SUNFLAG IRON & STEEL CO. LTD.

FORTIETH (40TH) ANNUAL REPORT

2025 - 2026

SUNFLAG IRON AND STEEL COMPANY LIMITED

BOARD OF DIRECTORS	Mr. RAVI BHUSHAN BHARDWAJ [Non-executive Chairman]
	Mr. PRANAV BHARDWAJ [Managing Director]
	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]
	Mr. MUKUND PRABHAKAR CHAUDHARI - Additional Director [Non-executive, Independent] (w.e.f.11.08.2026)
	Mr. SAJIV DHAWAN [Non-executive, Independent Director] (upto 10.08.2025)
	CA NEELAM KOTHARI [Non-executive, Independent Director] (upto 20.09.2025)
CHIEF FINANCIAL OFFICER	Mr. S. MAHADEVAN IYER
HEAD COMPANY SECRETARY	CS ASHUTOSH MISHRA
STATUTORY AUDITORS	M/s. LODHA & CO. LLP, CHARTERED ACCOUNTANTS, NEW DELHI
SECRETARIAL AUDITORS	M/s. DM & ASSOCIATES COMPANY SECRETARIES LLP, MUMBAI
COST AUDITORS	M/s. G. R. PALIWAL & COMPANY COST ACCOUNTANTS, NAGPUR
INTERNAL AUDITORS	M/s. PRICEWATERHOUSECOOPERS SERVICES LLP
LENDERS	STATE BANK OF INDIA
	BANK OF INDIA
	CANARA BANK
	INDIAN BANK
	IDBI BANK LIMITED
	ICICI BANK LIMITED
	AXIS BANK LIMITED
	BAJAJ FINANCE LIMITED
	HDFC BANK LIMITED
REGISTERED OFFICE	33/1, MOUNT ROAD, SADAR, NAGPUR - 440001, MH, IN
WORKS	WARTHI, BHANDARA ROAD, BHANDARA - 441905, MH, IN
WEBSITE & E-MAIL	www.sunflagsteel.com / e-mail - investor@sunflagsteel.com
REGISTRAR & SHARE TRANSFER AGENT	BIGSHARE SERVICES PRIVATE LIMITED, MUMBAI.

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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 **Fortieth (40th)** Annual General Meeting ('AGM') of the members of **Sunflag Iron and Steel Company Limited** will be held on **Friday, the 25th day of September, 2026 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 2025-26 ended 31st March, 2026, including, the Balance Sheet as at 31st March, 2026, Statement of Profit and Loss and Cash Flow for the Financial Year 2025-26, together with the Board's Report and Report of the Statutory Auditors thereon.

2. **Declaration of Dividend for the Financial Year ended 31st March, 2026**

   To declare final dividend @10% (i.e. ₹ 1/- per share) on Equity Share of face value of ₹ 10/- (₹ Ten) each for the Financial Year ended 31st March, 2026.

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

   To appoint a director in place of Mr. Ravi Bhushan Bhardwaj (DIN - 00054700), who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. **Appointment of Mr. Mukund Prabhakar Chaudhari (DIN: 05339308), as a Director (Category – Non-executive, Independent) of the Company, and also for a fixed first term of Forty (40) months, as an Independent Director of the Company.**

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

   "RESOLVED THAT Mr. Mukund Prabhakar Chaudhari (DIN: 05339308), appointed by the Board of Directors as an Additional Director of the Company effective 11th August, 2026 and who holds office up to the date of this fortieth (40th) Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("the Act") and Article 128 of the Articles of Association of the Company and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act proposing his candidature for the office of a Director of the Company, be and is hereby appointed as a Director of the Company."

   "RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, and the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act, as amended, from time to time and Regulation 17, and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ["Listing Regulations"] Mr. Mukund Prabhakar Chaudhari (DIN: 05339308), who meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of Listing Regulations, and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a fixed first term of Forty (40) months, i.e. from 11th August, 2026 up to 10th December, 2029."

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

5. **Re-appointment of Mr. Ramchandra Vasant Dalvi (DIN - 00012065), as a Director (Technical) (Category - Non-independent, Executive), designated Key Managerial Personnel of the Company, liable to retire by rotation, for a further period of three (3) years effective 14th August, 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 ('the Act') read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications and / or re-enactment thereof for the time being in force) and Articles 151 to 154 of the Articles of Association of the Company 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. Ramchandra Vasant Dalvi (DIN : 00012065), as a Director (Technical), designated Key Managerial Personnel of the Company, liable to retire by rotation, for a further period of three (3) years effective 14th August, 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, period of re-appointment 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."

6. **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 2026-27, 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 2026-27, 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
11th August, 2026

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

NOTES:

The Ministry of Corporate Affairs ("MCA") has vide General Circular No. 03/2025 dated September 22, 2025 has permitted Companies to hold their AGM through VC/OAVM until further notice, without the physical presence of the members at a common venue. Accordingly, in compliance with the said circular and provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 40th AGM of the Company shall be conducted through VC / OAVM.

1. An explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 ('the Act') in respect of Special Business under Item Nos. 4 to 6 are annexed hereto and forms part of the Notice. Further, pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standard (SS) - 2 on General Meetings issued by the Institute of Company Secretaries of India, information related to the Director(s) seeking appointment, re-appointment at the AGM is provided as an annexure to 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 through VC/OAVM pursuant to the MCA Circular, whereby physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for this AGM and hence the Proxy Form, Attendance Slip and Route Map of AGM are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. Members who wish to inspect the Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Act, and Register of Contracts or Arrangements in which Directors are interested maintained under section 189 of the Act, and relevant documents referred to in this Notice of AGM and explanatory statement can send request by an email to investor@sunflagsteel.com.
4. The Register of Members and Share Transfer Books of the Company, will remain closed, from **Saturday, the 12th September, 2026 to Friday, the 25th September, 2026 (both days inclusive) for the purpose of 40th Annual General Meeting.**
5. Members seeking any information with regard to the financial statements or any matter to be placed at the AGM or having any other queries are requested to write to the Company alongwith their Name, DP ID and Client ID/Folio No., E-mail Id, Mobile Number to the Investor Service Cell at investor@sunflagsteel.com on or before Friday, the 18th September, 2026. 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 MCA Circular dated May 5, 2020 and other relevant circulars, the notice of the AGM along with the Annual Report 2025-26 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 2025-26 is available to those shareholder(s) who have not registered their email addresses. Further, Annual Report 2025-26 can also be accessed by scanning the QR code provided therein. Members may note that the notice and Annual Report 2025-26 will also be available on the Company's website www.sunflagsteel.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of the e-voting agency - National Securities Depository Limited at www.evoting.nsdl.com.

   Members who have not registered their e-mail address and in consequence the Annual Report, notice of AGM and e-voting notice could not be serviced, may also temporarily provide their email address and mobile number to the Company's Registrar and Share Transfer Agent - Bigshare Services Private Limited ('Bigshare'), by clicking the link: https://www.bigshareonline.com for sending the same.

Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, shareholder may write to investor@bigshareonline.com.

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

7. **REGISTRAR & SHARE TRANSFER AGENT**

M/s. Bigshare Services Private Limited, Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093, MH, IN, had been appointed by the Company as the Registrar and Share Transfer Agent (RTA) effective 31st March, 2003. Therefore, the Depository Participants, Members / Investors of the Company, are advised to send all documents and correspondence, such as requests for 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 11,30,73,176 Equity Shares (62.74 %) of the total Issued, Subscribed and Paid-up Share Capital of the Company, have already been dematerialized as on 31st March, 2026.

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 vide its Circular bearing reference no.: SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/97 dated July 02, 2025 facilitated a special window for the re-lodgement of transfer request of physical share, for a period of 6 months from 7th July, 2025 to 6th January, 2026. Some shareholders have lodged the transfer related documents with Company's RTA.

In furtherance to this, SEBI vide its Circular: HO/38/13/11(2)2026-MIRSD-POD/ I/3750/2026 dated January 30, 2026 has further opened another “Special Window” for transfer and dematerialization of Physical Securities which were sold/ purchased prior to April 01, 2019 for a period of one year from 05th February, 2026 till 04th February, 2027. The said Circular is available on the Company's website. Further, as per requirement of the said circular, the Company has also made Newspaper publication informing the people at large about the Special Window for physical transfer of shares, however it shall be effected in demat form. 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 29th May, 2026, has recommended a final dividend of ₹ 1/- (10%) per equity share of the face value of ₹10 each for the financial year ended 31st March, 2026. The record date for the purpose of final dividend is 11th September, 2026. The final dividend, once approved by the members in the ensuing AGM, will be paid on or after 29th September, 2026, 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, 2025, (“the IT Act”), the dividend paid or distributed by a Company is 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/ credit of dividend at the rates prescribed under the IT Act. The TDS rate would vary depending on the residential status, category of the shareholder and the documents submitted by them and accepted by the Company.

Resident Members : For resident Members, taxes shall be deducted at source under the IT Act as follows:

Members having valid Permanent Account Number (PAN) - Section 393(1)	10%* or as may be notified by the Government of India (GOI)
Members not having PAN / valid PAN - Section 397(2)	20% or as may be notified by the GOI

*As per Section 397(2) 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 deducted at the higher rates as provided in section 397(2) of the IT Act, 2025 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 2026-2027 does not exceed ₹10,000
- The members provide duly filled and signed Form No. 121(previously known as Form 15G/15H), along with self-attested copy of valid PAN, subject to conditions specified in the IT Act.
- Exemption certificate u/s 395(1) is obtained from the Income-tax Department, if any.

Non-resident Members : For non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 393(2) [Table Sl. No. 17] read with Section 207(1) [Table Sl. No.1] of the IT Act, at the rates in force.

i) The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable.

ii) TDS required to be deducted at the rate of 10% (plus applicable surcharge and cess) in case of Specified Funds referred under Schedule VI (Note 1(g)] in terms of Sec. 393(2) (Table: Sl. No. 16) of the Act.

However, as per Section 159 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:

- Self-attested copy of PAN card, if any, allotted by the Indian Income Tax Authorities.
- Self-attested copy of Tax Residency Certificate ('TRC') obtained from the tax authorities of the country of which the shareholder is resident, evidencing shareholder's tax residency status during Financial Year 2026-27. In case, the TRC is furnished in a language other than English, the official translated copy of TRC in English language would be required.
- E-filed copy of Form 41 generated electronically from Income tax portal. Form 41 in any other form shall not be considered for treaty benefit.
- Self-declaration by the non-resident shareholder as to:
  - ❖ Eligibility to claim tax treaty benefits based on the tax residential status of the shareholder along with such particulars / confirmation as would be imperative to be governed by and / or avail benefits, if any, under the applicable DTAA;
  - ❖ No Permanent Establishment / fixed base in India in accordance with the applicable tax treaty;
  - ❖ Shareholder being the beneficial owner of the dividend income.
- In case of shareholder being tax resident of Singapore, along with the above (as might be applicable), please furnish the letter issued by the competent authority or any other evidence demonstrating the non-applicability of Article 24- Limitation of Relief under India-Singapore Double Taxation Avoidance Agreement (DTAA).

In case of Foreign Institutional Investors (FII) / Foreign Portfolio Investors (FPI), tax will be deducted under Section 393(2) (Table S. No. 15) 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 on or before 18th September, 2026 (Cut-off Date). No communication would be accepted from members after 18th September, 2026, regarding tax-withholding matters.

The consideration of the aforesaid documents, including application of beneficial Tax Treaty Rate, where applicable, will depend on the adequacy and completeness of such documents submitted by the shareholders and review of the same to the satisfaction of the Company.

Alternatively, shareholders may upload the requisite documents through the i-Connect portal by registering themselves at https://iconnect.bigshareonline.com/Account/Login. Such documents must also be uploaded on or before the Cut-off Date.

Shareholders can check their tax credit in Form 168 from the e-filing account at https://www.incometax.gov.in/iec/foportal or "View Your Tax Credit" on https://www.traces.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 and/or to Company at 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	20th - 28th September, 2006	27th September, 2013	15,92,685.00
2	21st - 25th September, 2007	24th September, 2014	11,71,767.00
3	22nd - 23rd September, 2008	22nd September, 2015	18,71,945.00
4	23rd - 25th September, 2009	24th September, 2016	22,14,452.00
5	24th - 23rd September, 2010	22nd September, 2017	20,24,582.00
6	25th - 23rd September, 2011	22nd September, 2018	20,36,465.00
7	32nd - 25th September, 2018	30th October, 2025	17,65,603.00

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	2018-19	0.50	27th September, 2019	29th October, 2026
2	2024-25	0.75	26th September, 2025	28th October, 2032

Physical as well as email communication dated 8th July, 2026 has already been sent by the Company/RTA to all the shareholders who have not claimed the dividend declared in the financial year 2018-19 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 2018-19 and FY 2024-25 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 26th September, 2025 (date of last Annual General Meeting) on the website of the Company www.sunflagsteel.com and also of the Ministry of Corporate Affairs.

SHARES:

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

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

Accordingly, the Company has transferred total 30,91,699 equity shares constituting about 1.716% of the total issued, subscribed and paid-up share capital, including 28,050 equity shares of "Unclaimed Suspense Account", which was created pursuant to Regulation 39 of the SEBI (LODR) Regulations, 2015 effective 3rd August, 2015. Further to this, 77,616 equity shares have been transferred to the IEPF Demat Account related to those shareholders whose unclaimed dividend has been transferred to the IEPF Authority during the Financial Year 2018-19. During the financial year 2025-26 under review, in compliance to IEPF provisions, the Company has further transferred 13,68,103 equity shares to the Authority, pertaining to those shareholders, who failed to claim their dividends for 2017-18.

The voting rights on these shares shall remain frozen till the rightful owner of such shares claim the shares from the IEPF Authority. The IEPF Authority has laid down the detailed procedure for claiming both dividend as well as shares. The detailed list of shares transferred to this IEPF Authority Account as well as detailed procedure to claim is available on the Company's website www.sunflagsteel.com. . Further, the procedure for claim is also available on the website of IEPF authority at www.iepf.gov.in. During the financial year 2025-26 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.

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 40th 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, 21st September, 2026 at 09:00 A.M. and ends on Thursday, 24th September, 2026 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 18th September, 2026, 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. 18th September, 2026.

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.	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. 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 **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 5. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on App Store Google Play

Individual Shareholders holding securities in demat mode with CDSL	1. 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 www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 2. 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 & 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. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be 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.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. 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 & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com 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 helpdesk.evoting@cdslindia.com 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.
   - **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com 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 with a copy marked to 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 to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 022 - 48867000 or send a request to 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. 18th September, 2026, may obtain the login ID and password by sending a request at 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 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. 18th September, 2026, 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.
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. 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 for procuring user id and password for e-voting by providing above mentioned documents.

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

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

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see 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 40th 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 40th Annual General Meeting of the Company.
9. The results of voting shall be declared by Monday, 28th September, 2026. The results of voting so declared along with the Scrutinizer's Report shall be placed on the Company's Website (www.sunflagsteel.com), NSDL Website and shall also be communicated to the Stock Exchanges (BSE and NSE).

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

ITEM NO. 4 :

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee of the Board, at its 207th meeting held on 11th August, 2026, has appointed, Mr. Mukund Prabhakar Chaudhari (DIN: 05339308), as an Additional Director [Category: Non-executive, Independent] of the Company, effective 11th August, 2026. Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act") and Article 128 of the Articles of Association of the Company, Mr. Mukund Prabhakar Chaudhari , shall hold office till the conclusion of Fortieth (40th) Annual General Meeting of the Company, and is eligible to be appointed as a Director of the Company.

Mr. Mukund Prabhakar Chaudhari has submitted his consent to act as a Director of the Company. The Company has also received self-declarations from Mr. Mukund Prabhakar Chaudhari 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 20th June, 2018 on the subject "Enforcement of SEBI Orders regarding appointment of Directors by listed Companies.

The Company has received a notice in writing from a member under Section 160 of the Act, proposing the candidature of Mr. Mukund Prabhakar Chaudhari 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.

In the opinion of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Mukund Prabhakar Chaudhari, fulfils the conditions specified in the Act and the Listing Regulations, for appointment as a Director and also, as an Independent Director of the Company. He is independent of the Management and Promoters of the Company. As such, it is proposed to appoint Mr. Mukund Prabhakar Chaudhari, as a Director of the Company and also, as an Independent Director of the Company, not liable to retire by rotation, to hold the office for a fixed first term of Forty (40) months, from 11th August, 2026 up to 10th December, 2029.

A brief profile of Mr. Mukund Prabhabar Chaudhari, nature of his expertise in specific functional areas and names of Companies in which he holds directorships and memberships / chairmanships of Board Committees and other requisite details, pursuant to the provisions of the Listing Regulations, and the Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India, has been given in the annex to this Notice.

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

The terms and conditions of his appointment (draft appointment letter) shall be open for inspection by the members of the Company, at the Registered Office of the Company during the normal business hours on any working day till the date of fortieth (40th) Annual General Meeting of the Company.

Keeping in view the vast experience and knowledge of Mr. Mukund Prabhakar Chaudhari, the Board of Directors of the Company, recommends the Special Resolution at Item No. 4 of the Notice for approval of the members in the interest of the Company.

ITEM NO. 5 :

Mr. Ramchandra Vasant Dalvi (DIN- 00012065), aged about 75 years, graduated as B. Tech (Hons) in Metallurgical Engineering from IIT, Mumbai. Thereafter, he joined various Steel Industries viz Mukand Limited (Year 1972-2001) and Facor Steels Limited (Year 2001-2011) and gained rich and varied experience in steel and steel making. He held various positions from Graduate Engineer Trainee to Chief Executive. He was Director (Technical) on the Board of Facor Steels Limited during the year 2004-2011. He joined Sunflag in the year 2015 as an Executive Director (Works) and currently working as Director (Technical) of the Company.

Mr. Ramchandra Vasant Dalvi having good technical and administrative capabilities with team leadership, contributed in the overall growth of the Company through prudent technical knowledge. He was appointed by the members of the Company at the 37th Annual General Meeting held on 21st September, 2023 in terms of recommendations of the Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on 11th August, 2023, as the Whole-time Director, designated as a Director (Technical) of the Company for a period of three (3) years effective 14th August, 2023. Accordingly, his existing term expires on 13th August, 2026.

Based on the performance evaluation of Director (Technical), his unstinted efforts and contributions made in the progress of the Company and considering his knowledge of various aspects relating to the operations and technical affairs of the Company, long experience and as per the recommendation of the Nomination and Remuneration Committee of the Board at its 65th meeting held on 11th August, 2026, the Board at its 207th meeting held on 11th August, 2026 considered that the continued association of Mr. Ramchandra Vasant Dalvi would be beneficial to the Company and it is desirable to continue to avail his services as Director (Technical) of the Company.

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

The Board of Directors at its 207th meeting held on 11th August, 2026, considered and approved his re-appointment as Director (Technical) (Category-Executive, Non-independent), designated Key Managerial Personnel of the Company, liable to retire by rotation, for a further period of three (3) years effective 14th August, 2026, subject to approval of the members at the ensuing 40th Annual General Meeting of the Company by way of Special Resolution, on the remuneration, allowances and perquisites as stated below :

a) Remuneration : Basic Salary: ₹ 6,66,300/- (₹ Six Lakh Sixty-Six Thousand Three Hundred only) per month, with suitable annual increase as may be decided by the Committee and/or the Board of Directors from time to time;

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

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

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

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

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

Mr. Ramchandra Vasant Dalvi is not disqualified from being re-appointed as Director (Technical) of the Company in terms of Section 164 of the Act and has submitted his consent to act as Director (Technical) of the Company. The Company has also received a self-declaration from Mr. Ramchandra Vasant Dalvi, to the effect that he was or is not debarred from holding the office of Director pursuant to any order of the SEBI or such other authority in terms of SEBI's Circular No. LIST/COMP/14/2018-19 dated 20th June, 2018 on the subject "Enforcement of SEBI Orders regarding appointment of Directors by listed Companies".

The Company has received notice in writing from a member under Section 160 of the Act, proposing the candidature of Mr. Ramchandra Vasant Dalvi, as Director (Technical) of the Company.

