Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31<sup>st</sup> March, 2025 and 31<sup>st</sup> March, 2024.

Accounting profit before tax	21,148	18,147
Applicable tax rate	25.168%	25.168%
Computed tax	(5,321)	(4,566)
<b>Adjustments -</b>		
Less : Revaluation gain	587	600
Permanent disallowance	(298)	(68)
Less : Others	64	53
<b>Current Tax Expense for the Year</b>	<b>(4,968)</b>	<b>(3,981)</b>

The Group offsets deferred tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and relates to income taxes levied by the same tax authority.

19. a) Current financial liabilities - Borrowings		As at 31.03.2025 (₹ in Lakh)	As at 31.03.2024 (₹ in Lakh)
<b>Secured</b>			
<b>Loans repayable on demand</b>			
Borrowings for working capital from banks		22,227	23,603
Customer bills discounted		6,006	5,882
<b>Total (a)</b>		<b>28,233</b>	<b>29,485</b>
<b>Current maturities of long-term debt :</b>			
<b>Secured</b>			
- Term loan from banks		8,240	6,448
- Term loan from NBFCs		4,049	4,802
<b>Unsecured</b>			
Unsecured Interest free Sales Tax loan		-	16
<b>Total (b)</b>		<b>12,289</b>	<b>11,266</b>
<b>Total (a + b)</b>		<b>40,522</b>	<b>40,751</b>

**Note :**

- 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.
- Interest on working capital loan from Banks are charged between 9.25% to 10.40% by respective bank.
- 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.
- The quarterly returns or statements filed by the Company for working capital limits with such banks are generally in agreement with the books of accounts of Company, however wherever the differences were noted between the amount as per books of account for respective quarters and amount as reported in the quarterly statements are given below. Reasons for the deviations are on account of adjustments in non-trade creditors, goods in transit, 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 limits sanctioned, hence the differences are not material.

**Current Reporting Period**

(₹ in Lakh)

Particulars	Period ended	Amount as per Financials	Amount as per statement filed with Bankers	Difference	DP Utilized
Eligible Trade Receivables/Inventory/Other Assets net of trade Payables	30.06.2024	82,413	93,307	(10,894)	24,097
	30.09.2024	75,155	60,719	14,436	16,785
	31.12.2024	75,568	58,795	16,773	23,204
	31.03.2025	81,246	71,868	9,378	22,227

Please refer to note (iv) above.

**Pervious Reporting Period**

(₹ in Lakh)

Particulars	Period ended	Amount as per Financials	Amount as per statement filed with Bankers	Difference	DP Utilized
Eligible Trade Receivables/Inventory/Other Assets net of trade Payables	30.06.2023	62,126	59,862	2,264	11,908
	30.09.2023	82,896	76,128	6,768	26,393
	31.12.2023	76,438	74,414	2,024	25,346
	31.03.2024	64,157	60,250	3,907	23,603

Please refer to note (iv) above.

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

19. b) Lease Liability - Current Maturity		As at 31.03.2025 (₹ in Lakh)	As at 31.03.2024 (₹ in Lakh)
Lease Liability - Current Maturity		422	378
<b>Total</b>		<b>422</b>	<b>378</b>
<b>20. Current financial liabilities - Trade payables</b>			
(a) Total outstanding dues of Micro and Small Enterprises		3,895	1,491
<b>Total (a)</b>		<b>3,895</b>	<b>1,491</b>
(b) Others			
(i) Acceptances		22,811	30,212
(ii) Other than acceptances		21,122	20,840
<b>Total (b)</b>		<b>43,933</b>	<b>51,052</b>
<b>Total (a+b)</b>		<b>47,828</b>	<b>52,543</b>

**Trade Payables ageing schedule - As on 31.03.2025**

(₹ 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	2,457	1,431	-	-	-	3,888
ii. Others	30,740	9,850	277	139	427	41,433
iii. Disputed dues - MSME	-	-	-	-	7	7
iv. Disputed dues - Others	-	-	-	-	2,500	2,500
<b>Total</b>	<b>33,197</b>	<b>11,281</b>	<b>277</b>	<b>139</b>	<b>2,934</b>	<b>47,828</b>

**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 31.03.2024**

(₹ 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	1,290	191	-	2	1	1,484
ii. Others	33,407	14,178	32	258	698	48,573
iii. Disputed dues - MSME	-	-	-	-	7	7
iv. Disputed dues - Others	-	-	-	-	2,479	2,479
<b>Total</b>	<b>34,697</b>	<b>14,369</b>	<b>32</b>	<b>260</b>	<b>3,185</b>	<b>52,543</b>

**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.

**Disclosure pertaining to Micro and Small Enterprises (as per information available with the Company).**

	<b>As at 31.03.2025 (₹ in Lakh)</b>	<b>As at 31.03.2024 (₹ in Lakh)</b>
i. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	3,895	1,491
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.	3,895	1,491

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.