The Board having considered his qualifications, experience and responsibilities, recommends the resolution at Item No. 5 of the Notice related to the re-appointment of Mr. Ramchandra Vasant Dalvi as Director (Technical) of the Company for a further period of three (3) years effective 14th August, 2026, for approval of the members by way of Special Resolution in the interest of the Company.

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

A brief profile of Mr. Ramchandra Vasant Dalvi, nature of his expertise in specific functional areas and names of Companies in which he holds directorships and memberships / chairmanships of the Board Committees and other requisite details, pursuant to the provisions of the Listing Regulations, and the Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India, in respect of information of Directors seeking appointment / re-appointment at the forthcoming 40th Annual General Meeting, has been given in the annex to this Notice.

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

ITEM NO. 6 :

On recommendation of the Audit Committee, the Board of Directors of the Company at its meeting held on 29th May, 2026, 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 2026-27, 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 40th 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. 6 of the Notice for approval of the members.

By Order of the Board

Nagpur
11th August, 2026

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

ANNEXURE

Details of Directors seeking appointment/re-appointment at the 40th Annual General Meeting of the Company

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

Name of Director	**Mr. Ravi Bhushan Bhardwaj**
Director Identification Number (DIN)	**00054700**
Brief Resume / Experience	Mr. Ravi Bhushan Bhardwaj, age 82 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 1st October, 1998. Subsequently, on ceasing as the Managing Director of the Company, effective 12th August, 2015, continued as the Non-executive Vice Chairman and then, as a Non-executive Chairman of the Company, effective 12th December, 2016.
Nationality	Kenyan
Date of Birth/Age	23rd October, 1943/ 82 Years
Expertise in specific functional area	Planning, Production, Legal and Projects
Qualification	Graduate
Date of First Appointment on Board	1st October, 1998
Terms and conditions of re-appointment	Re-appointment as the Non-Executive Chairman of the Company, liable to retire by rotation on the existing terms and conditions.
Details of remuneration proposed to be paid and the remuneration last drawn	He will get Profit based Commission, as may be approved by the Board, based on the recommendation of the Nomination and Remuneration Committee. Remuneration by way of Commission drawn during FY 2025-26 is ₹ 1,49,17,801/-.
Shareholding in the Company	Nil
Relationship with other Director, Manager and other Key Managerial Personnel of the Company	Mr. Pranav Bhardwaj, Managing Director and Mr. Suhrit Bhardwaj, Director (Category - Non-executive Non- Independent, Promoter) are the sons of Mr. Ravi Bhushan Bhardwaj, Non-executive Chairman of the Company.
No. of Board Meeting attended during the Financial Year 2025-26	5/5 (Attended/ Held)
Name of the other Companies in which Director	He is Director in Sunflag Power Limited, Supra Corporation Limited and Haryana Television Limited.
Listed entities from which has resigned as Director in the past three years	Nil
Chairman / Member of the Committee of the Board of Directors of the Company or of other Listed Company	He is the Chairman of the Corporate Social Responsibility (CSR) Committee, Share Transfer Committee and Stakeholders' Relationship Committee and a Member of the Nomination and Remuneration Committee.
Skills and capabilities required for the role of independent director and the manner in which the proposed person meets such requirements	Not applicable.

Name of Director	**Mr. Mukund Prabhakar Chaudhari**
Director Identification Number (DIN)	**05339308**
Brief Resume / Experience	Mr. Mukund Prabhakar Chaudhari, age 63 years, graduated as B. Com from Nagpur University and a Member of Institute of Chartered Accountants of India. He is having more than 35 years of experience in various field viz. Accounting, Finance, Taxation, Mining, Corporate strategy and Management. He worked with various Industries viz Bajaj Steel Industries Limited, Cureworth (India) Limited, Hari Vishnu Packaging Limited, Kinetic Engineering Limited, Neco Schubert & Salzer Limited from March, 1987 to November 1997. He joined the MOIL Limited in December 1997 as Manager (Finance) and elevated to the position of Deputy General Manager (Finance) in July 2010 and General Manager in 2011. Further, he was appointed as Director (Finance) in August 2012 and took over as Chairman cum Managing Director in September 2016 and superannuated in October 2022. Presently he is engaged as a Member of Expert Appraisal Committee (Non-coal Mining), under the Ministry of Environment, Forest and Climate Change (MoEF&CC).
Nationality	Indian
Date of Birth/Age	6th October, 1962 / 63 Years
Expertise in specific functional area	Accounting, Finance, Taxation, Mining, Corporate strategy and Management
Qualification	B. Com; CA
Date of First Appointment on Board	11th August, 2026

Terms and conditions of appointment	Appointment as a Director (Non-executive, Independent) for the first fixed term of forty (40) months i.e. from 11th August, 2026 up to 10th December, 2029.
Details of remuneration proposed to be paid and the remuneration last drawn	He will get sitting fees for attending meetings of the Board and Committees and Profit based Commission, as may be approved by the Board, based on the recommendation of the Nomination and Remuneration Committee. Remuneration drawn during FY 2025-26: Not Applicable
Shareholding in the Company	Nil
Relationship with other Director, Manager and Key Managerial Personnel of the Company	Not related
No. of Board Meeting attended during the Financial Year 2025-26	Not Applicable
Name of the other Companies in which Director	Nil
Listed entities from which has resigned as Director in the past three years	Nil
Chairman / Member of the Committee of the Board of Directors of the Company or of other Listed Company	Nil
Skills and capabilities required for the role of independent director and the manner in which the proposed person meets such requirements	In view of the Nomination and Remuneration Committee and the Board, he possesses the diverse skills and knowledge including expertise in Accounting, Finance, Taxation, Mining, Corporate strategy and Management required for the role of an Independent Director.

Name of Director	**Mr. Ramchandra Vasant Dalvi**
Director Identification Number (DIN)	**00012065**
Brief Resume / Experience	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 Director (Technical) on the Board of Directors of Facor Steels Limited during the year 2004-2011. He joined Sunflag in the year 2015 as the Executive Director (Works), one level below the Board of Directors of the Company and was in-charge of Company's Steel Plant at Warthi, Bhandara. Later on, he was elevated and inducted in the Board as the Whole-Time Director, designated as the Executive Director (Works) of the Company w.e.f. 14th August, 2017 and presently, designated as Director (Technical) of the Company.
Nationality	Indian
Date of Birth/Age	7th December, 1950/ 75 Years
Expertise in specific functional area	Planning, Engineering and Production
Qualification	B. Tech (Hons) in Metallurgical Engineering from Indian Institute of Technology (IIT), Mumbai.
Date of First Appointment on Board	14th August, 2017
Terms and conditions of re-appointment	Re-appointment as a Director (Technical) for the period of three (3) years from 14th August, 2026 to 13th August, 2029 on the terms and conditions as set out in the Notice of 40th Annual General Meeting.
Details of remuneration proposed to be paid and the remuneration last drawn	Proposed Remuneration as per Notice of 40th Annual General Meeting of the Company. Remuneration drawn during FY 2025-26 is ₹ 1,96,22,670/-.
Shareholding in the Company	Nil
Relationship with other Director, Manager and Key Managerial Personnel of the Company	Not related
No. of Board Meeting attended during the Financial Year 2025-26	5/5 (Attended/ Held)
Name of the other Companies in which Director	He is a Director in Sunflag Foundation and Ramesh Sunwire Private Limited
Listed entities from which has resigned as Director in the past three years	Nil
Chairman / Member of the Committee of the Board of Directors of the Company or of other Listed Company	He is 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.
Skills and capabilities required for the role of independent director and the manner in which the proposed person meets such requirements	Not applicable.

BOARD'S REPORT

To ,

The Members,

Your Directors take pleasure in presenting the 40th Annual Report along with the Audited Financial Statements of the Company for the Financial Year 2025-26 ended 31st March, 2026.

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

During the financial year 2025-26, the Company's **total income increased by 11.37%,** accompanied by an **increase of 41.47%** 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	
		2025-26	2024-25
1	Total Income	**3,95,575**	3,55,205
2	Total Expenditure	**3,46,255**	3,14,627
3	Gross Profit	**49,320**	40,578
4	Finance Cost	**7,222**	8,990
5	Profit before Depreciation and amortization expenses	**42,098**	31,588
6	Depreciation and amortization expenses	**11,317**	10,445
7	Profit before exceptional items and Tax	**30,781**	21,143
8	Exceptional Items *	**(870)**	-
9	Profit before tax	**29,911**	21,143
10	Tax Expenses and Provisions	**9,845**	4,968
11	Net profit from ordinary activities after tax	**20,066**	16,175
12	Other comprehensive Income (net of taxes) #	**(7,215)**	3,44,058
13	Total Comprehensive income (net of Tax)	**12,851**	3,60,233
14	Earnings Per Share (EPS) [Basic and Diluted] in ₹	**11.13**	8.98

* The exceptional items are pertaining to impact arising out of Government of India's notification of four Labour Codes on November 21, 2025. Considering the impact arising out of an enactment of the new legislation, the Company has recognised the same under “Exceptional Items”.

\# 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 2025-26 stood at ₹ 3,95,575 Lakh as compared to ₹ 3,55,205 Lakh of the previous Financial Year. Your Company has ended the Financial Year 2025-26 with a profit after tax from the ordinary activities of ₹ 20,066 Lakh as against the previous Financial Year's ₹ 16,175 Lakh.

The Earnings Per Share (EPS) for the year increased to ₹ 11.13 from ₹ 8.98 in the previous year, indicating improved shareholder value and operational efficiency. After taking into account the brought forward profit of ₹ 2,63,994 Lakh, your Company has carried forward an amount of ₹ 2,84,458 Lakh to the Balance Sheet.

3. DIVIDEND

Your Board of Directors recommend the payment of Final Dividend @ 10% (i.e ₹ 1.00/- per share) on Equity Shares of Face Value of ₹ 10/- (₹ Ten) each for the Financial Year ended 31st March, 2026.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 11th September, 2026 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 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 2025-26 under review, there is no change in the capital structure of the Company and accordingly, the issued, subscribed and paid-up Share Capital of the Company stood at ₹ 1,80,21,94,480/- divided into 18,02,19,448 equity shares of face value of ₹ 10/- each, as on 31st March, 2026.

6. MARKET SCENARIO

The Indian steel industry continued to demonstrate resilience during FY 2025-26 despite persistent global economic uncertainties, geopolitical tensions, volatile raw material prices and increasing trade protectionism across several economies. India retained its position as the world's second-largest crude steel producer and remained one of the fastest-growing steel consuming nations, supported by robust domestic demand.

During the year, demand for steel was primarily driven by sustained Government expenditure on infrastructure, railways, roads, urban development, housing, renewable energy, defence manufacturing and capital goods. Continued growth in the automotive, engineering and construction sectors also supported healthy domestic steel consumption. While global steel demand remained subdued, India's domestic market continued to outperform most major economies.

The domestic steel industry, however, witnessed increased imports, particularly from China, South Korea and Japan, resulting in pricing pressure in certain product categories. The Government continued to monitor import trends and evaluate suitable trade measures to ensure a level playing field for domestic manufacturers. At the same time, volatility in coking coal prices, freight costs and energy expenses continued to exert pressure on industry margins.

India's long-term outlook for the steel sector remains positive. The National Steel Policy envisages increasing the country's steelmaking capacity to 300 million tonnes by 2030-31, while the Government's vision for a developed India by 2047 targets a capacity of nearly 500 million tonnes. Growth is expected to be supported by continued investments in infrastructure, manufacturing, defence, renewable energy, urbanisation and the "Make in India" initiative. Your Company also expects sustained demand growth from these sectors over the medium to long term.

Sunflag's Performance and Outlook

During FY 2025-26, your Company continued to focus on enhancing operational efficiencies, improving product quality, increasing value-added steel production and optimising its product mix. Despite a challenging pricing environment and higher input cost volatility, the Company maintained its emphasis on serving niche and specialised steel segments where quality, consistency and technical capability provide sustainable competitive advantages.

The Company continued to strengthen its presence in value-added alloy and special steel products catering to automotive, engineering, bearing, railways, oil & gas and industrial applications. In line with its long-term strategy, the Company is also expanding its presence in high-value sectors such as Aerospace, Defence, Nuclear Power, Thermal Power Boilers and Super Alloys, which offer superior margins and significant growth opportunities. Further, the Company continues to evaluate opportunities for securing strategic raw material resources, including coal and iron ore mines, to strengthen supply security and improve long-term cost competitiveness.

The management remains confident that the Company's integrated manufacturing facilities, strong customer relationships, continuous technology upgradation, diversified product portfolio and focus on specialty steel will enable it to capitalise on emerging opportunities and create sustainable value for all stakeholders.

7. COMPANY'S OPERATIONS OR OVERALL WORKING PERFORMANCE

During the Financial Year 2025-26 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 2025-26	Financial Year 2024-25
1	Direct Reduction Plant (I + II)	**1,56,397**	1,52,937
2	Steel Melting (SMS / VIM)	**4,97,506**	4,79,429
3	Rolled Products	**4,67,540**	4,49,117
4	Mini Blast Furnace (Hot Metal) / Pig Iron	**4,71,652**	4,02,530
5	Coal (Belgaon Coal Block)	**1,03,860**	1,17,820
6	Power Plant (Lakh kWh)	**1,577.16**	1,550.49

8. PROJECTS

Steel Plant:-

The Company continued to keep upgrading its existing steel making facilities and focusing on new grade developments and enhance its capability to cater in the new market segments.

Subsidiary Companies :-

Sunflag Power Limited [CIN – U31200MH2003PLC0448189]

There were no specific developments in Project as the matter has remained sub judice since 2023. The Company is awaiting the outcome of the court proceedings before taking further steps toward obtaining the necessary approvals and implementing and commencing operations of its Hydro Power Project 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 24th September, 2014, the Khappa & Extn. Coal Block which was allocated to Khappa Coal Company Private Limited, stood de-allocated with immediate effect. The closure of the said Company solely depends upon the outcome of final decision regarding bank guarantee and compensation from the appropriate authorities.

Sunflag Foundation [CIN – U74999MH2017NPL289961]

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

Associate / Joint Venture (JV) Companies:-

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

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

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

Daido D.M.S. India Private Limited, is a Joint Venture (JV) Company of Sunflag Iron and Steel Company Limited, Daido Steel Co. Ltd., Japan and Daido Die and Mold Steel Solutions Co. Ltd., Japan. 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 2025-2026 Daido D.M.S. India Private Limited reported the total income of ₹ 7,387.49 Lakh as compared to ₹ 5,952.72 Lakh in the previous Financial Year. Further the Net Loss for the year under review was ₹ 283.99 Lakh as compared to Net Loss of ₹ 7.47 Lakh in the previous Financial Year.

Ramesh Sunwire Private Limited [CIN – U28999MH2016PTC287281]

Sunflag jointly with 3S Applied Technologies Limited (erstwhile Stumpp Schuele & Somappa Springs Private Limited), Bengaluru has formed and incorporated a Joint Venture (JV) Company – Ramesh Sunwire Private Limited on 31st October, 2016 in the state of Maharashtra. During the period under review, Sunflag has invested INR 3,43,00,000 in the capital of the said JV Company. Consequently, as on 31st March, 2026 the Company has total investment of INR 13,23,00,000 (INR Thirteen Crore Twenty-three Lakh) constituting (49%) in the capital of the said JV Company.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 2025-2026 Ramesh Sunwire Private Limited reported the total income of ₹4,007.57 Lakh as compared to ₹ 3,659.82 Lakh in the previous Financial Year. Further the Net Profit for the year under review was ₹108.23 Lakh as compared to ₹ 100.93 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. As on 31st March, 2026 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 Financial Year 2025-2026 ReNew Green (MPR Three) Private Limited reported the total income of ₹ 5,271.44 Lakh as compared to ₹ 1,694.99 Lakh in the previous Financial Year. Further the Net Profit for the year under review was ₹ 459.59 Lakh as compared to Net Loss of ₹84.48 Lakh in the previous Financial Year.

Other Investment :

Sunsure Solarpark Thirty Seven Private Limited [CIN – U35105HR2024PTC126567]

During the period under review, Sunflag executed a Share Subscription and Shareholders' Agreement with Sunsure Energy Private Limited (Promoter of Power Producer Company) and Sunsure Solarpark Thirty Seven Private Limited (Power Producer Company), to acquire and maintain at least 26% of the stake in Power Producer Company in order to procure the power generated from its 11.00 MW AC/16.5 MWp DC, grid connected solar (photovoltaic) electric generating facility/ solar photovoltaic project at Ajande Kh, Taluka Sindhkeda, District Dhule, Maharashtra, India, 425404.

As of 31st March 2026, the Company's total investment in Sunsure Solarpark Thirty Seven Private Limited amounted to INR 1,44,36,828 (Rupees One Crore Forty-four Lakh Thirty-six Thousand Eight Hundred Twenty-eight only), representing 36.27% of its equity share capital.

Present Status of Coal and Mineral Mines:-

S.N.	Name of Mine	Area in (Ha.)	Mineral	Present Status
1	Belgaon Coal Mine, at Village Balgoan (Deshpande), Tah. Warora, Dist. Chandrapur, Maharashtra	383.56	Coal	Underground Coal mine having estimated reserves of 8.152 million tons (MT) with extractable balance of about 3.5 MT. Presently de-pillaring activities are in progress.
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	Hon'ble High Court of Bombay, Nagpur Bench (Justice Anil S. Kilor and Justice Raj D. Wakode) in Suo Motu PIL No. 07/2026 and PIL No. 14/2026 (filed by Bandu Sitaramji Dhotre, Chandrapur) took up the issue of grant of 35.94 Ha of forest land for opencast mining in the Tiger Corridor. Pursuant to the PIL, the matter is pending for further directions from Hon'ble High Court of Bombay, Nagpur Bench.
6	Bhivkund Coal Block at Village-Nandgaon Settlement, Visapur & Ballarpur, Tahsil – Ballarpur, Dist- Chandrapur, Maharashtra	802.00	Coal	EC and CTO has been obtained and the Mining Lease executed on 21.04.2026. NOC is pending from village Gram Panchayat, NA conversion is under process. Other statutory clearances for mine opening is in progress.
7	Bajna Iron Ore Block at Village – Bajna, Tahsil- Baxwaha, District- Chhatarpur, Madhya Pradesh	96.00	Iron Ore	Company has received FRA clearance and also listed for environment clearance. Application for stage I forest clearance is pending at MoEF&CC New Delhi. EC and Stage I clearances are likely to be in place during the end of Sep-2026.
8	Surjagad 6 Iron ore Block at Village Ramunkal (Near Nandwadi), Tah.-Etapalli, Dist-Gadchiroli, Maharashtra	658.00	Iron ore	The Composite License was executed on 05.05.2025. Permission for drilling 60 boreholes were obtained from the Divisional Forest Officer (DCF), Allapalli on 13.04.2026. The borehole drilling work has been executed, and the exploration program commenced on 29.05.2026.
9	Surajpura Phosphorite Block (CL), Chhatarpur, Madhya Pradesh	1,027.29	Phosphorite	The Letter of Intent (LOI) was granted by the Director, Mineral Resources Department, Bhopal, on 13.02.2026. Permissions/NOCs for carrying out survey activities within the block area were obtained from the concerned Forest Divisions. Permission was received from DFO, Sagar on 30.04.2026 and from DFO, Chhatarpur on 15.05.2026. Survey of field work is completed. Report is currently in progress.
10	Tambia South Coal Block Chhindwara, Madhya Pradesh	1,490	Coal	Declaration of successful bidder received from Nominated Authority, New Delhi on 07.05.2026. CMDPA signed on15.05.2026. Other compliances are in progress.

9. NATURE OF BUSINESS ACTIVITIES AND CHANGES THEREOF

During the Financial Year 2025-26 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 2025-26 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):

1. Pursuant to the provisions of Section 152 of the Companies Act, 2013 ('the Act'), the Members of the Company, on the recommendation of the Nomination and Remuneration Committee (NRC) and the Board of Directors, at their 39th Annual General Meeting held on 26th September, 2025, consented to the re-appointment of Mr. Suhrit Bhardwaj (DIN: 02318190), Director [Category - Non-Independent, Non-Executive] of the Company, who retired by rotation and being eligible offered himself for re-appointment.
2. Members of the Company, on the recommendation of the Nomination and Remuneration Committee (NRC) and the Board of Directors, at their 39th Annual General Meeting held on 26th September, 2025 approved 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 17th January, 2026.

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

There has been no change in relation to the Executive Director/s and Key Managerial Personnel during the year except as specified in I(2) above.

III. CHANGES RELATED TO THE INDEPENDENT DIRECTOR/S:

1. Members of the Company, on the recommendation of the Nomination and Remuneration Committee (NRC) and the Board of Directors, at their 39th Annual General Meeting held on 26th September, 2025 approved the reappointment 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 21st September, 2025 till 20th September, 2030.
2. Members of the Company, on the recommendation of the Nomination and Remuneration Committee (NRC) and the Board of Directors, at their 39th Annual General Meeting held on 26th September, 2025 approved the reappointment 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 12th August, 2025 till 11th August, 2030.
3. Members of the Company, on the recommendation of the Nomination and Remuneration Committee (NRC) and the Board of Directors, at their 39th Annual General Meeting held on 26th September, 2025 approved the reappointment 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 3rd September, 2025 till 2nd September, 2030.
4. Mr. Sajiv Dhawan (DIN-00160085), ceased to be the Director (Category - Non-executive, Independent) of the Company effective 10th August, 2025, due to resignation on personal reasons/grounds i.e. his other pre-occupations and other personal commitments. He has also confirmed that there were no other material reasons for his resignation other than those provided.
5. CA Neelam Kothari (DIN - 06709241), ceased to be the Director (Category - Non-executive, Independent) of the Company effective 20th September, 2025, due to completion of her second term.

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. Ravi Bhushan Bhardwaj (DIN - 00054700), Director (Chairman) [Category - Non-executive Director & Promoter] 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 40th 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 207th Meeting held on 11th August, 2026, on the recommendation of the Nomination and Remuneration Committee (NRC) of the Board, has approved and recommended the reappointment of Mr. Ramchandra Vasant Dalvi (DIN - 00012065), as a Director (Technical), designated Key Managerial Personnel of the Company liable to retire by rotation, for a further period of three (3) years effective 14th August, 2026, in the interest of the Company.
3. The term of Mr. Mukund Prabhakar Chaudhari (DIN: 05339308), as an Additional Director (Category – Non-executive, Independent) of the Company, appointed by the Board in its meeting dated 11th August, 2026, is expiring at the conclusion of the ensuing 40th Annual General Meeting of the Company. The Board recommends appointment of Mr. Mukund Prabhakar Chaudhari, as an Independent Director [Category – Non-executive, Independent] not liable to retire by rotation, to hold the office for a fixed first term of Forty (40) months i.e. from 11th August, 2026 up to 10th December, 2029, in the interest of the Company. The Company has received a self-declaration from Mr. Mukund Prabhakar Chaudhari 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. Ravi Bhushan Bhardwaj, Mr. Ramchandra Vasant Dalvi and Mr. Mukund Prabhakar Chaudhari, inter-alia to the effect that, (i) they were/are not disqualified from being appointed as the Director of the Company in terms of the provisions of Section 164 of the Act and have submitted their consent to act as the Director of the Company; (ii) they were or are not debarred from holding the office of the Director pursuant to any order of the SEBI or such other authority in terms of SEBI's Circular No. LIST/COMP/14/2018-19 dated 20th June, 2018 on the subject "Enforcement of SEBI Orders regarding appointment of Directors by listed Companies".

The Company has received a notice in writing under Section 160 of the Act from Members proposing the candidatures of Mr. Ramchandra Vasant Dalvi and Mr. Mukund Prabhakar Chaudhari for the office of the Directors of the Company.

Except the above, there is no change in the composition of the Board of Directors for being placed before the Members for their approval.

The Company has received the necessary declaration from each Independent Director that they meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. In the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Directors of the Company and the Board is satisfied of the integrity, expertise, and experience(including proficiency in terms of Section 150(1) of the Companies Act, 2013 and applicable rules thereunder) in respect of all Independent Directors on the Board.

12. NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2025-26 under review, 5 meetings of the Board of Directors of the Company were held on (i) 27th May, 2025, (ii) 21st July, 2025, (iii)11th August, 2025, (iv) 13th November, 2025 and (v) 13th February, 2026, 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 31st July, 2018, the Board of Directors do confirm that the maintenance of cost records as specified by the Central Government under Sub-section (1) of Section 148 of the Act, is required by the Company and accordingly, such accounts and records are made and maintained by the Company for the Financial Year 2025-26.

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 2025-26, 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.

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 31st March, 2026, the Board had Eight (8) members, two of whom are executive directors, two non-executive and non-independent directors and four independent directors. One of the independent directors on the Board is woman. The details of Board and Committee composition, tenure of directors, areas of expertise and other details are available in the Corporate Governance Report that forms part of 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 of the Board's Report.

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

19. AUDITORS

I. STATUTORY AUDITORS AND THEIR REPORT

M/s. Lodha & Co. LLP, Chartered Accountants, New Delhi (ICAI Firm Registration No. 301051E/E300284; Peer Review Certificate No. 016523), were appointed as the Statutory Auditors of the Company at the 39th Annual General Meeting (AGM) of the Company held on 26th September, 2025 for a fixed first term of 5 years from the conclusion of 39th Annual General Meeting until the conclusion of the 44th Annual General Meeting to be held for the Financial Year 2029-30, in place of M/s. NSBP & Co., Chartered Accountants, New Delhi (ICAI Firm Registration No. 001075N, Peer Review Certificate No. 009284), whose term of appointment has been competed on the conclusion of 39th Annual General Meeting.

The Independent Auditors' Report (Standalone and Consolidated) submitted by M/s. Lodha & Co. LLP, Chartered Accountants, New Delhi, the Statutory Auditors to the Members of the Company for the Financial Year 2025-26 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 2025-26 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 2025-26 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 2026-27 and has also recommended their remuneration to the Members of the Company for their ratification at the ensuing 40th 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 2024-25 was filed vide SRN AB6464420 dated 04th September, 2025.

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 2025-26, 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 03rd June, 2025, due to personal reasons.

Thereafter, the Board of Directors of the Company at its 202nd Meeting held on 21st 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.

M/s. DM & Associates Company Secretaries LLP, Mumbai [Firm Registration Number L2017MH003500 and Peer Review Certificate No 6584/2025], were appointed as the Secretarial Auditors of the Company at the 39th Annual General Meeting (AGM) of the Company held on 26th September, 2025 for a fixed first term of 5 years from the conclusion of 39th Annual General Meeting until the conclusion of the 44th Annual General Meeting to be held for the Financial Year 2029-30.

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.

IV. INTERNAL AUDITORS AND THEIR REPORT

M/s. Pricewaterhousecoopers Services LLP (LLPIN: AAI-8885) were appointed as the 'Internal Auditors' of the Company for the Financial Year 2025-26.

The Internal Audit finding/s and report/s submitted by M/s. Pricewaterhousecoopers Services LLP (LLPIN: AAI-8885), from time to time, during the Financial Year 2025-26 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 13th February, 2026, on the recommendation of the Audit Committee, has reappointed M/s. Pricewaterhousecoopers Services LLP (LLPIN: AAI-8885) as the 'Internal Auditors' of the Company for the Financial Year 2026-27.

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 2025-26 ended on 31st March, 2026:

Executive Director(s)	Ratio to Median remuneration of employees
Mr. Pranav Bhardwaj - Managing Director	41.05: 1
Mr. Ramchandra Vasant Dalvi - Director (Technical)	24.49: 1

b) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Head Company Secretary in the Financial Year 2025-26 ended on 31st March, 2026:

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% Increase (Decrease) in remuneration over previous Financial Year
Mr. Pranav Bhardwaj - Managing Director	15.57
Mr. Ramchandra Vasant Dalvi - Director (Technical)	41.78
CS Ashutosh Mishra - Head Company Secretary	17.49
Mr. S. Mahadevan Iyer - Chief Financial Officer	19.87

c) The percentage increase in the median remuneration of employees in the Financial Year 2025-26 ended 31st March, 2026: **8.82%**.

d) The number of permanent employees on the rolls of Company as on 31st March, 2026: **1318.**

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 14.51%. The percentage increase in salary of Managerial Personnel during the period was 22.76%.

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 31st March, 2026 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	52, B.Sc. (Chemistry & Business Management)	27.04	612.26 (Commission & Salary)	Not Applicable	01-12-1998	0.89 (1612140 Shares)
2.	Mr. Ramchandra Dalvi	Director (Technical)	75, B.Tech (Metallurgy)	43.08	196.23	Sanika Hospitality-Own Venture	03-08-2015	-
3.	Mr. S. K. Chanda	Head-Marketing	57, MBA (MKT), B.E. (MET)	33.07	131.51	Mukand Ltd.	04-09-2003	0.0001 (200 Shares)
4.	Mr. Goudappa K Ramanagouda	Head-SMS	54, M.Tech (Metallurgy)	27.10	112.81	M/s SLR Metalliks Ltd.	04.09.2023	-
5.	Mr. S. Mahadevan	Chief Financial Officer	60, MBA (Finance), PG Diploma in Financial Management	41.00	107.16	Safari Sales Industries Ltd.	14-09-1990	0.0004 (800 Shares)
6.	Mr. D.S. Kalne	VP (Finance)	70, C.A.	42.10	91.25	Orient Cordage Pvt. Ltd.	01-06-1989	-
7.	Mr. Satish Srivastav	Head (HRM, Safety, Training)	54, MSW, B.Sc. (BIO)	32.02	87.26	Indoworth India Ltd.	01.11.2007	-
8.	Mr. Arun Kumar	Associate Head (Bright Bar)	55, BE (Mech)	30.07	74.32	Aamor Inox Ltd.	02.12.2019	-
9.	CS Ashutosh Mishra	Head Company Secretary & Compliance Officer	62, B.Com, LLB,CS	37.00	72.32	Jayaswal Neco Industries Ltd.	12.11.2018	-
10.	Mr. Ranjan Chhibba	Head (Corporate Affairs)	58, B.Com, Dip (Exp. Mgt.)	35.08	70.96	Intertex Pvt Ltd	15.10.2020	-
11.	Mr. Brijendra Kumar Tiwari	Chief Executive Officer	54, B. Tech, M.Tech (Metallurgy), DBA	29.00	110.39*	Jayaswal Neco Industries Ltd.	27.11.2024	-
12.	Mr. Dev Dyuti Sen	Chief Executive Officer	61, M. Tech (Metallurgy), M.Sc. (Chemistry)	37.00	109.19*	Jai Raj Ispat Limited	14.11.2025	-

Note :

i. Remuneration includes salary and allowances. In the case of Mr. Pranav Bharadwaj, it includes salary, allowances and commission.

ii. None of the above employees are related to any Director or Manager except Mr. Pranav Bhardwaj, Managing Director who is relative of Mr. Ravi Bhushan Bhardwaj, Non-executive Chairman and Mr. Suhrit Bhardwaj, Non-executive, Non-Independent Director of the Company.

iii* Mr. Dev Dyuti Sen joined the Company effective from 14th November, 2025 and Mr. Brijendra Kumar Tiwari ceased w.e.f. 31st October, 2025; hence, their 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 2025-26.

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

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

There are no such transactions and hence not applicable.

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

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

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

Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient terms of the contracts / arrangements / transactions, including the value, if any	Dates of approval / ratification by the Board, if any	Consideration Amount for the FY 2025-26
Haryana Television Limited [Common Director holding more than 2% shares]	Ordinary Course of Business and at Arm's length	Continuing	Refundable Security Deposit	07.02.2023 and ratified on 29.05.2023; 24.05.2024; 27.05.2025 & 29.05.2026	₹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	₹56,99,400/-
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	2025-26	Sale of Wire Rods	13.02.2025	₹32,70,13,776/-
Ramesh Sunwire Private Limited [Joint Venture]	Ordinary Course of Business and at Arm's length	2025-26	Purchase of scrap of Wire Rods & others	13.02.2025 and ratified on 13.02.2026	₹76,61,526/-
Ramesh Sunwire Private Limited [Joint Venture]	Investment	NA	Investment in JV for Business purpose	11.08.2025	₹3,43,00,000/-
Daido Steel Co. Ltd., Japan [Deemed Related Party]	Ordinary Course of Business and at Arm's length	2025-26	Royalty Payment	13.02.2025	₹2,35,63,043/-
Daido Steel Co. Ltd., Japan [Deemed Related Party]	Ordinary Course of Business and at Arm's length	2025-26	Service Fees for Technical Assistance	13.02.2025	₹1,76,880/-

Note: Particulars of contracts or arrangements or transactions with related parties are not given in Form AOC-2, during the Financial Year 2025-26 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 2026-27 have been paid to both the Stock Exchanges (BSE and NSE) within the stipulated time.

25. DEMATERIALISATION OF SHARES

As on 31st March, 2026, there were 11,30,73,176 Equity Shares dematerialised through depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL), which represents about 62.74% 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 2025-26 is available on the Company's website www.sunflagsteel.com and same can be accessed at the web-link:https://sunflagsteel.com/wp-content/uploads/2026/07/Annual-Return-March-2026.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 40th Annual General Meeting of the Company. To avoid repetition, the Shareholders of the Company are advised to refer the said Notes for detailed information on the subject matter.

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

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

for 7 consecutive years or more, to the IEPF Demat Account. Resulting as of 31st March 2026, IEPF holds 43,64,550 Equity Shares constituting about 2.42% 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 2025-26 relating to the Listing Regulations. Certificates from CS Amit Rajkotiya, Company Secretary, 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 Aathmurdi, 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 27th January, 2017 as a Wholly-owned Subsidiary of Sunflag Iron and Steel Company Limited. The said Company has been appointed as an implementing agency to carry out the Corporate Social Responsibility (CSR) activities as per CSR Policy of the Company within the framework of applicable provisions of law.

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

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

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

i. Code of Conduct of Business Principles and Conduct;
ii. Code of Prevention of Insider Trading in Sunflag Securities by the designated persons [Insider] (as amended from time to time);
iii. Code for Vigil Mechanism - Whistle Blower Policy;
iv. Code for Independent Directors;
v. Corporate Social Responsibility (CSR) Policy;
vi. Risk Management Policy, which includes identification of elements of risk, if any, which in the opinion of the Board of Directors may threaten the existence of the Company;
vii. Policy on Document Preservations (Regulation 9 of the SEBI (LODR) Regulations, 2015);
viii. Policy for determining of 'material' Subsidiary (Regulation 16 of the SEBI (LODR) Regulations, 2015);
ix. Policy on materiality of related party transaction/s and on dealing with related party transactions (Regulation 23 of the SEBI (LODR) Regulations, 2015);
x. Policy for determination of materiality, based on specified criteria and accordingly, grant authorisation for determination of materiality of events (Regulation 30 of the SEBI (LODR) Regulations, 2015);
xi. Nomination and Remuneration Policy;
xii. Dividend Distribution Policy;
xiii. Sunflag Iron and Steel Company Limited Business Responsibility and Sustainability Policy; and
xiv. Sunflag policy for Quality, Environment, Health and Safety, Stakeholders' Engagement, Human Rights, Waste Management, Biodiversity and Grievance Redressal of the Company.

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

32. MATERIAL DEVELOPMENT IN HUMAN RESOURCES

HUMAN 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 imparting several internal and external trainings. Various measures were taken to improve motivation level of each employee. As a result, many improvements were seen, where initiatives were undertaken to bring about a change in culture and mind set of the workforce of the Company.

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE

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

All employees (permanent, contractual, temporary, trainees, etc.) are covered under this Policy. Pursuant to the amendment to the Companies (Accounts) Rules, 2014 vide MCA's Notification dated 31st July, 2018, the Board of Directors do confirm that the Company

has complied with provisions relating to the constitution of an Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013].

The Certificate by the Managing Director and 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 & safety. The Health & Safety of the workforce is of utmost importance and hence the need was felt for the same to percolate from the top leadership in the form of learning and experience-sharing.

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

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

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

33. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

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

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

During the Financial Year 2025-26, 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, Secretarial Standard-2 ('SS-2') on General Meetings and Secretarial Standard-3 ('SS-3') on dividend during the Financial Year 2025-26.

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

a) 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.
b) 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.
c) 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.
d) During the FY2025-26, the Company has complied with all the applicable provisions relating to the Maternity Benefit Act, 1961.

39. ENCLOSURES

a) Annexure – I : Report on Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo;
b) Annexure – II : Annual Report on Corporate Social Responsibility (CSR) activities together with expenditure details;
c) Annexure – III : Secretarial Audit Report in Form No. MR-3;
d) Annexure – IV : Certificate on Prevention of Sexual Harassment of Women at the Workplace and its Prohibition 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 : 11th August, 2026

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 2025-26 under review for conservation of energy:

i) FBC Boiler: Initiated the blending of Dolochar with Coal to reduce coal consumption and power generation costs.
ii) Sinter Plant (Energy Efficiency Project): Replaced cold water pump and turbid water pump with energy-efficient models.
iii) Sinter Plant (Energy Efficiency Project): Installed an Automatic Power Factor Controller (APFC) panel.

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:

₹14 Lakh invested in Sinter Plant on energy conservation equipment and energy saving measures during the reporting year 2025-26.

B) TECHNOLOGY ABSORPTION

I) The efforts made towards technology absorption : All the technologies were developed in house aimed at import substitution.

II) The following benefits were derived like :

1. Product Improvement: Improved ultrasonic quality in the rolled product in several critical grades through modification of rolling parameters.
2. Cost Reduction: Substantial reduction in cost was achieved due to
   - Control over Nitrogen in final products.
   - Substantial reduction in Customer complaints.
   - On-time material delivery to customers.
   - Improvement in Product quality for Railway application.
3. Product Development: New market developed for Tool & Die Steel for Aluminum and copper extrusion, seamless tube, press forging and hammer forging.

Ongoing projects : installation of

a) 10T Solution Annealing Furnace in Super alloy.
b) 20T Electric Annealing Furnace in Super alloy.
c) 20T post forging treatment furnace in Forging plant.
d) Following equipment were added in Forging plant.
   i) CNC lathe machine.
   ii) 5T mobile manipulator.
e) Auto Billet Grinder in SMS.
f) Third Ladle Reheating Furnace with bag house in SMS.
g) FES in SMS.
h) VD-3 in SMS.
i) New Auto Pickling line - 1 in Bright bar.
j) Rib bar pickling shed in Bright bar.
k) Bar to Bar Drawing Line in Bright Bar.
l) Auto UT line - 4 (Dia 10-60mm) in BSM.
m) Coke Drying system for MBF.
n) New Pulverized Coke Injection plant in MBF.
o) Reverse Osmosis plant in Utility.

Expenditure on Research & Development :

Sr. No.	Particulars	2025 - 26	2024 - 25
1	Capital (₹ in Lakh)	**37.68**	65.17
2	Recurring (₹ in Lakh)	**66.45**	56.03
3	Total (₹ in Lakh)	**104.13**	121.20
4	Total R&D Expenditure as a percentage of net turnover	**0.0264%**	0.0343%

C) FOREIGN EXCHANGE EARNINGS AND OUTGO: **(₹ in Lakh)**

Particulars	2025 - 26	2024-25
i) Earnings : Export of Goods	**11,403**	4,855
ii) Out Go :		
a) CIF Value of imports	**41,138**	54,126
b) Others including Technical Services	**461**	298

For and on behalf of the Board

Pranav Bhardwaj
Managing Director
DIN - 00054805

Ramchandra Vasant Dalvi
Director (Technical)
DIN- 00012065

Place : Nagpur
Date : 11th August, 2026

ANNEXURE 'II' TO BOARD'S REPORT

ANNEXURE 'II'

1. Brief outline on CSR Policy of the Company.

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

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

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

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

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

2. The Composition of the CSR Committee:

S.N.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Ravi Bhushan Bhardwaj	Chairman, Non-executive Director	5	4
2	Mr. Pranav Bhardwaj (#)	Member, Managing Director	2	0
3	Mr. Ramchandra V. Dalvi	Member, Director (Technical)	5	5
4	Mr. Sajiv Dhawan (##)	Member, Non-executive Independent Director	1	1
5	CA Vinita Bahri	Member, Non-executive Independent Director	5	5
6	Mr. Anand S. Kapre (*)	Member, Non– executive, Independent Director	3	3
7	CA M.A.V. Goutham (**)	Member, Non– executive, Independent Director	3	3

(#) – ceased w.e.f. 11th August, 2025

(##) – ceased w.e.f. 10th August, 2025

(*) – appointed w.e.f. 11th August, 2025

(**) – appointed w.e.f. 11th August, 2025

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

Company's website : www.sunflagsteel.com

Weblink:https://sunflagsteel.com/wp-content/uploads/2025/09/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)	2,31,66,30,879
b)	Two percent (2%) of the average net profit of the Company as per Section 135(5)	4,63,32,618
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)	4,63,32,618

6. (a) Amount spent on CSR Projects (Both ongoing Project and Other than Ongoing Project) : ₹3,78,77,452.