	<b>As at 31.03.2025 (₹ in Lakh)</b>	<b>As at 31.03.2024 (₹ in Lakh)</b>
<b>21. Other current financial liabilities</b>		
Interest accrued but not due on borrowings	175	209
Unclaimed dividends #	33	33
Discounts	4,430	1,739
Managerial commission	416	363
Salary & Reimbursements	1,445	1,235
Capital Creditors	2,244	2,538
Others	3,841	2,680
<b>Total</b>	<b>12,584</b>	<b>8,797</b>

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

<b>22. Other Current Liabilities</b>		
Advances received from Customers	1,436	1,911
Statutory dues payable	2,481	774
Others	60	48
	<b>3,977</b>	<b>2,733</b>

	<b>For the Year ended</b>	
	<b>31.03.2025 (₹ in Lakh)</b>	<b>31.03.2024 (₹ in Lakh)</b>
<b>23. Revenue From Operations</b>		
Sale of manufactured goods	3,65,194	3,49,848
Less : Discounts	(11,772)	(8,623)
<b>Sub Total (a)</b>	<b>3,53,422</b>	<b>3,41,225</b>
<b>Other operating income</b>		
Duty drawback & export incentives	72	81
Industrial Promotion Subsidy-Mega Project (2013)	65	-
Unclaimed liabilities written back	-	222
<b>Sub Total (b)</b>	<b>137</b>	<b>303</b>
<b>Total revenue from operations (a+b)</b>	<b>3,53,559</b>	<b>3,41,528</b>
<b>24. Other Income</b>		
Interest Income	981	570
Amortization of Government grant	-	12
Dividend Income	600	-
Others	71	31
<b>Total other income</b>	<b>1,652</b>	<b>613</b>



		For the year ended	
		31.03.2025 (₹ in Lakh)	31.03.2024 (₹ in Lakh)
<b>25. a) Cost of raw material &amp; components consumed</b>			
Inventory at the beginning of the year		21,373	32,250
Add: Purchases during the year		2,30,609	2,18,186
Less: Inventory at the end of the Year		(29,085)	(21,373)
<b>Total raw material &amp; components consumed (a)</b>		<b>2,22,897</b>	<b>2,29,063</b>
<b>Details of raw material &amp; components consumed</b>			
Iron Ore & Iron Ore Fines		50,644	46,450
Coal & Coal Fines #		15,055	13,123
Coking Coal		14,020	31,373
Coke		58,132	54,773
Scrap & HBI		829	485
Ferro Alloys		37,581	38,103
Super Alloy Raw Material		1,035	97
Fluxes, Minerals & Additives		10,023	10,523
Electrodes		3,001	3,673
Others		32,577	30,463
		<b>2,22,897</b>	<b>2,29,063</b>
<b># Net of Consumption of Coal from Captive Mines</b>			
<b>25. b) Other Manufacturing Expenses</b>			
Consumption of fuel		11,762	11,932
Consumption of power (Net of captive consumption)		25,719	20,421
Coal mine FPO, Royalty, Coal Raising, freight and other expenses		6,991	7,778
Contract expenses		18,249	14,837
<b>Total Other Manufacturing Expenses (b)</b>		<b>62,721</b>	<b>54,968</b>
<b>Total Expenses (a+b)</b>		<b>2,85,618</b>	<b>2,84,031</b>
<b>Details of Inventory of Raw Material &amp; Components</b>			
Iron Ore & Iron Ore Fines		3,101	2,230
Coal & Coal Fines		2,324	2,026
Coking Coal		48	106
Coke		6,516	2,676
Scrap & HBI		760	235
Ferro Alloys		3,464	4,524
Super alloy Raw Material		1,324	460
Fluxes, Minerals & Additives		846	877
Electrodes		344	309
Goods in Transit		211	1,167
Others		10,147	6,763
		<b>29,085</b>	<b>21,373</b>
<b>26. Changes in inventories of finished goods and work-in-progress</b>			
<b>a. Inventories at the end of the year</b>			
Finished goods		38,455	38,479
Work-in-progress		25,578	23,409
<b>Total (a)</b>		<b>64,033</b>	<b>61,888</b>
<b>b. Inventories at the beginning of the year</b>			
Finished goods		38,479	25,286
Work-in-progress		23,409	29,020
<b>Total (b)</b>		<b>61,888</b>	<b>54,306</b>
<b>Net (increase) / decrease</b>	<b>Total (b-a)</b>	<b>(2,145)</b>	<b>(7,582)</b>
<b>27. Employee Benefits Expenses</b>			
Salaries, wages and bonus		11,982	10,398
Contribution to provident and other funds		1,136	1,028
Staff welfare expenses		614	681
<b>Total</b>		<b>13,732</b>	<b>12,107</b>

		For the year ended	
		31.03.2025 (₹ in Lakh)	31.03.2024 (₹ in Lakh)
<b>28. Finance Cost</b>			
Interest on term loans		2,962	3,977
Interest on working capital loans		1,911	2,312
Interest on bills discounted		394	241
Other borrowing costs		3,163	2,547
Unwinding of Interest		18	16
Interest on incremental liabilities of deferred sales tax loan (IND AS 109)		-	4
Interest on lease liability (IND AS 116) {Refer note No.34}		542	574
<b>Total</b>		<b>8,990</b>	<b>9,671</b>
<b>29. Depreciation and amortization expense</b>			
Depreciation and amortization of property, plant & equipment		9,949	9,805
Amortization of right of use assets (Refer note No.34)		496	496
<b>Total</b>		<b>10,445</b>	<b>10,301</b>
<b>30.</b>			
<b>30.1 Other Expenses</b>			
Freight & forwarding (net of recoveries)		10,900	9,953
Travelling expenses		588	497
Insurance charges		355	376
Rent, rates and taxes		303	213
Repairs & maintenance		95	118
Printing & stationary		32	52
Directors' sitting fee		6	7
Postage & telephones		43	68
Corporate social responsibility (Refer note No.42)		506	497
Administrative Expenses		907	816
Legal & professional expenses (Refer note No.30.2 below )		1,685	1,667
Exchange fluctuation loss (Net)		544	31
Commission		335	297
Bad Debts written-off		81	7
Provision for doubtful debts		743	151
Capital work in progress written off		-	42
Others		300	674
<b>Total</b>		<b>17,423</b>	<b>15,466</b>
<b>30.2 Payments to Auditors</b>			
Statutory Audit fees		18	18
Limited Review Fees		10	10
<b>Total</b>		<b>28</b>	<b>28</b>
<b>31. Earnings Per Share</b>			
Net profit attributable to equity shareholders	₹ in lakh	16,208	14,355
Weighted Average shares outstanding during the 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	8.99	7.97
Nominal value of equity share	Rupees	10.00	10.00
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.			

**32. Contingent liabilities and commitments (to the extent not provided for)**

(₹ in Lakh)

Particulars	As at 31.03.2025	As at 31.03.2024
<b>Contingent liabilities</b>		
Claims against the Company not acknowledged as debts *		
(a) Excise duty, custom duty, GST & other taxes against which Company has preferred an appeal	2,074	1,111
(b) Other Legal cases filed against the Company	21	21
Other		
(a) Unexpired letter of credit	23,874	11,829
(b) Guarantees issued by Company's bankers on behalf of the Company	12,202	13,621
<b>* Note :</b>		
i) In respect of above matters, future cash outflows are determinable only on receipt of judgements / decisions pending at various forums / authorities.		
ii) Interest liabilities may arise on above contingent liabilities.		
<b>Commitments</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	10,830	7,513

**33. Segment information**

The Group 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'.

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

**Geographical Information**
**a) Revenue**

(₹ in Lakh)

Particulars	Year ended 31 <sup>st</sup> March, 2025		Year ended 31 <sup>st</sup> March, 2024	
	Domestic	Foreign	Domestic	Foreign
<b>Revenues from operations #</b>	<b>3,48,742</b>	<b>4,817</b>	<b>3,36,313</b>	<b>5,215</b>

# There is no single customer who has contributed 10% or more to the Company's revenue for both the years ended 31<sup>st</sup> March, 2025 and 31<sup>st</sup> March, 2024.

**b) Non-Current Assets :**

(₹ in Lakh)

Particulars	Year ended 31 <sup>st</sup> March, 2025		Year ended 31 <sup>st</sup> March, 2024	
	Domestic	Foreign	Domestic	Foreign
Property, Plant and Equipment	1,44,183	-	1,47,733	-
Right of Use Assets	4,316	-	4,735	-
Capital work in progress	29,709	-	28,098	-
Other non current assets	7,83,779	-	3,69,984	-

Note : There are no non-current assets located outside India

**34. Leases (Ind AS 116 Disclosure)**

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

	As at 31.03.2025 (₹ in Lakh)	As at 31.03.2024 (₹ in Lakh)
<b>a) The movement in lease liabilities is as follows :</b>		
<b>Opening Balance</b>	5,649	6,058
Acquisition	76	-
Adjustments	-	(74)
Accretion of interest	542	574
Payments	(918)	(909)
<b>Closing balance</b>	<b>5,349</b>	<b>5,649</b>
Non-current	4,927	5,271
Current	422	378
<b>Total</b>	<b>5,349</b>	<b>5,649</b>

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

	For the Year ended	
	31.03.2025 (₹ in Lakh)	31.03.2024 (₹ in Lakh)
<b>b) Lease expenses recognised in statement of profit &amp; loss</b>		
Amortisation expense of right of use assets	496	496
Interest expense on lease liabilities	542	574
<b>Total amount recognised in statement of profit &amp; loss</b>	<b>1,038</b>	<b>1,070</b>
<b>c) Amounts recognised in statement of cash flows :</b>		
<b>Financing activities :</b>		
Repayment of principal	376	335
Repayment of interest	542	574
<b>Total cash outflow for leases</b>	<b>918</b>	<b>909</b>

**d) The maturity analysis of lease liabilities are disclosed in note 40 (iii) Liquidity risk.**

**Note :** Short-term/low value lease amount are not separately disclosed as the same is not material.

**35. 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 Company's capital management is intended to create value for shareholders by facilitating the achievement of long-term and short-term goals of the Company.