(i) CSR Amount spent against other than ongoing projects for the Financial Year : ₹3,78,77,452.

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

1	2	3	4		5	6	7
S.N.	**Name of the Project**	**Item from the list of activities in Schedule VII of the Act**	**Local Area (Yes / No)**		**Location of the Project**	**Project duration**	**Amount allocated for the project (₹)**
			State	**District**			
1	Construction of Swimming Pool – Phase - 1	Rural Development Project	Maharashtra	Bhandara	Warthi	3 Years	84,55,166

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**
-	84,55,166	No	Sunflag Foundation	CSR00016672

(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) - **₹3,78,77,452**

(e) CSR Amount spent or unspent for the Financial Year 2025-26:

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**
3,78,77,452	84,55,166	27.04.2026	-	-	-

(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)	4,63,32,618
ii	Total amount spent for the Financial Year	3,78,77,452
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 2022-23	1,83,99,774	-	-	-	-	-	-
2	FY 2023-24	66,00,226	-	-	-	-	-	-
3	FY 2024-25	-	-	-	-	-	-	-

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 : 11th August, 2026

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 31st MARCH 2026

[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

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, 2026, 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, 2026 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 during 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 except for a delay in submission of the Annual Secretarial Compliance Report for FY 2024-25 as required under Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.The Company has subsequently regularised the same and paid ₹8,000/- as fine levied by both the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited.

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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 the following specific event took place :

1. Strategic Investments:

a. The Company entered into a long-term captive power arrangement for procurement of renewable energy and acquired a 36.27% equity stake in Sunsure Solarpark Thirty-Seven Private Limited aggregating to ₹1.44 crore under the captive consumption framework.

b. The Company subscribed to additional equity shares of Ramesh Sunwire Private Limited aggregating to ₹3.43 Crore pursuant to a rights issue of the Joint Venture Company in proportion to its existing shareholding.

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 : 16th June, 2026
UDIN : F005683H000636896

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

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 : 16th June, 2026
UDIN : F005683H000636896

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 2025-26 under review:

Number of Complaints received	**NIL**
Number of Complaints disposed off	**NIL**
The number of cases pending for a period exceeding ninety days.	**NIL**

For and on behalf of the Board

Place : Nagpur
Date : 11th August, 2026

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 import substitution of special steel under the Atmanirbhar scheme of Ministry of Steel, Government of India.

SUNFLAG STEEL has developed various Special Steels which are presently not being made in India (Import Substitution). During the year 2025-26, the following grades were developed 1.Bearing grades for ball application; 2. Ingot route large RCS blocks grade 17CrNiMo6 for forging; 3. High temperature application Valve steel 21-4N; 4.Large size tool steels and Die Steels; 5. Superalloys Inconel 625; 6. AMS 6509 Aerospace application.

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 GROWTH – FRAGILE AND DIVERGING

A) THE GLOBAL ECONOMY FACES RENEWED TESTS AS THE WAR IN THE MIDDLE EAST THREATENS TO DISRUPT GROWTH AND DISINFLATION

After withstanding higher trade barriers and elevated uncertainty last year, global activity now faces a major test from the outbreak of war in the Middle East. Assuming that the conflict remains limited in duration and scope, global growth is projected at 3.0% for 2026 and should rebound to 3.4% in 2027, but that is still below the average of 3.5% seen in 2024 and 2025. The global economy is shaped by two major cross-currents (i) upward momentum driven by Artificial Intelligence and tech investments, and (ii) downside drags from energy price hikes, geopolitical conflicts, and trade fragmentation. Global inflation is forecast to hover at roughly 4.7%, prompting central banks to take a more cautious approach to rate adjustments.

For the United States, the Growth is holding steady at 2.3%, supported by a robust technology boom, tech equipment investment, and exports. However, India remains among the fastest-growing major economies globally, with an estimated growth of 6.4% for the year, though sustained inflation remains a key risk. China expected to reach 4.6% growth amid a somewhat mixed domestic environment that relies heavily on exports rather than strong domestic consumer demand and growth in the Euro Area is constrained to 0.9%, pressured by elevated commodity prices and spillovers from regional conflicts.

Further, the downside risks dominate the outlook. A longer or broader conflict, worsening geopolitical fragmentation, a reassessment of expectations surrounding artificial-intelligence-driven productivity, or renewed trade tensions could significantly weaken growth and destabilize financial markets. Elevated public debt and eroding institutional credibility further heighten vulnerabilities.

Fostering adaptability, maintaining credible policy frameworks and reinforcing international cooperation are essential to navigating the current shock while preparing for future disruptions in an increasingly uncertain global environment. In wake of above, both the developed and developing countries are also expected to experience significant growth slowdowns.

B) INDIAN ECONOMY

STATE OF THE ECONOMY: PUSHING THE GROWTH FRONTIER

The Indian economy has maintained strong growth momentum in FY26. The First Advance Estimates place real GDP growth at 7.4 per cent, with growth largely driven by domestic demand. Private consumption and capital formation continue to support expansion, while services remain the key contributor on the supply side. Manufacturing activity has strengthened, and agriculture has provided stability, notwithstanding structural constraints. India is the world's fourth-largest economy and the fastest-growing major economy, with nominal GDP projected to reach $ 4.15 trillion and an estimated growth rate of 6.5% to 7.6%. This expansion is driven by robust domestic demand, sustained services sector performance, and major public infrastructure.

Looking ahead, while global uncertainties remain elevated, domestic growth drivers are expected to continue supporting economic activity. With macroeconomic stability in place and ongoing reform efforts, the economy appears well-positioned to sustain growth in the near term. The outlook for FY27 is shaped by these domestic strengths, alongside evolving external conditions. It concludes that India's

medium-term growth potential has strengthened to 7 per cent, positioning the economy on a path of steady expansion amid global uncertainty.

India is one of the fastest growing economies of the world and is poised to continue on this path. With aspirations to achieve high middle-income status by 2047—the centenary of its independence--the country is building on strong foundations of economic growth and social progress. India has achieved remarkable development over the past two decades.

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

1. GLOBAL AND INDIAN STEEL INDUSTRY

The global steel market size was valued at USD 1494.0 billion in 2025 and is projected to grow from USD 1525.8 billion in 2026 to USD 2283.0 billion by 2033, at a CAGR of 5.9% from 2026 to 2033. The market in Asia Pacific dominated with a revenue share of 64.6% in 2025. The global steel market is anticipated to be driven by rising investments in construction activities.

The global steel market is witnessing transformative trends and drivers that significantly shape its future. A major trend is the focus on sustainability, as steel manufacturers increasingly invest in green technologies to minimize carbon emissions. This includes adopting electric arc furnaces and developing low-carbon steel production methods to align with environmental standards and consumer preferences for eco-friendly products. Digital transformation is also becoming prevalent, with the industry leveraging IoT, AI, and data analytics to enhance operational efficiency and streamline manufacturing processes.

India's steel sector is a key “sunrise sector” with strong and steady growth. It became the world's second-largest steel producer in 2018 and has retained this position. At the same time, steel consumption has more than doubled over the past 12 years. As demand increased, exports rose while imports declined, improving self-reliance. To support this growth, the government ensured raw material availability and reduced production costs. It also improved access to global markets for Indian steel producers. Under the PLI scheme, ₹23,022 crore investment supported specialty steel production and job creation. This resulted in 2.4 million tonnes of output and over 13,000 new jobs. India has achieved about 66% of its National Steel Policy 2017 production target. Going forward, green steel aims to reduce emissions by avoiding use of fossil fuels to reduce the carbon footprints. India is also committed to decarbonising the sector and achieving net zero emission by 2070. India is the world's second-largest producer of crude steel, with an output of 151.14 MT of crude steel and finished steel production of 145.30 MT in FY25.

India's domestic steel demand is estimated to grow by 9-10% in 2025 as per ICRA.

India's steel sector remains de-regulated, with the Government acting as a facilitator through policy support and institutional frameworks to enhance efficiency and growth. Guided by the National Steel Policy 2017 and schemes like the PLI for Specialty Steel, the sector is witnessing capacity expansion and investment momentum, with crude steel capacity reaching 200 MT in 2024–25 and specialty steel output targeted to rise significantly by 2026–27.

2. OUTLOOK FOR STEEL INDUSTRY- OPPORTUNITIES AND THREATS

The growth in the Indian steel sector has been driven by the domestic availability of raw materials such as iron ore and cost-effective labour. Consequently, the steel sector has been a major contributor to India's manufacturing output.

The Indian steel industry is modern, with state-of-the-art steel mills. It has always strived for continuous modernisation of older plants and up-gradation to higher energy efficiency levels.

The country is also the 2nd largest consumer of finished steel as per the World Steel Association. India's finished steel consumption has witnessed a significant rise. It increased from 77 million tonnes (MT) in 2014–15 to 163.7 MT in 2025–26. This growth reflects the rapid pace of infrastructure development, expanding urbanisation. It is also driven by robust growth in manufacturing, and a sustained increase in domestic demand. Collectively, these trends underscore steady evolution of India's steel sector as a key contributor to industrial growth and economic development.

OPPORTUNITIES

SUNFLAG STEEL's Super Alloy manufacturing facility has established the capability to produce high-performance special steels for critical applications across commercial and fighter aircraft, defence systems, space vehicles, nuclear reactors, power plants, industrial and aero gas turbines, petrochemical plants, and other high-temperature and corrosion-resistant applications. In addition to bars and billets, the facility is now capable of manufacturing plates and rings in special steel grades, further expanding its product portfolio for strategic industries.

This capability significantly reduces the Company's dependence on the automotive and auto ancillary sectors while creating opportunities for sustained growth in high-value, technology-driven markets.

SUNFLAG STEEL has strengthened its technical capabilities and earned vendor approvals from leading organizations including VSSC, LPSC, HAL, BrahMos, DRDO, DRDL, NPCIL, Solar Industries, Paras Defence, HYT Innovatives, Adani Defence, and global OEMs. These approvals demonstrate the Company's capability to meet the stringent quality and reliability requirements of aerospace, defence, space, nuclear, and other mission-critical applications.

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. Further, some of the other positive features are:

- In FY26 (April- February 2026), crude steel production in India stood at 153.6 MT.
- India's steel industry benefits from rich iron ore reserves in Odisha, Jharkhand, and Chhattisgarh, supported by integrated

facilities, PLI incentives, and cost advantages.

- Easy availability of low-cost manpower and presence of abundant iron ore reserves make India competitive in the global set up
- Under the Union Budget 2026-27, the government allocated ₹ 443.18 crore (US$ 50.1 million) to the Ministry of Steel
- Recent policy support includes expansion of the PLI scheme (PLI 1.1 and 1.2), simplification of import procedures by removing NOC for non-QCO grades, calibrated suspension of select QCO standards, and logistics integration under PM Gati Shakti to boost efficiency and investment

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:
Decarbonization pressures. The steel industry faces unprecedented pressure to reduce its massive carbon footprint, which accounts for 7-9% of global emissions. This transition requires enormous capital investments in breakthrough technologies like hydrogen-based direct reduction, carbon capture utilization and storage, and electric arc furnaces powered by renewable energy, all while maintaining cost competitiveness in a price-sensitive market.
Global overcapacity. Persistent production overcapacity, particularly from China which produces over half the world's steel, continues to depress global prices and create market instability.
Rising and volatile energy costs. As one of the most energy-intensive manufacturing sectors, the steel industry is particularly vulnerable to energy price fluctuations. Recent geopolitical conflicts and market disruptions have sent electricity and natural gas prices soaring in many regions, dramatically increasing production costs and complicating long-term investment planning for energy-intensive processes.
Raw material price volatility. Steel producers face ongoing challenges from unstable prices for essential inputs like iron ore, coking coal, and scrap metal. These materials often represent 60-70%of production costs, and their prices can swing dramatically based on factors ranging from mining disruptions to export restrictions, directly impacting margins and competitiveness.
Trade tensions and protectionism. The global steel market has become increasingly fragmented due to tariffs, quotas, and other trade barriers. Regional trade disputes have escalated into broader protectionist measures, creating complex compliance requirements, market distortions, and forcing companies to reconsider their global production and distribution strategies.
Supply chain disruptions. The steel industry continues to grapple with persistent logistics challenges, port congestion, shipping container shortages, and regional conflicts that have destabilised traditionally reliable supply chains. These disruptions affect both raw material procurement and finished product distribution, creating inventory management challenges and customer service issues.
Digital transformation needs. Steel companies must accelerate adoption of Industry 4.0 technologies, including advanced analytics, artificial intelligence, and automation to remain competitive. This digital evolution requires not only significant investment in new systems but also organizational culture change and new skill sets that traditional steel producers often struggle develop internally.
Environmental regulations beyond carbon
Beyond carbon emissions, steel producers face increasingly stringent regulations on water usage, air quality, waste management, and land remediation. These expanding environmental compliance requirements necessitate additional investments in pollution control equipment, monitoring systems, and operational changes that further pressure already tight margins.

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

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. Sunflag has undertaken ambitions programme to reduce t CO_2/t of product substantially.
During the year under review, changes in the top line and in profitability is visible. 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 up gradation of plant and equipment,

could maintain its presence in the market particularly in automobile industry. There has been a noticeable increase in the sales and profit before tax. Profit before taxes stood at ₹ 299.11 crore in the year under review as against ₹ 211.43 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 2025-26 under review.

FINANCIAL AND OPERATIONAL PERFORMANCE

A detailed financial performance together with segment-wise/product wise performance of the Company for the FY 2025-26 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 25-26	FY 24-25	Variation	Explanation of Y-o-Y variance higher than 25%
Debtors Turnover Ratio	**11.24 Times**	9.99 Times	12.49%	No significant change, ratio is within the industry norms.
Inventory Turnover Ratio	**2.60 Times**	2.50 Times	3.92%	No significant change, ratio is within the industry norms.
Interest Coverage Ratio	**5.06 Times**	3.35 Times	50.95%	Mainly due to repayment of long term loans and overall Company's efficiency.
Current Ratio	**1.47 Times**	1.45 Times	1.69%	No significant change, ratio is within the industry norms.
Debt Equity Ratio	**0.05 Times**	0.06 Times	- 18.03%	No significant change, ratio is within the industry norms.
Operating Profit Margin (%)	**9.01%**	8.06%	11.83%	No significant change, ratio is within the industry norms.
Net Profit Margin (%)	**5.09%**	4.57%	11.34%	No significant change, ratio is within the industry norms.
Return on Networth (%)	**2.35%**	2.00%	17.50%	No significant change, ratio is within the industry norms.

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 oversee 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 2025-26 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- (2025-26)

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:

S. No.	Particular	Details
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 0712-2524661; Fax No.: +91 0712-2520360
8	Website	www.sunflagsteel.com
9	Financial Year reported	2025-2026
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	Long products	241	78.2
02	Pig Iron	243	16.3
03	Sponge Iron	243	5.5

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 2.91 % 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)
EMPLOYEES						
1.	Permanent (D)	940	934	99.36%	6	0.64%
2.	Other than Permanent (E)	29	29	100.00%	-	-
3.	**Total employees (D + E)**	969	963	99.38%	6	0.62%
WORKERS						
4.	Permanent (F)	378	376	99.47%	2	0.53%
5.	Other than Permanent (G)	2702	2696	99.78%	6	0.22%
6.	**Total workers (F + G)**	3080	3072	99.74%	8	0.26%

    b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	%(B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	1	1	100%	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3.	**Total differently abled employees (D + E)**	1	1	10%	-	-
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	2	2	100%	-	-
5.	Other than Permanent (G)	-	-	-	-	-
6.	**Total differently abled workers (F + G)**	2	2	100%	-	-

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	1	12.50%
Key Management Personnel	4	-	-

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

Particulars	FY 2025-26 (Turnover rate in current FY)			FY 2024-25 (Turnover rate in previous FY)			FY 2023-24 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	**157**	**-**	**157**	148	-	148	156	1	157
%Turnover	**16.70%**	**-**	**16.70%**	17.56%	-	17.56%	19.16%	20%	19.19%
Permanent Workers	**41**	**-**	**41**	21	-	21	26	-	26
%Turnover	**10.85%**	**-**	**10.85%**	5.20%	-	5.20%	6.62%	-	6.62%

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	Wholly-owned Subsidiary	100.00%	No
2.	Khappa Coal Company Private Limited	Subsidiary	63.27%	No
3.	Sunflag Foundation	Wholly-owned 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	Associate	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): **3,93,937.68**
    (iii) Net worth (in ₹ Lakh): **8,53,647.94**

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 2025-26 Current Financial Year			FY 2024-25 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	**21**	**02**	-	11	-	-
Employees and workers	Yes	**-**	**-**	-	-	-	-
Customers	Yes	**235**	**-**	-	281	-	-
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/2026/06/SISCO-Whistleblower-Policy_1.2_Last-Modi_29.05.2026.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.				

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES:

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

S.N.	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Policy and management processes									
1.	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	c. Web Link of the Policies, if available	https://sunflagsteel.com/investor - relations/								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Certified as per BIS Standards, to IS/DIN/JIS/ASTM/EN/GOST/ISO specifications e.g. ISO 9001:2015, IATF 16949:2016, ISO 14001: 2015, ISO 45001:2018, AS 9100D / EN 9100:2018,PED and AD 2000, ISO IEC 17025:2017, NADCAP								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Reduction in net GHG (Greenhouse Gases) per MT of product by 30% by 2050.								
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Total energy consumption per MT of Production came down due to increase in renewable energy use.								
	Governance, leadership and oversight									
7.	Statement by director responsible for the business responsibility report, highlighting Environmental, Social, and Governance related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) 1. **Environment :** We well understand our business activities have implications for the environment, including carbon emissions, waste generation, and resource consumption. To address this, we are intensifying our efforts to reduce our carbon footprint, adopt more sustainable practices, and promote renewable energy sources, with the broader goals of combatting climate change. 2. **Social Impact:** We recognize the importance of social responsibility and the impact our operations have on communities and employees. As an organization, we are committed to upholding labour rights, promoting biodiversity and ensuring safe and ethical working conditions for all of our stakeholders. 3. **Governance and Ethics :** We are committed to maintaining high ethical standards in all our activities and ensuring transparency in our operations. Our Board of Directors actively oversees the management team to ensure compliance with applicable laws and regulations and to promote fair business practices. 4. **Stakeholder Engagement:** Finally, we recognize that effective stakeholder engagement is vital for a successful ESG strategy. We are working to improve communication and collaboration with all our stakeholders, including investors, customers, employees, and the wider community. By integrating ESG considerations into our core business strategy, we aim to create long-term value for our stakeholders while positively contributing to society and the environment.									
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	Mr. Ramchandra Vasant Dalvi, Director (Technical) (DIN 00012065) in association with the Committees of the Board of Directors viz. 1. Audit Committee 2. Corporate Social Responsibility Committee 3. Stakeholders Relationship Committee 4. Share Transfer Committee 5. Risk Management Committee 6. Nomination and Remuneration Committee								
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Please refer the point no 8 Above.								