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 31.03.2025	As at 31.03.2024
Long term borrowing	16,534	26,261
Short term borrowing	28,233	29,485
Current maturities of long-term debt	12,289	11,266
Less : Cash and bank balance	(15,821)	(25,310)
<b>Net debt</b>	<b>41,235</b>	<b>41,702</b>
Total Equity	8,76,797	5,16,531
<b>Capital and net debt</b>	<b>9,18,032</b>	<b>5,58,233</b>
<b>Gearing ratio</b>	<b>4.49%</b>	<b>7.47%</b>

Note :

- 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 31<sup>st</sup> March, 2025 and 31<sup>st</sup> March, 2024.

**36. Employee benefits**

**a) Defined contribution plans**

The Company operates defined contribution retirement benefit plans for all qualifying employees. Under these plans, the Company is required to contribute a specified percentage of payroll costs. Company's contribution to provident and other funds recognised in statement of profit and loss of ₹ 922 lakh (Previous Year ₹ 851 lakh)

**b) Defined benefit plans**

The Company sponsors funded defined benefit plans for all qualifying employees. The level of benefits provided depends on the member's length of service and salary at retirement age.

The gratuity plan is covered by The Payment of Gratuity Act, 1972. Under the gratuity plan, the eligible employees are entitled to get the benefit at the time of retirement/saperation, at the rate of 15 days' salary for each year of service until the retirement age of 60. The vesting period for gratuity as payable under The Payment of Gratuity Act, 1972 is 5 years.

The plans in India typically expose the Company to actuarial risks such as: investment risk, interest rate risk, salary escalation risk and liquidity risk.

**Investment Risk :** The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

**Interest Rate risk :** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

**Salary Escalation Risk :** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

**Liquidity Risk :** This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Employee Provident Fund, the Company has made good the shortfall interest on Fund ₹ 44 Lakh (Previous Year surplus ₹ 130 Lakh).

**Further the following table sets out for the Employee Benefits plan as required under Ind AS 19**

(₹ in Lakh)

Particulars	Gratuity		Provident Fund	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024
<b>Statement showing changes in Present Value of obligation :</b>				
Present value of obligations at the beginning of the year	3,100	2,522	10,110	9,216
Interest cost	223	215	796	757
Current Service Cost	198	181	1,359	1,229
Benefits Paid	(256)	(307)	(1,825)	(1,092)
Actuarial Loss on obligations	333	489	-	-
Present value of obligations as at the end of the year	3,598	3,100	10,440	10,110
<b>Table showing changes in the fair value of Plan Assets :</b>				
Fair value of plan assets at the beginning of year	2,590	2,522	10,266	9,242
Expected return on plan assets	186	188	752	887
Contributions	248	184	1,359	1,229
Benefits paid	(255)	(307)	(1,825)	(1,092)
Actuarial Gain / (Loss) on plan assets	16	3	-	-
Transfer from opening MTM	-	-	(100)	-
Fair value of plan assets at the end of the year	2,785	2,590	10,452	10,266
Funded Status	813	510	12	156
<b>Actuarial Gain / (Loss) recognised in OCI:</b>				
Actuarial Loss for the year – Obligation	333	489	-	-
Actuarial Gain / (Loss) for the year – plan assets	16	3	-	-
Total Loss for the year	317	486	-	-
Actuarial Gain / (Loss) Recognised in the year	(317)	(486)	-	-
<b>Amounts to be recognised in the Balance Sheet :</b>				
Present value of obligations as at the end of the year	3,598	3,100	10,440	10,110
Fair value of Plan assets as at the end of the year	2,785	2,590	10,452	10,266
Funded Status	813	510	12	156
Net Asset / (Liability) Recognised in the Balance Sheet	(813)	(510)	12	156
<b>Expenses Recognised in the statement of Profit and Loss :</b>				
Current Service Cost	198	181	-	-
Interest Cost	223	215	796	757
Expected return on plan assets	186	188	752	887
Net Actuarial (Gain)/Loss recognised in the statement of Profit & Loss	-	-	-	-
Expenses Recognised in statement of Profit & Loss	235	208	(44)	130
<b>Actuarial Assumptions :</b>				
Discount rate	6.65%	7.20%	-	-
Salary escalation	5.00%	5.00%	-	-
<b>Investment Details :</b>				
GOI Securities	-	-	7%	9%
State Government securities	-	-	44%	40%
Bonds / debentures etc.	-	-	37%	40%
Equity	-	-	12%	11%
<b>Total</b>			<b>100%</b>	<b>100%</b>

**Note :**

- The investment details of Gratuity funds are as per the Scheme of Life Insurance Corporation of India (LIC).
- 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.
- Provident Fund managed by a trust set up by the Company:  
Provident Fund for certain eligible employees is managed by the Company through a trust. The plan guarantees interest at the rate notified by the Provident Fund Authorities.