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
		Yes. Independent assessments are conducted by external agencies such as PwC, Ernst & Young (EY), and Grant Thornton.								

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)	N O T A P P L I C A B L E								
	The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
	The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
	It is planned to be done in the next financial year (Yes/No)									
	Any other reason (please specify)									

Principle- wise policies

P1	• Code of Business Principles and Conduct • 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 • Policy on Materiality of related party transaction and dealing with related party transactions • Policy for determining material subsidiary • Policy for Document preservation • 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
P2	• 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 • Code of Business Principles and Conduct
P3	• 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 • Remuneration Policy • Policy on Prevention of Sexual Harassment at workplace • Policy on Succession planning for the Board and Senior Management • Whistle blower policy
P4	• 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 • Whistle Blower Policy • Policy on Prevention of Sexual Harassment at workplace

P5	• 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 • Whistle Blower Policy • Policy on Prevention of Sexual Harassment at workplace • Remuneration Policy
P6	• 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 • Code of Business Principles and Conduct
P7	• 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 • Code of Business Principles and Conduct
P8	• 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 • Code of Business Principles and Conduct • CSR Policy
P9	• 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 • Code of Business Principles and Conduct

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.

Principle1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

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

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	12	The Topic covered business models, Health & Safety, Working Condition, Information Security, Human Rights, Governing Regulations, ESG, Code of Business Principles and Conduct, Grievance Management, Risk Management, Insider Trading, 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	12		100%
Employees other than BoD and KMPs	217	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 8. Code of Conduct	80.55%
Workers	154	1. Safety, health and environment protocol 2. Code of conduct 3. Safety leadership and responsibility 4. Human Rights	76.04%

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	1	BSE Limited and National Stock Exchange of India Limited	Rs. 8000/- (Plus GST) by each Stock Exchange	Delay in Submission of Secretarial Compliance Report for FY-2024-25 within the period prescribed under Regulation 24A of the SEBI Listing Regulation	No
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-

Non-Monetary				
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Imprisonment	-	-	-	-
Punishment	-	-	-	-

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

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

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

	FY 2025-26 (Current Financial Year)	**FY 2024-25 (Previous Financial Year)**
Directors	**-**	-
KMPs	**-**	-
Employees	**-**	-
Workers	**-**	-

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

	FY 2025-26 (Current Financial Year)		**FY 2024-25 (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 2025-26 (Current Financial Year)	**FY 2024-25 (Previous Financial Year)**
Number of days of account payables	**40 Days**	40 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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	**7.65%**	7.64%
	b. Number of trading houses where purchases are made from	**380**	419
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	**60.50%**	68.71%
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)	**0.03%**	0.02%
	b. Sales (Sales to related parties / Total Sales)	**0.83%**	0.70%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	**-**	-
	d. Investments (Investments in related parties / Total Investments made)	**70.38%**	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.

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

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

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

	FY 2025-26 (Current Financial Year) ₹ Lakhs	FY 2024-25 (Previous Financial Year) ₹ Lakhs	Details of improvements in environmental and social impacts
R&D	**66.45 (63.81%)**	56.03 (46%)	Improved
Capex	**37.68 (36.19%)**	65.17 (53.77%)	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? **91.5%**
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 reprocessors.
   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	78.2%	Being assessed	No	No
243	Pig Iron	16.3%			
243	Sponge Iron	5.5%			

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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
In process generation of scrap	**12.86%**	15.95%

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

	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	**-**	**-**	**164.43 MT**	-	-	147.64 MT
E-waste	**-**	**-**	**-**	-	-	-
Hazardous waste	**425.7 MT**	**47.1 MT**	**-**	-	252.943 MT	-
Other waste	**86,695 MT**	**1,06,206 MT**	**3,98,921 MT**	1,36,969 MT	2,04,203 MT	3,12,401 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	934	207	22.16%	934	100%	NA	-	-	-	-	-
Female	6	1	16.67%	6	100%	6	100%	NA	-	-	-
Total	940	208	22.13%	940	100%	6	0.64%	-	-	-	-
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	376	214	56.91%	376	100%	-	-	-	-	-	-
Female	2	2	100.00%	2	100%	2	100%	NA	-	-	-
Total	378	216	57.14%	378	100%	2	0.53%	-	-	-	-
Other than Permanent workers											
Male	2696	161	5.97%	2696	100%	-	-	-	-	-	-
Female	6	1	16.67%	6	100%	6	100%	NA	-	-	-
Total	2702	162	6.00%	2702	100%	6	0.22%	-	-	-	-

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

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Cost incurred on well- being measures as a % of total revenue of the Company	**0.23%**	0.17%

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

Benefits	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	**100%**	**100%**	**Y**	100%	100%	Y
Gratuity	**100%**	**100%**	**Y**	100%	100%	Y
ESI	As per applicable Norms					
Others – please specify	As per applicable Norms					

3. Accessibility of workplaces
Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard-
Presently, Company has only one employee and two workers who are slightly differently abled. In view of this, no special accessibility arrangement has been provided.

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 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	**940**	**-**	**-**	843	-	-
- Male	**934**	**-**	**-**	838	-	-
- Female	**6**	**-**	**-**	5	-	-
Total Permanent Workers	**378**	**309**	**81.75%**	404	349	86.39%
- Male	**376**	**307**	**81.65%**	402	347	86.32%
- Female	**2**	**2**	**100.00%**	2	2	100.00%

8. Details of training given to employees and workers:

Category	FY 2025-26 (Current Financial Year)					FY 2024-25 (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	**5119**	**1179**	**23.03%**	**4498**	**87.87%**	4914	4176	84.98%	2437	49.59%
Female	**33**	**14**	**42.42%**	**19**	**57.58%**	16	16	100%	6	37.50%
Total	**5152**	**1193**	**23.16%**	**4517**	**87.67%**	4930	4192	85.03%	2443	49.55%
Workers										
Male	**4187**	**1767**	**42.20%**	**2420**	**57.80%**	6614	4937	74.64%	2612	39.49%
Female	**20**	**6**	**30.00%**	**14**	**70.00%**	2	2	100.00%	2	100.00%
Total	**4207**	**1773**	**42.14%**	**2434**	**57.86%**	6616	4939	74.65%	2614	39.51%

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

Category	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	**5119**	**4498**	**87.87%**	4914	2437	49.59%
Female	**33**	**19**	**57.58%**	16	6	37.50%
Total	**5152**	**4517**	**87.67%**	4930	2443	49.55%
Workers						
Male	**4187**	**2420**	**57.80%**	6614	2612	39.49%
Female	**20**	**14**	**70.00%**	2	2	100.00%
Total	**4207**	**2434**	**57.86%**	6616	2614	39.51%

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, An Occupational Health and Safety Management System in accordance with ISO 45001:2018 has been implemented across the entire 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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	**Nil**	1(63 days)
	Workers	**1 (69 days)**	1(63 days)
Total recordable work-related injuries	Employees	**Nil**	N**il**
	Workers	**Nil**	N**il**
No. of fatalities	Employees	**Nil**	N**il**
	Workers	1	N**il**
High consequence work-related injury or ill-health (excluding fatalities)	Employees	**Nil**	N**il**
	Workers	**Nil**	N**il**

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.
1. Coverage of all operations area by Camera and display to key safety and operations persons
2. Daily site inspection
3. Cross functional safety audits of all workplaces
4. Appointment of safety coordinators to ensure safe practices at all levels
5. Work permit system for all jobs at height
6. Regular medical examination to ensure fitness for critical jobs
7. Awards for best performance in safety

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

	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	**Nil**	**Nil**	**-**	Nil	Nil	-
Health & Safety	**Nil**	**Nil**	**-**	Nil	Nil	-

14. Assessments for the year:

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

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions: Implementation of TPM (Second Phase) throughout the workplace.

Leadership Indicator

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Yes/ No)-**No** (B) Workers (Yes/ No)-**No**. **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.**
2. 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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Employees	-	1	-	-
Workers	1	1	1	-

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 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees/ workers covered (D)	% (D / C)
Employees						
Permanent	**940**	**218**	**23.19%**	843	624	74.02%
Other than permanent	**29**	**21**	**72.41%**	29	18	62.07%
Total Employees	**969**	**239**	**24.66%**	872	642	73.62%
Workers						
Permanent	**378**	**122**	**32.28%**	404	339	83.91%
Other than permanent	**2702**	**20**	**0.74%**	2524	1843	73.02%
Total Workers	**3080**	**142**	**4.61%**	2928	2182	74.52%

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

Category	FY 2025-26 (Current Financial Year)					FY 2024-25 (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	**940**	**NIL**	**NIL**	**940**	**100%**	843	NIL	NIL	843	100%
Male	**934**	**NIL**	**NIL**	**934**	**100%**	838	NIL	NIL	838	100%
Female	**6**	**NIL**	**NIL**	**6**	**100%**	5	NIL	NIL	5	100%
Other than Permanent	**29**	**NIL**	**NIL**	**29**	**100%**	29	NIL	NIL	29	100%
Male	**29**	**NIL**	**NIL**	**29**	**100%**	29	NIL	NIL	29	100%
Female	**-**	**NIL**	**NIL**	**-**	**-**	-	NIL	NIL	-	-
Workers										
Permanent	**378**	**NIL**	**NIL**	**378**	**100%**	404	NIL	NIL	404	100%
Male	**376**	**NIL**	**NIL**	**376**	**100%**	402	NIL	NIL	402	100%
Female	**2**	**NIL**	**NIL**	**2**	**100%**	2	NIL	NIL	2	100%
Other than Permanent	**2702**	**1716**	**63.51%**	**986**	**36.49%**	2524	1458	57.77%	1066	42.23%
Male	**2696**	**1711**	**63.46%**	**985**	**36.54%**	2519	1454	57.72%	1065	42.28%
Female	**6**	**5**	**83.33%**	**1**	**16.67%**	5	4	80.00%	1	20.00%

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	5,24,000/-	2	4,90,500/-
Key Managerial Personnel	2*	89,73,625/-	-	-
Employees other than BoD and KMP	930	7,26,588/-	6	3,12,090/-
Workers	376	8,37,120/-	2	10,71,720/-

* 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:

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Gross wages paid to females as % of total wages	**0.39%**	0.43%

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

	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	**Nil**	**NA**	**-**	Nil	NA	-
Discrimination at workplace	**Nil**	**NA**	**-**	Nil	NA	-
Child Labour	**Nil**	**NA**	**-**	Nil	NA	-
Forced Labour/Involuntary Labour	**Nil**	**NA**	**-**	Nil	NA	-
Wages	**Nil**	**NA**	**-**	Nil	NA	-
Other human rights related Issues	**Nil**	**NA**	**-**	Nil	NA	-

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

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	**Nil**	Nil
Complaints on POSH as a % of female Employees/ Workers	**Nil**	Nil
Complaints on POSH upheld	**Nil**	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:

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

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 2025-26**
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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
From Renewable Sources		
Total electricity consumption (A)	**137753903 (495914051)**	46684645 (168064722)
Total fuel consumption (B)	**-**	-
Energy consumption through other sources (C)	**-**	-
Total energy consumed from Renewable Sources (A+B+C)	**137753903 (495914051)**	46684645 (168064722)
From Non-renewable Sources		
Total electricity consumption (D)	**329322242 (1185560071)**	401080227 (1443888817)
Total fuel consumption (E)	**15968 (620835850)**	24457 (950888160)
Energy consumption through other sources (F)	**-**	-
Total energy consumed from Non-renewable Sources (D+E+F)	**1806395921**	2394776977
Total energy consumption (A+B+C+D+E+F) Mega Joules	**2302309972**	2562841699
Energy intensity per rupee of turnover MJ/Rs.	**0.05844**	0.07248
(Total energy consumption/ Revenue from Operation)		
Energy intensity per rupees of Turnover adjusted for Purchasing Power Parity (PPP)	**1.1887**	1.4555
(Total energy consumption/Revenue from operations adjusted for PPP)		
Energy Intensity in terms of Physical Output	**4032.22 MJ/MT**	4683.12 MJ/MT
Energy intensity (optional) – the relevant metric may be selected by the entity	**-**	-

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

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) - **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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water withdrawal by source (in kiloliters)		
(i) Surface water (From River)	**30,40,588**	31,37,284
(ii) Groundwater	**-**	-
(iii) Third party water	**-**	-
(iv) Seawater / desalinated water	**-**	-
(v) Others	**-**	-
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	**30,40,588**	31,37,284
Total volume of water consumption (in kiloliters)	**30,40,588**	31,37,284
Water intensity per rupee of turnover (Total water Consumption / Revenue from Operations)	**0.0000772**	0.0000887
Water intensity per rupee of Turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP)	**0.001562**	0.001783
Water Intensity in terms of Physical Output	**6.503 M3/MT**	6.985 M3/MT
Water intensity (optional) – the relevant metric may be selected by the entity	**-**	-

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

4. Provide the following details related to water discharged:

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water discharge by destination and level of treatment (in kiloliters)		
(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	**-**	-
Total water discharged (in kiloliters)	-	**-**

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.

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 fire fighting 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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
NOx	mg/Nm3	**190.80**	107.25
SOx	kg/Tcs	**176.70**	217.21
Particulate matter (PM)	mg/Nm3	**27.80**	25.53
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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	**14,54,087.45 tCO2**	15,27,748.16 tCO2
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	**1,21,840.43 tCO2**	1,76,158.20 tCO2
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emmissions / Revenue from Operations)	Scope1+Scope2 Metric tonnes of CO2Equivalent (tCO2/Rupee TO)	**15,75,927.88 tCO2** (**0.0000400)**	17,03,906.35 tCO2 (0.0000482)
Total Scope 1 and Scope 2 emissions per rupee of Turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG Emission/ Revenue from operations adjusted for PPP)	-	**0.000810**	0.000968
Total Scope 1 and Scope 2 emissions intensity in terms of Physical output	Metric tonnes of CO2 equivalent	**2.632 tCO2 / MT**	3.114 tCO2 / MT
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

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

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 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 as fuel and reducing agent, which ensuring permeability of the burden at elevated temperature condition.

   Impact on GHGs: Coke Oven gas, which is rich in hydrogen, as a fuel gas is used as substitution to conventional Coal/fossil fuel fired boiler route for power generation. Further, in this newly developed technology of Vertical heat recovery coke ovens, direct contact of air with hot coal bed is completely eliminated, as against the conventional Horizontal heat recovery coke ovens, which totally eliminates the direct coal burning. In other words, the new technology adopts closed loop indirect heating process as compare to open combustion process. The above measures significantly reduce the carbon foot prints. More over by adopting more efficient coke oven gas heating system and elimination of direct burning of coal, the Nox emission is kept well under control.

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 CO2 emission by fossil fuel.

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

   Objective: Biochar refers to organic matter from corps 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 CO2 emission.

Additional Considerations for Reducing GHGs:

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: CO2 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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
	Total Waste generated (in Metric tonnes)	
Plastic waste (A)	**164.428**	147.642
E-waste (B)	**-**	-
Bio-medical waste (C)	**0.084**	0.03125
Construction and demolition waste (D)	**-**	-
Battery waste (E)	**2.42**	-
Radioactive waste (F)	**-**	-
Other Hazardous waste. Please specify, if any. (G)	**470.38**	252.943
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	**5,91,822**	6,53,573
Total (A+B + C + D + E + F + G + H)	**5,92,459.31**	6,53,973.61
Waste intensity per rupee of turnover, (Total Waste Generated/ Revenue from operations)	**0.0000150**	0.0000185
Waste intensity per rupees of Turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/ Revenue from operations adjusted for PPP)	**0.000304**	0.000372
Waste Intensity in terms of Physical Output	**1.267 MT/TRP**	1.456 MT/TRP
Waste intensity (optional) – the relevant metric 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	**1,06,253 MT**	2,04,203 MT
(ii) Re-used	**87,120 MT**	1,36,969 MT
(iii) Other recovery operations	**-**	-
Total	**1,93,373 MT**	3,41,172 MT
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	**0.084 MT**	-
(ii) Landfilling (safe disposal)	**3,99,085 MT**	3,12,401 MT
(iii) Other disposal operations (Sale)	**-**	-
Total	**3,99,085 MT**	3,12,401 MT

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.

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	Type 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 2025-26.

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 kiloliters) : **NA**

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

(i) Name of the area - **NA**

(ii) Nature of operations - **NA**

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

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water withdrawal by source (in kiloliters)		
(i) Surface water	**NA**	NA
(ii) Groundwater	**NA**	NA
(iii) Third party water	**NA**	NA
(iv) Seawater / desalinated water	**NA**	NA
(v) Others	**NA**	NA
Total volume of water withdrawal (in kiloliters)	**NA**	NA
Total volume of water consumption (in kiloliters)	**NA**	NA
Water intensity per rupee of turnover (Water consumed / turnover) **Liters/Rupee**	**NA**	NA
Water intensity (optional) – the relevant metric may be selected by the entity	**NA**	NA
Water discharge by destination and level of treatment (in kiloliters)		
(i) into 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) Into Groundwater		
- No treatment	-	-
- With treatment–please specify level of treatment	-	-
(iii) Into Seawater		
- No treatment	-	-
- With treatment–please specify level of treatment	-	-
(iv) Sent to third-parties		
- No treatment	-	-
- With treatment–please specify level of treatment	-	-
(v) Others		
- No treatment	-	-
- With treatment–please specify level of treatment	-	-
Total water discharged (in kiloliters)	-	-

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

Parameter	Unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	**2,46,057.99 t Co2**	5,07,200.78 t CO2
Total Scope 3 emissions per rupee of turnover		**0.00000625**	0.00001435
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	-	**-**	-

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

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 bio diversity in such areas along-with prevention and re-mediation activities.

Every year, extensive tree plantation is carried out in the surrounding areas. During FY 2025–26, a total of 19,007 trees were planted.

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 (zero liquid discharge)	Effluent has been treated in RO and recycled after treatment.	Mitigation of impact of effluent discharge
3	Waste generation	Waste generation recycled inside the plant and back filling underline area.	Alleviation of impact of waste generated

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ weblink.

   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.