**c) Sensitivity Analysis**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	Impact on defined benefit obligations [increase/(decrease)]	
	31.03.2025	31.03.2024
<b>Impact of the change in discount rate (p.a.)</b>		
Impact due to increase of 1.00%	(191)	(198)
Impact due to decrease of 1.00%	209	223
<b>Impact of change in salary escalation rate (p.a.)</b>		
Impact due to increase of 1.00%	212	226
Impact due to decrease of 1.00%	(194)	(205)
<b>Impact of change in attrition rate (p.a.)</b>		
Impact due to increase of 0.50%	40	16
Impact due to decrease of 0.50%	(32)	(16)

**d) Other long-term employee benefits**

An amount of ₹ 137 lakh (Previous Year ₹ 211 lakh) pertains to expense towards compensated absences.

Particulars	31.03.2025	31.03.2024
<b>Actuarial assumptions</b>		
Discount rate (per annum)	6.65%	7.20%
Salary escalation (per annum)	5.00%	5.00%

**37. 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, Relationship and Transactions**
**i) Key Management Personnel**

(₹ in Lakh)

Name	Designation	Account	Transactions for the year ended		Outstanding As at	
			31.03.2025	31.03.2024	31.03.2025	31.03.2024
Mr Ravi Bhushan Bhardwaj	Non Executive Chairman	Commission	94	150	7	56
Mr. Pranav Bhardwaj	Managing Director	Remuneration & Commission	534	792	1	16
Mr Surendra Kumar Gupta	Deputy Managing Director	Remuneration	-	155	-	-
Mr. R. Muralidhar	Director (Finance)	Remuneration	-	82	-	-
Mr. Ramchandra V Dalvi	Director (Technical)	Remuneration	138	124	-	-
Mr. S Mahadevan	Chief Financial Officer	Remuneration	89	76	-	-
Mr. Ashutosh Mishra	Head Company Secretary	Remuneration	62	51	-	-
Dr E.R.C. Shekar	Non Executive, Independent Director	Commission & Sitting Fees	-	1	-	-
Mr. Kumar Jitendra Singh	Non Executive, Independent Director	Commission & Sitting Fees	-	1	-	-
Mrs. Neelam Kothari	Non Executive, Independent Director	Commission & Sitting Fees	4	4	-	-
Mr. Anand S. Kapre	Non Executive, Independent Director	Commission & Sitting Fees	4	4	-	-
Mrs. Vinita Bahri	Non Executive, Independent Director	Commission & Sitting Fees	5	5	-	-
Mr. Sajiv Dhawan	Non Executive, Independent Director	Commission & Sitting Fees	4	4	-	-
Mr. M A V Goutham	Non Executive, Independent Director	Commission & Sitting Fees	4	3	-	-
Mr. Tirthnath Jha	Non Executive, Independent Director	Commission & Sitting Fees	4	2	-	-

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

**ii) Subsidiaries**

(₹ in Lakh)

Particulars	Shareholding as on 31.03.2025	Account	Transactions for the year ended		Outstanding As at	
			31.03.2025	31.03.2024	31.03.2025	31.03.2024
Sunflag Foundation	100%	Share Capital	-	-	1	1
Sunflag Foundation		CSR Expenses	506	497	-	-

**iii) Joint Ventures**

Daido DMS India Private Limited	17.56%	Share Capital	-	202	562	562
Ramesh Sunwire Private Limited	49.00%	Share Capital	-	-	980	980
Ramesh Sunwire Private Limited		Sale of Goods	2,482	3,097	1,093	513
Ramesh Sunwire Private Limited		Purchase of goods	(45)	(18)	37	-
C T Mining Private Limited	31.80%	Share Capital	-	-	318	318
Madanpur (North) Coal Block Pvt. Ltd.	11.73%	Share Capital	-	-	121	121
ReNew Green (MPR Three) Private Ltd.	31.20%	Share Capital	2,486	904	3,390	904

Note : Sales/Purchase figures given are inclusive of taxes.

**iv) Entities over which KMPs have significant influence**

Haryana Televisions Limited	Relationship through KMP	Rent	57	57	-	4
Haryana Televisions Limited	Relationship through KMP	Security deposit	-	-	28	28
Shrihari Coal & Power Pvt. Ltd.	Relationship through KMP	Transportation Service	-	8,286	-	170

Note : Above figures are inclusive of taxes.

**v) Disclosure required by Companies Act, 2013**

a) Particulars of guarantee given : The Company has not given guarantee to its subsidiaries/Joint Venture Companies.

b) Particulars of Security Deposit : Nil

c) Particulars of Investment Made

Name of the Company (Joint Ventures)	Opening Balance	Investment made	Investment Sold	Closing Balance	Provided	Purpose
1. Madanpur (North) Coal Block Pvt. Ltd.	121	-	-	121	(121)	Long Term Inv.
2. CT Mining Private Limited	318	-	-	318	(125)	Long Term Inv.
3. Daido DMS India Private Limited	562	-	-	562	(150)	Long Term Inv.
4. Ramesh Sunwire Private Limited	980	-	-	980	-	Long Term Inv.
5. ReNew Green (MPR Three) Pvt. Limited	904	2,486	-	3,390	-	Long Term Inv.
<b>Total</b>	<b>2,885</b>	<b>2,486</b>	<b>-</b>	<b>5,371</b>	<b>(396)</b>	

**vi) Deemed related party - (\*Daido Steel Co. Ltd., Japan has 10% shares holding in Sunflag Iron and Steel Company Limited.)**

Particulars	*Share holding as on 31st March, 2025	Account	Transactions for the year ended		Outstanding As at	
			31.03.2025	31.03.2024	31.03.2025	31.03.2024
Daido Steel Co. Ltd., Japan	10%	Royalty	276	253	75	(51)
Daido Steel Co. Ltd., Japan		Technical services	6	7	-	-

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

**38. Disclosure of additional information pertaining to the Holding Company, Subsidiaries and Joint ventures as per Schedule III of Companies Act, 2013**

(₹ in Lakh)

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of con- solidated other comprehen- sive income	Amount	As % of con- solidated total comprehen- sive income	Amount
Holding Company: Sunflag Iron and Steel Company Limited	99.80%	8,75,042	99.80%	16,175	100.00%	3,44,058	99.99%	3,60,233
<b>Subsidiaries:</b>								
1. Sunflag Power Ltd	0.00%	5	0.00%	-	0.00%	-	0.00%	-
2. Khappa Coal Co. Pvt. Ltd.	0.05%	436	0.03%	5	0.00%	-	0.00%	5
3. Sunflag Foundation	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>Joint Ventures:</b>								
1. Daido DMS India Pvt. Ltd.	0.06%	501	-0.01%	-1	0.00%	-1	0.00%	-2
2. Ramesh Sunwire Pvt. Ltd.	0.14%	1,198	0.31%	49	0.00%	-1	0.01%	48
3. CT Mining Private Limited	0.04%	389	0.11%	17	0.00%	-	0.00%	17
4. Madanpur (North) Coal Block Pvt. Ltd.#	0.01%	110	0.00%	-	0.00%	-	0.00%	-
5. ReNew Green (MPR Three) Private Limited	0.38%	3,336	-0.23%	-37	0.00%	-	-0.01%	-37
Intra Group Eliminations	-0.48%	-4,220	-	-	0.00%	-	0.00%	-
	<b>100.00%</b>	<b>8,76,797</b>	<b>100.00%</b>	<b>16,208</b>	<b>100.00%</b>	<b>3,44,056</b>	<b>100.00%</b>	<b>3,60,264</b>

Note: i) In case of Daido DMS India Pvt. Ltd. &amp; ReNew Green (MPR Three) Pvt. Limited signed financials are not available, hence management certified financials accepted. ii) The above joint ventures are accounted using the equity method in consolidated financial statement. # Financials of Madanpur (North) Coal Block Pvt. Ltd (MNCBPL) are not available till the date of signing of these financials. Hence the figures relating to MNCBPL are not changed.

**39. Fair value hierarchy of financial instruments:-** 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:

(₹ in Lakh)