8. How many Green credits have been generated or procured :

   a) By the listed entity : **NIL**

   b) By the top ten (in terms of value of purchases and sales respectively) value chain partners : **NIL**

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 2025-26

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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Directly sourced from MSMEs/ small producers, % of total value sourced	**21.60**	16.78
Sourced directly from within the district (Bhandara) and neighbouring districts,% of total value sourced	**38.42**	36.64

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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Rural	**91.82%**	91.98%
Semi- Urban	**-**	-
Urban	**4.99%**	4.80%
Metropolitan	**3.19%**	3.22%

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 2025-26

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 2025-26	-	-	-

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	Borewell (6 nos)	1800 Persons	96%
2	RO Plant (2 nos.)	2800 Persons	100%
3	Health Checkup	2600 Persons	80%
4	Digital School	400 Persons	100%

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

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.
   The Customers can reach-out with their complaints related to our products and other concern to Company's Sales and Marketing team directly or through E-mail and Company is committed for resolution of the Complaints.
2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

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

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

	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	**Nil**	**-**	**-**	Nil	-	-
Advertising	**Nil**	**-**	**-**	Nil	-	-
Cyber-security	**Nil**	**-**	**-**	Nil	-	-
Delivery of essential services	**Nil**	**-**	**-**	Nil	-	-
Restrictive Trade Practices	**Nil**	**-**	**-**	Nil	-	-
Unfair Trade Practices	**Nil**	**-**	**-**	Nil	-	-
Other	**Nil**	**-**	**-**	Nil	-	-

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

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

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No). 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
6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

   There was no such occurrence.
7. Provide the following information relating to data breaches:
   a. Number of instances of data breaches along-with impact

      No such incidence occurred.
   b. Percentage of data breaches involving personally identifiable information of customers- 0%

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).
   https://sunflagsteel.com/wp-content/uploads/2020/04/web-brochure.pdf
   Sunflag Steel | Different Categories of Sunflag Steel
   Sunflag Iron and Steel Official Company Vídeo - 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
			2025-26	2024-25	
1	Slag (SMS, EAF & SS Refining Converter)	MT/A	**1,01,486**	85,615	Used for Brick Manufacturer/Landfill
2	Fly Ash (CPP)	MT/A	**38,449**	17,632	Used for Brick Manufacturer / sale to cement plant
3	Bed Ash (CPP)	MT/A	**15,514**	1,032	Used for Brick Manufacturer / sale to cement plant
4	Dusts from Bag Filters (DRP & SMS)	MT/A	**49,605**	40,556	Reuse in Sinter plant
5	DRP Sludge (DRP)	MT/A	**0**	0	Reuse as fuel in Sinter Plant
6	Mill Scale (SMS & Rolling Mill)	MT/A	**10,830**	10,597	Reuse in Sinter plant
7	Iron/Steel Scrap/Rejected Billets (SMS)	MT/A	**48,652**	23,191	Recycle in Steel Melt Shop
8	Grinder waste (Rolling Mill)	MT/A	**134**	144	Recycle in Steel Melt Shop
9	Granulated MBF Slag	MT/A	**2,43,472**	1,72,366	By sale to Cement Industries
10	Granulated MBF GCP	MT/A	**6,896**	2,697	Reuse in Sinter plant
11	Coke Fines & Nut Coke (MBF)	MT/A	**15,190**	13,730	Reuse in Sinter plant
12	Iron Ore Fines (DRI & MBF)	MT/A	**46,590**	60,386	Reuse in Sinter plant
13	Dusts (ETP & WTP)	MT/A	**104**	109	Reuse in Sinter plant
14	Coal Rejected (Stones & Shells)	MT/A	**0**	0	Landfill
15	DRI Ash/Char (By products)	MT/A	**14,900**	14,800	Reuse in Captive Power Plant

Sr. No.	Type Hazardous waste Generated	UOM	Qty of HW Waste		Disposal
			2025-26	2024-25	
1	Used / Spent Oil	MT/A	**6.56**	12.66	Recycled in our reheating furnace and partially sold to authorized reprocessors.
2	Waste or residue containing Oil	MT/A	**38.12**	5.29	Sale to authorized recycler
3	Acid Residue/Spent Bath Sludge/Chemical sludge from waste water treatment (12.1, 12.2 & 35.3)	MT/A	**425.70**	253.00	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 2025-26 is 38,449 MTA against Consent quantity 86,784 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 2025-26 is 15,514 MTA against Consent quantity 52,320 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 2025-26 is 49,293 MTA** (ESP dust 34,407+ DRI Ash 14,900) 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 **15,198** TPA (DRP Product bag filter dust 2,194 MTA + SMS Bag filter dust 13,004 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 **13,004 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 2025-26** is about **1,01,486 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 **3,256 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 2025-26** is about **10,830 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 2/3rd from CCM mill scale and about 1/3rd from BSM/ASM Mill Scale. These scales are used for sinter manufacture.

Iron/Steel Scrap/Rejected Billets (Rolling Mill): Total generation of Iron/Steel Scrap/Rejected Billets from existing plant for **year 2025-26** is **48,652 MTAagainst consented quantity 32,050 MTA**

Iron/Steel Scrap **48,652** TPA 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 2025-26 is about 134 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 2025-26** is **2,43,472 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 2025-26** is **6,896 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 2025-26 is 15,190 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 2025-26** is **46,590 MTA** against consent quantity **1,71,344 MTA**. Iron Ore Fines generation at DRI Plant is **11,713 MTA** and at MBF Iron Ore Fines & Sinter fine generation is **34,877 MTA** . Iron Ore Fines are used in the sinter plant for manufacturing sinter.

Removed dust (Sinter Plant): Removed dust is generated in Sinter plant is in closed loop and 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 loose 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 reprocessors /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. Total generation for year **2025-26 is 470.38 MT.** 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.

CORPORATE GOVERNANCE REPORT

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

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

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

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

MANDATORY REQUIREMENTS

(1) SUNFLAG PHILOSOPHY ON CORPORATE GOVERNANCE

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

Vision

To be a globally renowned special steel provider

Mission

To continually improve customer satisfaction and aim to achieve Customer delight

To maintain sustainable growth and return on investments

By

Continuous improvement of
- Human Resources
- Technology
- Environment

and
- Professional Excellence

2) BOARD OF DIRECTORS

a) Composition: The Board of Directors of the Company as on 31st March, 2026 consisted of:-

Non-executive Director/s	Executive Director/s
Promoter Group Mr. Ravi Bhushan Bhardwaj (DIN - 00054700), Non-executive Chairman Mr. Suhrit Bhardwaj (DIN - 02318190), Non-executive Director	**Promoter Group** Mr. Pranav Bhardwaj (DIN - 00054805), Managing Director
Non-Promoter Group - Independent Director/s Mr. Anand Sadashiv Kapre (DIN - 00019530) CA Vinita Bahri (DIN - 03109454) CA M. A. V. Goutham (DIN - 00101447) Mr. Tirthnath Jha (DIN - 07593002)	**Non-Promoter Group - Non-Independent** Mr. Ramchandra Vasant Dalvi (DIN - 00012065), Director (Technical)

Changes in Directors during the year under review:

1. Mr. Sajiv Dhawan (DIN-00160085), ceased to be the Director (Category - Non-executive, Independent) of the Company effective 10th August, 2025, due to resignation on personal reasons/grounds i.e. his other pre-occupations and other personal commitments. He has also confirmed that there were no other material reasons for his resignation other than those provided.
2. CA Neelam Kothari (DIN - 06709241), ceased to be the Director (Category - Non-executive, Independent) of the Company effective 20th September, 2025, due to completion of her second term.
3. CA M.A.V. Goutham (DIN – 00101447), has been 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 12th August, 2025 till 11th August, 2030.
4. CA Vinita Bahri (DIN – 03109454), has been 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 21st September, 2025 till 20th September, 2030.
5. Mr. Tirthnath Indranath Jha (DIN – 07593002), has been 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 3rd September, 2025 till 2nd September, 2030.
6. Mr. Pranav Bhardwaj (DIN – 00054805), has been re-appointed 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 17th January, 2026.

Except the above, there has been no change in the Directors of the Company.

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

The attendance of the Director/s at the Board Meeting/s and 39th Annual General Meeting of the Company, Details of their Directorship in other Companies, Partnership in other Firms or LLP and Membership in the Board Committee/s of the Company and other Listed Companies as on 31st March, 2026:

- Five (5) meeting/s of the Board were held on 27th May, 2025, 21st July, 2025, 11th August, 2025, 13th November, 2025 and 13th February, 2026 during the financial year 2025-26.
- Thirty-ninth (39th) Annual General Meeting (AGM) was held on 26th September, 2025.

S.N.	Name of Director	No. of Board Meetings Attended / Held	Whether Attended last AGM	Directorship in other Companies#	No. of Committee/s in the Listed Entities including Sunflag		Partnership in Firm or LLP
					As a Chairperson	As a Member	
1	Mr. Ravi Bhushan Bhardwaj	5/5	Yes	3	3	1	-
2	Mr. Pranav Bhardwaj	5/5	Yes	6	1	2	-
3	CA Neelam Kothari (*)	3/3	NA	-	-	-	-
4	Mr. Suhrit Bhardwaj	2/5	Yes	1	-	-	-
5	Mr. Ramchandra Vasant Dalvi	5/5	Yes	2	-	6	1
6	Mr. Sajiv Dhawan (@)	1/2	NA	-	-	-	-
7	Mr. Anand Sadashiv Kapre	5/5	Yes	1	4	2	-
8	CA Vinita Bahri	4/5	Yes	1	-	11	1
9	CA M. A. V. Goutham	5/5	Yes	-	-	6	1
10	Mr. Tirthnath Jha	5/5	Yes	-	-	1	-

(*) Ceased to be Director w.e.f. 20.09.2025

(@) Ceased to be Director w.e.f. 10.08.2025

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

Details of Directors holding Directorship in other Listed Companies:

DIN	Name of Director	Name of the Listed Company	Category
00019530	Mr. Anand Sadashiv Kapre	**Facor Steels Limited** L27100MH2004PLC146283 (Under Liquidation)	Non-executive, Independent Director
03109454	CA Vinita Bahri	**FACOR Alloys Limited** 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	✓	✓	-	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Anand S. Kapre	✓	✓	✓	✓	✓	✓	✓	-	✓	✓	✓	✓	✓	✓
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 2025-26, all the information on matters mentioned in terms of Regulation 17(3) and Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ['Listing Regulations'] has been placed before the Board for its information, consideration, review, ratification and/or approval, if any. The Board periodically reviews compliance/s of all laws applicable to the Company.

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

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

Post meeting follow-up mechanism :-

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

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

The Code of Conduct has already been communicated to all the Members of the Board and Senior Management. The Code is also available on the Company's website www.sunflagsteel.com. All the Members of the Board and Senior Management have confirmed, the compliance/s with the Code for the Financial Year 2025-26. 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) ceased to be the Director (Category - Non-executive, Independent) of the Company effective 20th September, 2025, due to completion of her second term. Further, CA Vinita Bahri (DIN – 03109454) Director [Category – Non-executive, Independent], qualified Chartered Accountant, continues as Women Director 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 14th March, 2026 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/2026/04/FAMILIARIZATION-PROGRAMME-March-2026.pdf

f) Evaluation of the Board's Performance:-

During the Financial Year 2025-26, 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	Ceased w.e.f. 31st October, 2025 due to resignation
2.	Dev Dyuti Sen	Chief Executive Officer	Joined w.e.f. 14th November, 2025
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.	Samit Banerjee	Head (ACE & Systems)	NA
7.	Satish Srivastav	Head (HRM, Safety & Training)	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 82 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 1st October, 1998. Subsequently, on ceasing as the Managing Director of the Company, effective 12th August, 2015, continued as the Non-executive Vice Chairman and then, as a Non-executive Chairman of the Company, effective 12th December, 2016.

He 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.

He also holds Directorship in Sunflag Power Limited, Supra Corporation Limited and Haryana Television Limited.

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

Mr. Pranav Bhardwaj, age 52 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 is Chairperson of Sub-Committee of the Board and Member of Stakeholders' Relationship Committee and Share Transfer Committee of the Company. He holds 16,12,140 (0.89%) equity shares in the capital of the Company.

He also 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).

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

Mr. Suhrit Bhardwaj, age 51 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 holds 1,32,17,398 (7.33%) equity shares in the capital of the Company. He is also Director of Supra Corporation Limited.

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. 14th August, 2017 and presently, designated as Director (Technical) of the Company.

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.

He is Director of Sunflag Foundation (Section 8 Company) and Ramesh Sunwire Private Limited and also Partner of Sanika Hospitality India LLP.

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

Mr. Anand Sadashiv Kapre, an Indian National, age 77 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.

He is the Chairperson of Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and Project Monitoring Committee and member in Corporate Social Responsibility Committee and Share Transfer Committee of the Board. Further, he holds 26 (0.000014%) equity shares in the capital of the Company. He is also Director of Facor Steels Limited (Listed Company, under liquidation)

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

CA Vinita Bahri, age 56 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-four 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, Project Monitoring Committee and Sub-Committee of the Board of the Company. Further, she does not hold any equity share in the capital of the Company.

Further, she is designated partner of Ibridgegaap Consultancy LLP and Independent Director of Facor Alloys Limited (Listed Company) and also member of Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee of Facor Alloys Limited.

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

CA M. A. V. Goutham, age 74 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 41 years of experience in the various fields viz. Accounting, Taxation, Administration and Finance. He has worked with various companies viz. A P State Financial Corporation, Hindustan Ship Yards Ltd., Lubrizol India Ltd. and thereafter he joined MOIL Limited in year 2001 as General Manager and retired as Director (Finance) in the year 2012. He had been an Officer on Special Duty at Visveswaraya National Institute of Technology from year 2014 to 2016.

He is a member of Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Project Monitoring Committee, Corporate Social Responsibility Committee and Sub-committee of the Board of the Directors of the Company. Further, he does not hold any equity share in the capital of the Company. He is also partner of V. Ravikumar and Associates, Chartered Accountant, Nagpur.

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

Mr. Tirthnath Jha, age 67 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 a member in 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.

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 : Committee consist of following Directors viz.

Chairperson : CA Neelam Kothari - Non-executive, Independent Director (up to 20th September, 2025);
Mr. Anand S. Kapre - Non-executive, Independent Director (w.e.f. 20th September, 2025)

Members : Mr. Sajiv Dhawan (up to 10th August, 2025); Mr. Tirthnath Jha (w.e.f. 11th August, 2025);
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:-

i) Mr. Ravi Bhushan Bhardwaj, Non-executive Chairman
ii) Mr. Ramchandra V. Dalvi, Director (Technical)
iii) Mr. S. Mahadevan Iyer, Chief Financial Officer
iv) Statutory Auditors
v) Secretarial Auditors
vi) Internal Auditors
vii) Cost Auditors

d) Meetings and Attendance:-

During the Financial Year 2025-26, Five (5) meeting/s of the Audit Committee were held on 27th May, 2025, 21st July, 2025, 11th August, 2025, 13th November, 2025 and 13th February, 2026.

Attendance:-

Name of Director	CA Neelam Kothari(#)	Mr. Sajiv Dhawan (##)	CA Vinita Bahri	CA M. A. V. Goutham	Mr. Tirthnath Jha (*)	Mr. Anand S. Kapre (**)
No. of Meetings Attended/Held	3/3	0/2	5/5	5/5	2/2	2/2

(#) – ceased w.e.f. 20th September, 2025
(##) – ceased w.e.f. 10th August, 2025
(*) – appointed w.e.f. 11th August, 2025
(**) – appointed w.e.f. 20th September, 2025

4) NOMINATION AND REMUNERATION COMMITTEE:-

a) Composition : Committee consists of the following Directors viz.

Chairperson : CA Neelam Kothari - Non-executive, Independent Director (up to 20th September, 2025);
Mr. Anand S. Kapre - Non-executive, Independent Director (w.e.f. 20th September, 2025)

Members : CA Vinita Bahri, CA M.A.V. Goutham (w.e.f. 20th September, 2025), 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: –

1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

1A) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

a) use the services of an external agencies, if required;
b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
c) consider the time commitments of the candidates.

2) formulation of criteria for evaluation of performance of independent directors and the Board of Directors;

3) devising a policy on diversity of Board of Directors;

4) 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.
5) 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.
6) recommend to the Board, all remuneration, in whatever form, payable to senior management; and
7) 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 2025-26, Four (4) meeting/s of the Nomination and Remuneration Committee were held on 27th May, 2025, 21st July, 2025, 11th August, 2025 and 13th February, 2026.

Attendance:-

Name of Director	CA Neelam Kothari (#)	Mr. Ravi Bhushan Bhardwaj	Mr. Anand S. Kapre	CA Vinita Bahri	CA M.A.V. Goutham (*)
No. of Meetings Attended/Held	3/3	3/4	4/4	4/4	1/1

(#) – ceased w.e.f. 20th September, 2025

(*) – appointed w.e.f. 20th September, 2025

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.

The policy of the Company on directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013 is available on our website at https://sunflagsteel.com/wp-content/uploads/2020/02/Remuneration-Policy-SISCO.pdf

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 Committees 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 37th Annual General Meeting, held on 21st 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 13th February, 2026 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 2025-26, in the manner as below:

i. All the Non-executive Independent Directors of the Company, be paid ₹ 4,00,000/- each on pro-rata basis;

ii. Mr. Ravi Bhushan Bhardwaj (Non-executive Chairman) and Mr. Suhrit Bhardwaj, Non-executive, Non-independent Director : Balance amount remaining from 1% of the net profits of the Company, after distribution of commission to the Non-executive Independent Directors for the Financial Year 2025-26, be paid in equal proportion to Mr. Ravi Bhushan Bhardwaj and Mr. Suhrit Bhardwaj.

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 2025-26 is as follows:

CA Neelam Kothari	:	₹ 1,89,590*
Mr. Sajiv Dhawan	:	₹ 1,44,658*
Mr. Anand S. Kapre	:	₹ 4,00,000
CA Vinita Bahri	:	₹ 4,00,000
CA M. A. V. Goutham	:	₹ 4,00,000
Mr. Tirthnath Jha	:	₹ 4,00,000

and the sum of ₹1,49,17,801/- to Mr. Ravi Bhushan Bhardwaj, Non-executive Chairman of the Company and ₹ 1,49,17,801/- to Mr. Suhrit Bhardwaj, Non-executive, Non-independent Director.

* Mr. Sajiv Dhawan and CA Neelam Kothari, Non-executive, Independent Directors of the Company have ceased to be Directors of the Company w.e.f. 10th August, 2025 and 20th September, 2025 respectively. Accordingly, a provision for the proportionate amount is made towards the Commission payable to the said Director/s for the financial year 2025-26.

e) The details of Remuneration and Sitting fees, for the Financial Year 2025-26 and Commission for the Financial Year 2024-25 paid to all the Directors during the Financial Year 2025–26 is as under :

i) Executive Directors

Particulars	Mr. Pranav Bhardwaj [Managing Director]	Mr. Ramchandra V. Dalvi [Director (Technical)]
Basic Salary	1,67,38,800	84,42,600
House Rent Allowance	66,95,520	16,88,520
Allowances / Reimbursements:	42,35,030	94,91,550
PF /Superannuation /Gratuity	52,24,172	-
TOTAL SALARY	**3,28,93,522**	**1,96,22,670**
Commission for the financial year 2024-2025	2,83,32,789	-
TOTAL REMUNERATION	**6,12,26,311**	**1,96,22,670**

ii) Non-Executive Directors

Name	Designation	Sitting Fees (₹)	Commission for the FY 2024-25 (₹)	Total Amount (₹)
Mr. Ravi Bhushan Bhardwaj	Non-executive Chairman	-	1,11,31,824	1,11,31,824
CA Neelam Kothari	Non-executive, Independent Director	94,000	3,50,000	4,44,000
Mr. Sajiv Dhawan	Non-executive, Independent Director	22,000	3,50,000	3,72,000
Mr. Anand Sadashiv Kapre	Non-executive, Independent Director	1,74,000	3,50,000	5,24,000
CA Vinita Bahri	Non-executive, Independent Director	1,87,000	3,50,000	5,37,000
Mr. Suhrit Bhardwaj	Non-executive, Director	-	-	-
CA M. A. V. Goutham	Non-executive, Independent Director	1,74,000	3,50,000	5,24,000
Mr. Tirthnath Jha	Non-executive, Independent Director	1,04,000	3,50,000	4,54,000
	TOTAL	**7,55,000**	**1,32,31,824**	**1,39,86,824**

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 2025–26 is as under:

Name	Designation	Proposed Commission for the Financial Year 2025-26 (₹)
Mr. Ravi Bhushan Bhardwaj	Non-executive Chairman	1,49,17,801
Mr. Pranav Bhardwaj	Managing Director	5,03,04,910
CA Neelam Kothari	Non-executive, Independent Director	1,89,590
Mr. Sajiv Dhawan	Non-executive, Independent Director	1,44,658
Mr. Anand Sadashiv Kapre	Non-executive, Independent Director	4,00,000
CA Vinita Bahri	Non-executive, Independent Director	4,00,000
CA M.A.V. Goutham	Non-executive, Independent Director	4,00,000
Mr. Tirthnath Jha	Non-executive, Independent Director	4,00,000
Mr. Suhrit Bhardwaj	Non-executive, Director	1,49,17,801
Mr. Ramchandra Vasant Dalvi	Director (Technical)	-

5) STAKEHOLDERS' RELATIONSHIP COMMITTEE :-

a) Composition : Committee consists of the following Directors viz.
Chairperson : Mr. Ravi Bhushan Bhardwaj, Non-executive Chairman of the Company
Members : Mr. Pranav Bhardwaj, Managing Director; Mr. Ramchandra Vasant Dalvi, Director (Technical); CA Neelam Kothari (up to 20th September, 2025) and CA Vinita Bahri (w.e.f. 20th September, 2025), Non-executive, Independent Director/s
Secretary : CS Ashutosh Mishra, Head Company Secretary & Compliance Officer

b) Terms of Reference, Role and Responsibility :

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:

1) 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.
2) Review of measures taken for effective exercise of voting rights by shareholders.
3) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4) 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.
5) Resolving grievances of debenture holders related to creation of charge, payment of interest/principal, maintenance of security cover and any other covenants; and
6) 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).

c) Meeting and Attendance :-

During the Financial Year 2025-26, Four (4) Stakeholders' Relationship Committee meeting/s were held on 27th May, 2025, 11th August, 2025, 13th November, 2025 and 13th February, 2026.