Particulars	Fair value hierarchy	As at 31.03.2025		As at 31.03.2024	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets :</b>					
<b>Financial assets measured at fair value through profit and loss</b>					
Non current financial asset - Investments	Level 3	5,556	5,556	3,044	3,044
<b>Financial assets measured at fair value through other comprehensive income</b>					
Non current financial asset - Investments	Level 1	1,22,610	7,72,350	1,22,610	3,61,200
<b>Financial assets measured at amortised cost</b>					
Non current financial asset - loans	Level 3	-	-	-	-
Non current financial asset - others	Level 3	3,454	3,454	3,834	3,834
Current financial asset - Trade receivables	Level 3	36,167	36,167	34,606	34,606
Current financial asset - Cash and cash equivalents	Level 2	10,121	10,121	19,383	19,383
Current Financial Asset - Bank balances other than above	Level 2	5,700	5,700	5,927	5,927
Current financial asset - others	Level 3	332	332	187	187
<b>Total</b>		<b>1,83,940</b>	<b>8,33,680</b>	<b>1,89,591</b>	<b>4,28,181</b>
<b>Financial Liabilities :</b>					
<b>Financial liability measured at amortised cost</b>					
Non current financial liabilities : Borrowings	Level-2	14,731	14,731	24,458	24,458
Non current financial liabilities : Other	Level-3	2,430	2,430	2,234	2,234
Current financial liabilities - Borrowings	Level-2	40,522	40,522	40,735	40,735
Current financial liabilities - Other	Level-3	12,584	12,584	8,813	8,813
Trade payables	Level-3	47,828	47,828	52,543	52,543
Lease liabilities	Level-3	5,349	5,349	5,649	5,649
<b>Total</b>		<b>1,23,444</b>	<b>1,23,444</b>	<b>1,34,432</b>	<b>1,34,432</b>

**Note :** 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.

**Reconciliation of Level 3 fair value measurement of unquoted equity instruments**

(₹ in Lakh)

Particulars	As at 31.03.2025	As at 31.03.2024
<b>Opening balance</b>	<b>3,044</b>	<b>1,748</b>
Purchases during the year	2,486	1,107
Gain/(loss) in profit and loss / other comprehensive income	26	189
<b>Closing balance</b>	<b>5,556</b>	<b>3,044</b>

**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 other comprehensive income
- 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:** The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

**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).

**40. 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 31<sup>st</sup> March, 2025 and 31<sup>st</sup> March, 2024.

**a) 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 which approximates fair value.

(₹ in Lakh)

Particulars	As at 31.03.2025	As at 31.03.2024
Variable rate borrowings	49,247	59,311

**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 31.03.2025	As at 31.03.2024	As at 31.03.2025	As at 31.03.2024
0.50%	0.50%	(246)	(297)
- 0.50%	- 0.50%	246	297

**b) 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.

**Foreign currency sensitivity:-**

1% increase and decrease in foreign currency rate will have the following impact on profit before tax.

As at 31.03.2025			As at 31.03.2024	
Currency	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
CNY	2	(2)	2	(2)
USD	57	(57)	60	(60)
<b>Foreign currency exposure</b>			<b>As at 31.03.2025</b>	<b>As at 31.03.2024</b>
Trade Payable				
- Exposure in Dollars (In INR)			5,700	6,036
- Exposure in Euros (in INR)			21	43
- Exposure in CNY (in INR)			205	229

**c) Equity price risk:-** Equity price risk is related to change in market reference price of investments in equity securities held by the Company.

The fair value of quoted investments held by the Company exposes the Company to equity price risks. In general, these investments are not held for trading purposes.

**Equity price sensitivity analysis:-** The sensitivity analysis below has been determined based on the exposure to equity price at the end of the reporting period. A 5% change in equity prices of such securities held as at 31<sup>st</sup> March 2025 and 31<sup>st</sup> March 2024, would result in an impact of ₹38,618 lakh and ₹18,060 Lakh respectively on equity before considering tax impact.

**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 for which loss allowance is measured using life time expected credit losses (ECL)**

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 quarter end on an individual basis for major customers.

**Summary of the Company's exposure to credit risk for trade receivables based on the ageing is as follows:** (₹ in Lakh)

Ageing	Total		Up to 6 month		More than 6 month	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024	31.03.2025	31.03.2024
Trade receivables	38,524	36,220	36,167	34,606	2,357	1,614
Less : ECL Provision	(2,357)	(1,614)	-	-	(2,357)	(1,614)

**Movement of expected credit loss of trade receivable:** (₹ in Lakh)

Particulars	Opening Balance	Addition	Reversal	Closing Balance
Expected Credit loss - 2024-2025	1,614	743	-	2,357
2023-2024	1,463	151	-	1,614

**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:

(₹ in Lakh)

Financial liabilities	Total		Less than 1 year		1 year - 2 year		2 year and above	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024	31.03.2025	31.03.2024	31.03.2025	31.03.2024
<b>Non current financial liabilities</b>								
i) Borrowings*	28,823	37,511	12,289	11,250	9,683	10,093	6,851	16,168
ii) Others	5,554	5,702	-	-	1,093	848	4,461	4,854
<b>Current financial liabilities</b>								
i) Borrowings	28,233	29,485	28,233	29,485	-	-	-	-
ii) Trade Payables	47,828	52,543	47,828	52,543	-	-	-	-
ii) Others	13,006	9,191	13,006	9,191	-	-	-	-

\*including current maturity of long term debt

**41. 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.

**42. Corporate Social Responsibility (CSR)**
**i) The Company has spent amount on corporate social responsibility expenditure as below:**

(₹ in Lakh)

Particulars	For the year ended 31.03.2025	For the year ended 31.03.2024
Gross amount required to be spent during the year	506	497
Amount spent during the year		
- Construction / acquisition of any assets	-	-
- On purpose other than above	506	497

**ii) Provision made for Corporate Social Responsibility**

Opening balance of Provision	-	-
Addition during the Year	506	497
Funds transferred to Sunflag Foundation for CSR activities	506	497
Closing balance of provision	-	-

**iii) CSR expenditure incurred by the implementing agency and the Company**

Description	Relevant Clause of SCH VII of Companies Act, 2013	For the year ended 31.3.2025	For the year ended 31.3.2024
<b>a) Expenditure done through Sunflag Foundation</b>			
Rural Development	Clause No. X	117	65
Health Care	Clause No. I	187	33
Education training & skill development	Clause No. II	117	245
Environment sustainability & protection of Flora & Fauna	Clause No. IV	52	17
District Sport & cultural activities	Clause No. VII	33	71
<b>Sub Total</b>		<b>506</b>	<b>431</b>
<b>b) Expenditure done directly by the Company</b>			
Rural Development	Clause No. X	-	-
<b>Total Expenditure incurred</b>		<b>506</b>	<b>431</b>

**iv) Corporate Social Responsibility (CSR)**

(₹ in Lakh)

Particulars	For the year ended 31.03.2025	For the year ended 31.03.2024
i) Amount required to be spent by the Company during the year (a)	506	497
ii) Amount of expenditure incurred for the current year (b)	506	431
iii) Projected spent of earlier years, spent during the year	116	134
iv) Shortfall for the current year (a-b)	-	66
v) Funds Kept in Special Allocated Bank Accounts	-	66
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.	506	497



43. 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 31.03.2025	As at 31.03.2024
<b>Brought forward from last year</b>	<b>28,098</b>	19,290
<b>Expenditure incurred during the year :</b>		
Building and civil constructions	<b>2,380</b>	3,457
Machinery and equipments	<b>5,442</b>	8,520
<b>Total expenditure during the year</b>	<b>7,822</b>	<b>11,977</b>
Less : Capitalised during the year	<b>6,211</b>	3,127
Less : Written off during the year	-	42
<b>Carried forward as part of Capital-work-in-progress</b>	<b>29,709</b>	<b>28,098</b>

44. **Subsequent events:-** No adjusting or significant non-adjusting events have occurred between the reporting date and date of authorization of these financial statements.
45. 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 13<sup>th</sup> 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.
46. **Vendor's / Customer's reconciliations:-**  
The Company is obtaining confirmations and reconciliation with its trade receivables, trade payables and other dues receivables regularly. The confirmations to the extent received have been reconciled and adjustments, if any, have been made. The others are pending for confirmations, reconciliations and adjustments, if any. However, the management does not expect any significant variations in the existing status and material financial impact.
47. **GST reconciliations:-**  
The Company is in the process of reconciliation of Input Tax Credit as per Books and GST Portal. The reconciliation to the extent done have been accounted for in the books of accounts. The management does not expect any material financial impact.
48. **Other Statutory information:-**
- The Group does not have any benami property, and no proceeding has been initiated against the Group for holding any benami property.
  - The Group do not have any transactions with companies struck off.
  - The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
  - The Group has not traded or invested in crypto currency or virtual currency during the financial year.
  - The Group 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)
  - The Group is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 (as amended).
  - The Group has not been declared wilful defaulter by any banks or any other financial institution at any time during the financial year.
  - All immovable properties are held in the name of the Group.
49. On 27<sup>th</sup> May, 2025 the Board of Directors of the Company had proposed a dividend of ₹ 0.75 per fully paid up equity share of ₹ 10 each for the year ended 31<sup>st</sup> March, 2025 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of approximately ₹ 1352 lakhs.
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

**RAM NIWAS JALAN**  
Partner  
M. No. 82389

New Delhi  
27<sup>th</sup> May, 2025

Nagpur  
27<sup>th</sup> May, 2025

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

**PRANAV BHARDWAJ**  
MANAGING DIRECTOR  
DIN 00054805

**RAMCHANDRA DALVI**  
DIRECTOR (TECHNICAL)  
DIN 00012065

**ASHUTOSH MISHRA**  
HEAD COMPANY SECRETARY  
M. No. ACS 23011

**S. MAHADEVAN**  
CHIEF FINANCIAL OFFICER

**CA NEELAM KOTHARI**  
DIRECTOR  
DIN 06709241

**ANAND S. KAPRE**  
DIRECTOR  
DIN 00019530

**CA VINITA BAHRI**  
DIRECTOR  
DIN 03109454

**CA M. A. V. GOUTHAM**  
DIRECTOR  
DIN 00101447

**TIRTHNATH JHA**  
DIRECTOR  
DIN 07593002



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Nagpur - 440001 (Maharashtra) India

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