Attendance :-

Name of Director	Mr. Ravi Bhushan Bhardwaj	Mr. Pranav Bhardwaj	Mr. Ramchandra Vasant Dalvi	CA Neelam Kothari (#)	CA Vinita Bahri (*)
No. of Meetings Attended/Held	4/4	4/4	4/4	2/2	1/2

(#) – ceased w.e.f. 20th September, 2025

(*) – appointed w.e.f. 20th September, 2025

The Committee reviewed:

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

At the beginning of the year	Received during the year	Resolved during the year	At the end of the year
NIL	21	19	2

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 & Compliance Officer.

Meetings & Attendance :-

During the Financial Year 2025-26, the Committee had Four (4) meeting/s on 27th May, 2025, 11th August, 2025, 13th November, 2025 and 13th February, 2026.

Attendance : -

Name of Director	Mr. Ravi Bhushan Bhardwaj	Mr. Pranav Bhardwaj	Mr. Ramchandra Vasant Dalvi	Mr. Anand S. 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 22nd January, 2026 and the amendment to Regulation 40 pertaining to transfer/transmission of securities is as follow:

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 following requirements:

(a) The requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository;

(b) Transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form:

Provided that nothing contained in clause (a) shall prevent the registration of transfer of securities executed before April 01, 2019 and still held in physical form subject to such conditions as may be specified by the Board.

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:

(a) 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;

(b) transmission of securities to the legal heir(s), where deceased holder of securities was the sole holder of securities;

(c) 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 quarterly basis.

Other Information:-

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

b) The Securities and Exchange Board of India (SEBI) vide its Circular reference CIR/MRD/DP/10/2013 dated 21st March, 2013 has directed the listed companies for the usage of electronic modes for making cash payments to the investors and further asked to maintain the proper Bank Mandate or ECS Records of the investors.
In view of this, those shareholders who have not yet furnished or updated their Bank or ECS particulars, may kindly register the same with the Company or RTA, if shares are held in physical mode and with their Depository Participant (DP), if the shares are held in demat mode.

c) In terms of the provisions of Section 124(5) of the Companies Act, 2013 (the Act), dividend amount remaining unpaid or unclaimed for a period of seven (7) consecutive years, from the date they became due for payment, is required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government.
Further, the Ministry of Corporate Affairs notified "Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016" **(the Rules)** which came into force from 7th September, 2016. The said Rules, amongst other matters, contain provisions for transfer of all shares in respect of which dividend has not been claimed for seven (7) consecutive years or more, in the name of **'IEPF Demat Account'**. Accordingly, during the Financial Year 2017-18, the Company has transferred total 30,91,699 equity shares constituting about 1.716% of the total issued, subscribed and paid-up share capital, including 28,050 equity shares of **"Unclaimed Suspense Account"**, which was created pursuant to Regulation 39 of the SEBI (LODR) Regulations, 2015 effective 3rd August, 2015. Further to this, 77,616 equity shares have been transferred to the IEPF Demat Account related to those shareholders whose unclaimed dividend has been transferred to the IEPF Authority during the Financial Year 2018-19. During the financial year 2025-26 under review, in compliance to IEPF provisions, the Company has transferred 13,68,103 equity shares to the Authority, pertaining to those shareholders, who failed to claim their dividends for 2017-18. The voting rights on these shares shall remain frozen till the rightful owner of such shares claim the shares from the IEPF Authority. The IEPF Authority has laid down the detailed procedure for claiming both Dividend as well as Shares. The detailed list of shares transferred to this IEPF Authority account as well as detailed procedure to claim is available on the Company's website **www.sunflagsteel.com.** Further, the procedure to claim is also available on the website of IEPF authority at **www.iepf.gov.in.** People at large are advised to check their names and accordingly can claim their shares and dividends by following the prescribed procedure.
During the Financial Year 2025-26 under review, many rightful shareholders have claimed shares from this account by complying with the prescribed formalities and IEPF holds 43,64,550 shares of your Company as on 31st March, 2026 under the IEPF Rules.

d) SEBI, effective 1st April, 2019, barred physical transfer of shares of listed companies and mandated transfers only through demat. However, investors are not barred from holding shares in physical form. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD RTAMB/P/CIR/2021/655 dated November 3, 2021, mandated Registering of details like PAN, email address, mobile number, bank account details, signature and nomination by holders of physical securities; and folios wherein any one of the above cited document / details are not available on or after 1st April, 2023, shall be frozen by the Registrars and Transfer Agents of the Company (RTA) and the concerned shareholder will not be eligible to lodge grievance or avail service request from the RTA and not eligible for receipt of dividend in physical mode. Further SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March, 2023, extended the above date of 1st April,2023 to September 30,2023 and directed the Company/RTA to send Forms ISR-1, ISR-2, ISR3, Form SH-13 and SH-14 required for furnishing of PAN, KYC details and Nomination by holders of physical securities before 31st May, 2023 and directed RTA to file the report about Compliance of this. Accordingly, the Company/RTA had already complied with the requirements and sent the required communication to all the shareholders who were holding the shares in physical format on 31st 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 31st 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, and also on the RTA's website http://www.bigshareonline.com.

Further, SEBI vide its Circular bearing reference no.: SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/97 dated July 02, 2025 facilitated a special window for the re-lodgement of transfer request of physical share, for a period of 6 months from 7th July, 2025 to 6th January, 2026. Some shareholders have lodged the transfer related documents with Company's RTA.

In furtherance to this, SEBI vide its Circular: HO/38/13/11(2)2026-MIRSD-POD/ I/3750/2026 dated January 30, 2026 has further opened the another "Special Window" for transfer and dematerialization of Physical Securities which were sold/ purchased prior to April 01, 2019 for a period of one year from 05th February, 2026 till 04th February, 2027. The said Circular is available on the Company's website. Further, as per requirement of the said circular, the Company has also published Newspaper advertisement informing the people at large about the Special Window for physical transfer of shares.

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 2025-26.

The Company has constituted a Corporate Social Responsibility (CSR) Committee as required under Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Committee is headed by Mr. Ravi Bhushan Bhardwaj and consists of CA M.A.V. Goutham, Mr. Ramchandra Vasant Dalvi, Mr. Anand Kapre and CA Vinita Bahri as its Members.

During the Financial Year 2025-26, the CSR Committee had Five (5) meeting/s on 27th May, 2025, 11th August, 2025, 13th November, 2025, 13th February, 2026 and 14th March, 2026, which were attended by the members as under:

S. N.	Name of Director	Position and Category of Director	No. of meetings Attended / Held
1	Mr. Ravi Bhushan Bhardwaj	Chairman - Non Executive Director	4 / 5
2	Mr. Pranav Bhardwaj (#)	Member - Managing Director	0 / 2
3	Mr. Ramchandra Vasant Dalvi	Member - Director (Technical)	5 / 5
4	Mr. Sajiv Dhawan (##)	Member- Non-Executive, Independent Director	1 / 1
5	CA Vinita Bahri	Member- Non-Executive, Independent Director	4 / 5
6	Mr. Anand S. Kapre (*)	Member- Non-Executive, Independent Director	3 / 3
7	CA M.A.V. Goutham (**)	Member- Non-Executive, Independent Director	3 / 3

(#) – ceased w.e.f. 11th August, 2025

(##) – ceased w.e.f. 10th August, 2025

(*) – appointed w.e.f. 11th August, 2025

(**) – appointed w.e.f. 11th August, 2025

Secretary : CS Ashutosh Mishra, Head Company Secretary & Compliance Officer

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

i. 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	₹ 2,31,66,30,879/-
2	Prescribed CSR Expenditure [two percent (2%) of the amount as in item 1 above]	₹ **4,63,32,618/-**
3	Details of CSR expenditure during the FY 2025-26:-	
	a) Total amount to be spent for the FY 2025-26	₹ **4,63,32,618/-**
	b) Amount unspent, if any;	Out of the total sum of ₹4,63,32,618/-, the Company has spent a sum of ₹3,78,77,452/- on the CSR activities and the balance sum of ₹84,55,166/- has been allocated to Project **"Construction of Swimming Pool – Phase-I** (with a project duration of three years)."
	c) Manner in which the amount spent during the FY 2025-26	The manner in which the amount spent and allocated is detailed in the Annexure II to Board's Report.

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

Further, the Sunflag Iron and Steel Company Limited (SISCO) has formed and incorporated on 27th January, 2017, **Sunflag Foundation** (U74999MH2017NPL289961) – a Section 8 Company and wholly owned subsidiary of SISCO having CSR registration number CSR00016672, as implementing agency of SISCO regarding its CSR activities. Sunflag Foundation implements and monitors all CSR activities, keep budget and accounts for the same and monitors the manner in which the CSR amount is to be spent as per the CSR budget and activities approved by the Board of SISCO etc. and in turn furnishes its report to SISCO. During the Financial Year 2025-26, the entire mandated amount of ₹ 4,63,32,618/- required to be spent by the Company during the Financial Year 2025-26 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 2025-26 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, role 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) 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 11th August, 2025 and 13th February, 2026 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, Independent Director	1/1
2	Mr. Ramchandra V. Dalvi	Member- Director (Technical)	2/2
3	CA Vinita Bahri	Member - Non-executive, Independent Director	2/2
4	CA M.A.V. Goutham (*)	Member - Non-executive, Independent Director	1/1
5	Mr. Anand S. Kapre (**)	Chairperson - Non-executive, Independent Director	1/1

(#) – ceased w.e.f. 20th September, 2025

(*) – appointed w.e.f. 11th August, 2025

(**) – appointed w.e.f. 20th September, 2025

9) PROJECT MONITORING COMMITTEE (PMC):-

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

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

Members : Mr. Ramchandra V. Dalvi, Director (Technical) and CA Neelam Kothari (up to 20.09.2025); Mr. Sajiv Dhawan (up to 10.08.2025), CA M.A.V. Goutham (w.e.f. 11.08.2025) and CA Vinita Bahri (w.e.f. 20.09.2025), Non-executive, Independent Director/s.

Secretary : CS Ashutosh Mishra, Head Company Secretary & Compliance Officer.

Invitee / participant : Mr. S. Mahadevan Iyer, CFO

Meetings and Attendance:-

During the Financial Year 2025-26, Two (2) meeting/s of the Project Monitoring Committee (PMC) were held on 13th November, 2025 and 13th March, 2026:

S. N.	Name of Director	Category of Director	No. of meetings Attended/Held
1	Mr. Anand S. Kapre	Chairperson-Non-executive, Independent Director	2/2
2	Mr. Ramchandra V. Dalvi	Member-Director (Technical)	2/2
3	CA Neelam Kothari (**)	Member-Non-executive, Independent Director	0/0
4	Mr. Sajiv Dhawan (*)	Member-Non-executive, Independent Director	0/0
5	CA M.A.V. Goutham (#)	Member-Non-executive, Independent Director	2/2
6	CA Vinita Bahri (##)	Member-Non-executive, Independent Director	1/2

(*) – ceased to be Member w.e.f. 10th August, 2025

(**) – ceased to be Member w.e.f. 20th September, 2025

(#) – appointed as Member w.e.f. 11th August, 2025

(##) – appointed as Member w.e.f. 20th September, 2025

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 24th 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:

i. delegation of authority in connection with legal, operational and other matters to the officials/representatives of the Company;

ii. 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;

iii. opening and closure of bank accounts of the Company and modification in the authorized signatories to the said accounts;

iv. opening and closure of godowns, depots, offices etc. and delegating authority for the matters incidental thereto;

v. approval of routine and standard compliances under the statutory requirements of the various authorities;

vi. 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.

Meetings and Attendance:-

During the Financial Year 2025-26, Eight (8) meeting/s of the Sub-Committee of the Board were held on 24th April, 2025, 6th June, 2025, 11th July, 2025, 4th August, 2025, 19th August, 2025, 10th September, 2025, 17th October, 2025 and 8th December, 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	8/8
2	Mr. Ramchandra V. Dalvi	Member- Director (Technical)	8/8
3	CA Vinita Bahri	Member - Non-executive, Independent Director	8/8
4	CA M. A. V. Goutham	Member - Non-executive, Independent Director	4/8

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	39th AGM-2025	Video Conferencing **("VC")** or Other Audio-Visual Means **("OAVM")**	Friday, the 26th September, 2025 at 12:00 P.M.
2	38th AGM-2024	Video Conferencing **("VC")** or Other Audio-Visual Means **("OAVM")**	Friday, the 27th September, 2024 at 12:00 P.M.
3	37thAGM - 2023	Video Conferencing **("VC")** or Other Audio-Visual Means **("OAVM")**	Thursday, the 21st September, 2023 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
39th AGM-2025	i. Appointment of M/s. Lodha & Co. LLP, Chartered Accountants, New Delhi as the Statutory Auditors in place of the retiring Auditors M/s. N S B P & Co., Chartered Accountants, New Delhi. ii. 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. iii. 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. iv. 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. v. 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 17th January, 2026.
38th AGM-2024	Nil

37th AGM-2023	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. 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 30th July, 2023. 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 14th August, 2023. iv. Approval for continuation of Mr. Ravi Bhushan Bhardwaj (DIN - 00054700), as a Chairman (Category - Non-executive Director & Promoter) of the Company, from non-rotational Director to a Director liable to retire by rotation, on the existing terms and conditions of appointment.

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

d) No special resolution is proposed to be conducted through postal ballot.

e) 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

(*) Ceased to be Director of the Company w.e.f. 10.08.2025

(**) Ceased to be Director of the Company w.e.f. 20.09.2025

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

Sr. No.	Particulars			Amount (₹)
a)	Subsidiary Company	-	CSR Expenses	4,63,32,618
b)	Enterprise with Common Director (s) holding more than 2% of Paid up Capital	-	Rent paid Rent received	56,99,400 1,43,016
c)	Key Managerial Personnel, Promoter and Promoter Group	-	Remuneration and Commission (including Commission to Non-executive Chairman)	10,99,28,056
d)	Independent Directors	-	Sitting Fees and Commission to Non-executive, Independent Directors	28,55,000
e)	Joint Venture - Ramesh Sunwire Private Limited	-	Sale of Goods (Wire Rods)	32,70,13,776
		-	Purchase of Wire Rods Scrap	76,61,526
		-	Investment in Share Capital	3,43,00,000
f)	Deemed Related Party - Daido Steel Company Limited, Japan	- -	Royalty Payment Service Fees for Technical Assistance	2,35,63,043 1,76,880

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/2026/06/Policy-on-Materiality-of-Related-Party-Transactions-1.4-dt.-29.05.2026-Final.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 2025-26 :

Number of Complaints filed	**Nil**
Number of Complaints disposed off	**N.A.**
Number of Complaints remains pending as on end of the financial year	**Nil**

d) **Compliance with Regulators:-**

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

Financial Year	Details of non-compliance	Name of the Authority and Fine Levied
2025-26	Delay in Submission of Secretarial Compliance Report for FY-2024-25 within the period prescribed under Regulation 24A of the SEBI Listing Regulations	BSE Limited and National Stock Exchange of India Limited levied a fine of Rs. 8000/- each (Plus GST), same has been paid.
2024-25	Nil	Nil
2023-24	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:-**

i. Transactions with related parties, pursuant to Listing Regulations and as per requirements of IND AS 24, are disclosed in notes annexed to the financial statements.

ii. 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.

iii. 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.

iv. There are no pecuniary relationships or transactions of Non- Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company at large.

v. During the Financial Year 2025-26, 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-subsidiary-1.2.pdf

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

14) MEANS OF COMMUNICATION:-

a) The quarterly and annual financial results are being furnished to Stock Exchanges and normally published in Indian Express in English and Loksatta in Marathi. The quarterly and annual financial results are also displayed on the Company's Notice Board as well as uploaded on the Company's website www.sunflagsteel.com.

b) Management Discussion and Analysis forms part of this Annual Report.

15) GENERAL SHAREHOLDER INFORMATION:-

a)	Fortieth (40th) Annual General Meeting	-	Friday, 25th September, 2026 at 12.00 PM through Video Conferencing ('VC') [Deemed venue: Registered Office of the Company]
b)	Book Closure Dates	-	Saturday, 12th September, 2026 to Friday, 25th September, 2026 (both days inclusive)
c)	Cut-off date for e-Voting	-	Friday, 18th September, 2026
d)	Record Date for Dividend Payment	-	Friday, 11th September, 2026
e)	Final dividend payout date, if approved by members	-	The Company will endeavour to pay the dividend within 5 days from the date of declaration in the ensuing AGM.
f)	**Financial Year - 1st April, 2026 to 31st March, 2027 (Calendar)**		**Tentative Schedule**
	i) Unaudited Financial Results for the First Quarter (Q-1) ending 30th June, 2026	-	On or before 14th August, 2026 or such extended permissible timeline
	ii) Unaudited Financial Results for the Second Quarter (Q-2) and Half Year (H-1) ending 30th September, 2026	-	On or before 14th November, 2026 or such extended permissible timeline
	iii) Unaudited Financial Results for the Third Quarter (Q-3) ending 31st December, 2026	-	On or before 14th February, 2027 or such extended permissible timeline
	iv) Audited Financial Results for the Fourth Quarter (Q-4) and Financial Year ending 31st March, 2027	-	On or before 30th May, 2027 or such extended permissible timeline
g)	**Listing of Equity Shares**		
	For the Financial Year 2025-26, the Equity Shares of the Company were listed with (1) BSE Limited and (2) National Stock Exchange of India Limited.	-	**BSE Limited (BSE)** Phiroze Jeejeebhoy Towers, Dalal Street Mumbai - 400001, MH, IN.
	Listing fees for the Financial Year 2026-27 has already been paid to both these Stock Exchanges.	-	**National Stock Exchange of India Limited (NSE)** "Exchange Plaza", Bandra-Kurla Complex Bandra (East), Mumbai - 400051, MH, IN.

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

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

i) a) Distribution of Shareholding as on 31st March, 2026 :-

Shareholding of nominal value of		Shareholders		Value of Shares	
₹	₹	Number	%	Amount (₹)	%
Upto 5,000		49,862	87.2155	6,35,54,520	3.5265
5,001	10,000	3,766	6.5872	3,01,97,030	1.6755
10,001	20,000	1,731	3.0278	2,62,44,200	1.4562
20,001	30,000	590	1.0320	1,50,60,830	0.8357
30,001	40,000	260	0.4548	94,50,020	0.5244
40,001	50,000	255	0.4460	1,21,08,640	0.6719
50,001	1,00,000	337	0.5895	2,47,34,530	1.3725
1,00,001	1,80,21,94,480	369	0.6472	1,62,08,44,710	89.9373
Total		**57,170**	**100.00**	**1,80,21,94,480**	**100.00**

i) b (i) Pattern of Shareholdings as on 31st March, 2026 :-

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	33	9,71,263	0.54
4	Non-Resident Indians	601	4,64,812	0.26
5	Financial Institutions	3	40,800	0.02
6	Bodies Corporate (Indian)	360	37,23,392	2.07
7	Banks (Nationalised and Others)	3	560	-
8	Mutual Funds / UTI / Trust / Proprietary Firm / Escrow Account	8	1,00,272	0.06
9	Bodies Corporate (Foreign)	1	1,80,21,945	10.00
10	Indian Public including the Directors, KMP's and their Relatives	56,122	6,03,07,367	33.46
11	Clearing Members and Corporations	33	29,661	0.02
12	IEPF Authority (MCA)	1	43,64,550	2.42
	Total	**57,170**	**18,02,19,448**	**100.00**

i) b (ii) Pattern of Shareholdings as on 31st March, 2026 :-

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	33	9,71,263	0.54
4	Non-Resident Indians	594	4,64,812	0.26
5	Financial Institutions	3	40,800	0.02
6	Bodies Corporate (Indian)	350	37,23,392	2.07
7	Banks (Nationalised and Others)	3	560	-
8	Mutual Funds / UTI / Trust / Proprietary Firm / Escrow Account	8	1,00,272	0.06
9	Bodies Corporate (Foreign)	1	1,80,21,945	10.00
10	Indian Public including the Directors, KMP's and their Relatives	55,069	6,03,07,367	33.46
11	Clearing Members and Corporations	31	29,661	0.02
12	IEPF Authority (MCA)	1	43,64,550	2.42
	Total	**56,098**	**18,02,19,448**	**100.00**

* The difference of 1,072 (57,170 less 56,098) 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.

j) Dematerialisation of Shares and Liquidity :-

The equity shares of the Company are compulsorily traded in electronic form only. As on 31st March, 2026, there were 11,30,73,176 equity shares dematerialised through depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited, which represents about 62.74 % 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.

k) 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.

l) 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, 6th 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

m) 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, Pracitsing Company Secretary, 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, Pracitsing Company Secretary, 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 2025-26 pursuant to Regulation 24A of the Listing Regulations read with the SEBI Circular bearing No. CIR/CFD/CMD1/27/2019 dated 08th February, 2019, with the Stock Exchanges – BSE & NSE on 21st May, 2026.

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 obtained the Credit Rating from Crisil Ratings Limited for its Long-term and Short-term Borrowing/s, the details of which are as follows:

S.N.	Facilities/ Instrument	Amount (₹ in Crore)	Rating	Rating Action
1.	Long Term Bank Facilities	1,176.35 (increased from 1,073.98)	**Crisil AA-/ Stable** (Crisil double A minus with stable Outlook)	Assigned
2.	Short Term Bank Facilities	673.65 (Enhanced from 598.65)	**Crisil A1+** (Single A One plus)	Assigned
	Total Facilities	**1,850.00**		

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 2025-26 is ₹ 31,50,000/-

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.

vii) There are no agreements to be disclosed under clause 5A of paragraph A of Part A of Schedule III of the SEBI Listing Regulations.

19) Disclosure related to Demat Suspense Account/ Unclaimed Suspense Account

In accordance with the requirement of Regulation 34(3) and 39(4) read with Part F of Schedule V to the Listing Regulations, disclosure with respect of the demat suspense account/ unclaimed suspense account are as follows:

	Particular	No of Shareholders	No of Shares
a.	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	0	0
b.	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	0	0
c.	Number of shareholders to whom shares were transferred from suspense account during the year	0	0
d.	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	3	2145

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

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.

iii. Modified Opinion(s) in Audit Report:
The Audit Report on the Company's financial statements for the Financial Year 2025-26 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

Pranav Bhardwaj
Managing Director
DIN - 00054805

Ramchandra Vasant Dalvi
Director (Technical)
DIN - 00012065

Nagpur
11th August , 2026

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 2025-26.

For and on behalf of the Board

Pranav Bhardwaj
Managing Director
DIN - 00054805

Nagpur
11th August , 2026

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

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

I have examined all the relevant records of SUNFLAG IRON AND STEEL CO LTD, 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 from April 1, 2025 to March 31, 2026. I have obtained all the information and explanations which to the best of my 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.

My Responsibility:

My 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.

I 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.

I 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 my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the Management, I 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 March 31, 2026, except for the delay in submission of the Secretarial Compliance Report for FY 2024–25 under Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for which BSE Limited and National Stock Exchange of India Limited imposed a penalty of ₹8,000/- (plus applicable GST) each and Company paid the penalties levied by the Stock Exchanges. The management has informed me that such delay was due to circumstances beyond the control of the Company.

I 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
17th July, 2026

CS Amit K. Rajkotiya
Practising Company Secretary
Membership No. FCS - 5561
Certificate of Practice No. 5162
PR No.: 2272/2022
(UDIN): F005561H000870392

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **SUNFLAG IRON AND STEEL CO. LTD.** having **CIN L27100MH1984PLC034003** and having registered office at 33/1, Mount Road, Sadar, Nagpur-440001 (hereinafter referred to as 'the Company'), produced before me 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 my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2026 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. Ravi Bhushan Satya Dev Bhardwaj	00054700	01/10/1998	-
4.	Mr. Ramchandra Vasant Dalvi	00012065	14/08/2017	-
5.	Mr. Anand Sadashiv Kapre	00019530	12/11/2019	-
6.	Mrs. Vinita Bahri	03109454	13/03/2020	-
7.	Mr. Mattegunta Goutham Anjani Venkatramana	00101447	12/08/2022	-
8.	Mr. Tirthnath Indranath Jha	07593002	03/09/2022	-
9.	Mr. Sajiv Dhawan	00160085	12/08/2019	10/08/2025
10.	Mrs. Neelam Naresh Kothari	06709241	29/09/2014	20/09/2025

*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. My 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
17th July, 2026

Signature:-
Name of Company
Secretary in practice: - Amit K. Rajkotiya
Membership No. FCS - 5561
Certificate of Practice No. 5162
PR No.: 2272/2022
(UDIN): F005561H000870315

INDEPENDENT AUDITORS' REPORT

To
The Members
Sunflag Iron and Steel Company Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Sunflag Iron and Steel Company Limited ("the Company"),** which comprise the Standalone Balance Sheet as at 31st March, 2026, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information (hereinafter referred to as '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 prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2026, its profit (including Other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit 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 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 for the financial year ended 31st March, 2026. 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:-

S. No.	Key Audit Matters	How our audit address the key audit matters
1.	**Revenue Recognition** Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognized when the Company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery. The timing, nature of discount and rebate arrangements of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred. Owing to the multiplicity of the Company's products and volume of sales transactions, revenue is determined to be an area involving significant risk requiring significant auditor attention and is therefore considered to be a key audit matter in the current year audit. Refer note no. 2(G) – Material Accounting Policies; and Note no. 25(a) – Revenue from Operations; of the Standalone Financial Statements of the Company	**Our procedures included the following:** ● Assessing the appropriateness of the Company's revenue recognition accounting policies in line with IND AS 115 ("Revenue from Contracts with Customers") and testing thereof. ● Evaluating the design and implementation of Company's controls in respect of revenue recognition and related rebates and discounts. ● Performed test of details by selecting samples of revenue transactions recorded during the year and samples from specific period before and after year end. For such samples selected, verified the underlying documents, which included sales invoices/ contracts and dispatch /shipping documents to ensure revenue is booked with accurate amount and in the correct period. ● Performed test of details over the outstanding trade receivable balances which included obtaining direct independent confirmations from customers, on a sample basis, for balances outstanding. ● Performing analytical procedures over revenue recorded during the year to identify any unusual indicators/ trends. ● Assessed the appropriateness and adequacy of the related disclosures in standalone financial statements.

Information Other than the Standalone 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 Annual report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this Auditors' Report. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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/ state of affairs, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also 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 on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to 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 ability of the Company 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.

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

Other Matter

The comparative financial information of the Company for the year ended 31st March, 2025, included in these standalone financial statements, was audited by the predecessor auditor, who expressed an unmodified opinion on those standalone financial statements vide their audit report dated 27th May, 2025.

Our opinion on the standalone financial statements is not modified in respect of above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (“the Order”), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in paragraph 2(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ("the Rules").
   c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including other comprehensive income, the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
   e) On the basis of the written representations received from the directors as on 31st March, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.
   f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 2(b) above and paragraph 2(h)(vi) below on reporting under Rule 11(g) of the Rules.
   g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
   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 on its financial position in its standalone financial statements – Refer Note No. 33 to the standalone financial statements;
      ii. The Company has made provision, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2026.
      iv. (a) The Management has represented 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 person(s) or entity(ies) including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
         (b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
         (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of the Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
      v. The dividend declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable. As stated in Note No. 52 to the standalone financial statements, the Board of Directors of the Company has proposed dividend for the year which is subject to the approval of the members at the ensuing Annual General meeting. The dividend proposed is in accordance with section 123 of the Act, as applicable.
      vi. Based on our examination which included test checks, the company has a used ERP as its accounting software for maintaining its books of accounts during the year ended 31st March, 2026, which has a feature of recording audit trail (edit logs) facility and the same was enabled on relevant transactions recorded in the accounting software except (a) at application level, the audit trail was enabled with effect from 05.01.2026 and (b) at database level, audit trail has been enabled from 31.12.2025. Further, during the course of audit we did not come across any instance of audit trail feature being tempered with and wherever audit trail was enabled, it has been preserved as per statutory record retention requirement.
3. In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration for the year ended 31st March, 2026 has been paid/ provided for by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.

For Lodha & Co LLP,
Chartered Accountants
Firm Registration No. 301051E/E300284

New Delhi
29th May, 2026

(N.K. Lodha)
Partner
Membership No: 085155
UDIN :- 26085155PHKNMZ9602

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 of even date on the Standalone Financial Statements of Sunflag Iron and Steel Company Limited for the year ended 31st March, 2026)

i) a) (A) The Company is maintaining proper records showing full particulars including quantitative details and situation of Property, Plant & Equipment and relevant details of Right to Use Assets.

(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 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. As per the records and information made available, no material discrepancies have been noticed on such physical verification during the year.

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) Based on the records examined by us and the information and explanations given to us by the Company, the Company has revalued certain classes of its Property, Plant and Equipment during the year based on a valuation carried out by a Registered Valuer{refer note no. 3(a) of standalone financial statements}. The revaluation has not resulted in a change in value 10% or more in the aggregate of the net carrying value of any class of Property, Plant and Equipment.

e) Based on the information and explanations furnished to us, no proceedings have been initiated or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) [formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)] and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its standalone financial statements does not arise.

ii) a) As per the physical verification program, the inventory of the Company (except for stock lying with the third parties and in transit, which have been verified based on subsequent receipts) were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such physical verification of inventory/alternative procedures performed as applicable, when compared with the books of account.

b) According to the information and explanations 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 Rs. 5 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 account of the Company and details are as follows :

(₹in Lakh)

Name of the Bank	Particular of securities provided	Quarter Ended	Amount disclosed as per quarterly return/ statement	Amount as per books of account	Difference	Reason for variance
Consortium of banks (State Bank of India, Canara Bank, Bank of India, Indian Bank & IDBI Bank)	Refer note above 19(a)(i) & 15 of the Standalone Financial Statement	June, 2025	81,473	84,594	3,121	Reasons for the deviations are on account of adjustments in non-trade creditors and stock statements submitted with the banks on provisional basis etc.
		September, 2025	82,542	85,325	2,783	
		December, 2025	84,047	82,190	(1,857)	
		March, 2026	76,620	76,174	(446)	

iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments in companies but not provided guarantee or security or grant loans or advance in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year.

a) The Company has not granted loans or advances in the nature of loans, secured or unsecured, or stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under clause 3(iii) (a) of the Order is not applicable to the Company.

b) According to the information and explanation given to us and based on the records as made available to us, in our opinion, the investments made by the company during the year are prima facie not prejudicial to the Company's interest.

c) The Company has granted loan to subsidiary company which is repayable on demand. The 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 loan to companies, firms, Limited Liability Partnerships or any other parties. (Refer note no. 5 of the standalone financial statements).

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 advance in the nature of loan 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 exited loan given to the same parties. The Company has not granted loan other than subsidiary company or advance in the nature of loan to companies, firms, Limited Liability Partnerships or any other parties.

f) According to the information and explanation 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.(Refer note no. 5 of the standalone financial statements).

(₹in Lakhs)

Particulars	All Parties	Promoters	Related Parties
Aggregate amount of loans Repayable on demand	737	-	737
Total	**737**	**-**	**737**
Percentage of loans to the total Loans	100%	-	100%

iv) In our opinion and according to information and explanation given to us, in respect of investments made and loans given, the provisions of section 185 and Section 186 of Companies Act, 2013 have been complied with to the extent applicable.

v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits or amounts which are deemed to be deposits within the meaning of section 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed there under, to the extent applicable. We have been informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or other Tribunal in this regard.

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 Act in respect of the company's products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.

vii) According to the records of the company and information and explanations given to us, in respect of statutory dues:

a) According to the records of the Company, the Company is generally been regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues with the appropriate authorities to the extent applicable. There were no undisputed statutory dues payable as at March 31, 2026 which were outstanding for a period of more than six months from the date they became payable.

b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2026 on account of disputes are given below: -

(₹in Lakhs)

S. No.	Name of the Statute	Nature of the dues	Net of Pre-deposit as on 31.03.2026	Period to which the amount relates	Closing forum where dispute is pending
1.	Central Excise Act,1944	Excise Duty	466	Nov-2012 to Aug-2014	CESTAT, Mumbai
2.	Central Excise Act,1944	Excise Duty	285	Jun-2012 to Oct-2015	Commissioner (CGST,Central Excise and Customs), Nagpur
3.	Custom Act, 1962	Customs Duty	232	Jan-2004 to Mar-2014	Commissioner (Appeal), Customs,Raigad, Maharashtra
4.	The Finance Act, 1994	Service Tax	10	Apr-2016 to Jun-2018	Commissioner (CGST,Central Excise and Customs), Nagpur
5.	Central Goods & Services Tax Act, 2017	Clean Energy Cess	77	FY 2017-18	Commissioner (Appeal), Nagpur
6.		GST	582	Jul-17 to Mar'19	Joint Commissioner (Appeal), Nagpur

Note 1 : Net of tax paid under protest and this to be read with note no. 33 of the standalone financial statements.
Note 2 : Above is without interest on demand.

viii) As per the information, explanations and records provided, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

ix) a) As per the information and records provided, in our opinion, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

b) As per the information and explanations provided to us, during the year the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

d) According to the information and explanations given to us and the procedures performed by us and on an overall examination of the standalone financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

e) 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 subsidiaries or joint ventures. The Company did not have any associate during the year.

f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its Subsidiaries or joint ventures. The Company did not have any associate during the year.

x) a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi) a) During the course of our examination of books and records of the Company, carried out in accordance with the generally accepted auditing practice in India and according to the information and explanations provided by the management, we have neither come across any instance of material fraud by the Company or material fraud on the Company, noticed or reported during the year, nor we have been informed of any such case by the management of the Company.

b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed by us, as statutory auditors, with the Central Government. Further, no such report has been filed by any other auditor appointed by the Company under the Act. Accordingly, the reporting under clause 3(xi) (b) of the Order is not applicable to the Company.

c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi) (c) of the Order is not applicable to the Company.

xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company and hence reporting under clause 3(xii) of the Order is not applicable.

xiii) According to the information and explanations and records made available by the management of the Company and audit procedures performed, the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards.

xiv) a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

b) We have considered, the internal audit reports issued to the Company during the year and till date, in determining nature, timing and extent of our audit procedures.

xv) On the basis of records made available to us and according to information and explanations given to us, the Company has not entered into non-cash transactions with the directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi) a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

b) Based on the information and explanations provided by the management of the Company, the Company does not have any CIC as part of the group and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii) There has been no resignation of the statutory auditors of the Company during the year. The change in statutory auditor was due to completion of the auditor's tenure of predecessor statutory auditor. Accordingly, reporting under clause 3(xviii) of the Order is not applicable.

xix) According to the information and explanations given to us and on the basis of the financial ratios (also refer note no. 50 to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx) As at balance sheet date, the Company has fully spent the required amount towards Corporate Social Responsibility (CSR) (refer note no. 44 of the standalone financial statements) and does not have any amount remaining unspent under Section 135(5) of the Act. Further, no amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act.

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

For Lodha & Co LLP,
Chartered Accountants
Firm Registration No. 301051E/E300284

New Delhi
29th May, 2026

(N.K. Lodha)
Partner
Membership No: 085155
UDIN :- 26085155PHKNMZ9602

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section of our report 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 standalone financial statements of **Sunflag Iron and Steel Company Limited ("the Company")** as of 31st March, 2026 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 are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements both applicable to an audit of internal financial controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 system 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 system with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to 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 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 authorisations of management and directors of the company; and (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to 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, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31st March, 2026, 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 "Guidance Note").

For Lodha & Co LLP,
Chartered Accountants
Firm Registration No. 301051E/E300284

New Delhi
29th May, 2026

(N.K. Lodha)
Partner
Membership No: 085155
UDIN :- 26085155PHKNMZ9602

SUNFLAG IRON AND STEEL COMPANY LIMITED, NAGPUR
STANDALONE BALANCE SHEET AS AT 31st MARCH, 2026

Particulars	Note No.	As at 31.03.2026 (₹ in Lakh)	As at 31.03.2025 (₹ in Lakh)
A. Assets			
1. Non-current assets			
a) Property, plant and equipment	3(a)	**1,53,691**	1,43,998
b) Right of use assets	3(a)	**3,825**	4,316
c) Capital work-in-progress	3(b)	**20,133**	27,401
d) Financial assets			
i. Investments	4	**7,69,538**	7,78,381
ii. Non-current loans	5	**-**	-
iii. Other financial assets	6(a)	**4,923**	3,454
e) Other non current asset	6(b)	**2,574**	2,398
Total non-current assets		**9,54,684**	**9,59,948**
2. Current assets			
a) Inventories	7	**97,626**	93,119
b) Financial assets			
i. Trade receivables	8	**33,933**	36,167
ii. Cash and cash equivalents	9(a)	**18,041**	9,979
iii. Bank balances other than above	9(b)	**4,786**	5,700
iv. Other financial assets	10	**1,193**	332
c) Income tax assets (net)	11	**-**	55
d) Other current assets	12	**17,683**	11,219
Total current assets		**1,73,262**	**1,56,571**
Total assets		**11,27,946**	**11,16,519**
B. Equity and liabilities			
1. Equity			
a) Equity share capital	13	**18,022**	18,022
b) Other equity	14	**8,68,519**	8,57,020
Total equity		**8,86,541**	**8,75,042**
2. Non-current liabilities			
a) Financial liabilities			
i. Borrowings	15	**5,682**	16,106
ii. Lease liabilities	16(a)	**4,476**	4,927
iii. Other financial liabilities	16(b)	**65**	65
b) Provisions	17	**2,658**	2,149
c) Deferred tax liabilities (net)	18	**1,10,812**	1,10,061
Total non-current liabilities		**1,23,693**	**1,33,308**
3. Current liabilities			
a) Financial liabilities			
i. Borrowings	19(a)	**41,345**	40,522
ii. Lease liabilities	19(b)	**467**	422
iii. Trade payables	20		
- Total outstanding dues of Micro Enterprises and Small Enterprises		**1,938**	3,895
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		**52,723**	43,934
iv. Other financial liabilities	21	**17,465**	15,284
b) Other current liabilities	22	**3,354**	3,977
Provisions	23	**308**	135
Current tax liabilities (net)	24	**112**	-
Total current liabilities		**1,17,712**	**1,08,169**
Total equity and liabilities		**11,27,946**	**11,16,519**
Material accounting policies	1 & 2		

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

As per our report of even date

FOR LODHA & CO LLP
Chartered Accountants
FRN : 301051E/E300284

N. K. LODHA
Partner
M. No. 085155

New Delhi
29th May, 2026

Nagpur
29th May, 2026

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

PRANAV BHARDWAJ
MANAGING DIRECTOR
DIN 00054805

S. MAHADEVAN
CHIEF FINANCIAL OFFICER

CA VINITA BAHRI
DIRECTOR
DIN 03109454

RAMCHANDRA DALVI
DIRECTOR (TECHNICAL)
DIN 00012065

CA M. A. V. GOUTHAM
DIRECTOR
DIN 00101447

TIRTHNATH JHA
DIRECTOR
DIN 07593002

ASHUTOSH MISHRA
HEAD COMPANY SECRETARY
M. No. ACS 23011

SUNFLAG IRON AND STEEL COMPANY LIMITED, NAGPUR
STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2026

	Particulars	Note No.	Year Ended 31.03.2026 (₹ in Lakh)	Year Ended 31.03.2025 (₹ in Lakh)
Income				
1.	Revenue from operations	25(a)	**3,93,938**	3,53,559
2.	Other income	25(b)	**1,637**	1,646
	Total Income		**3,95,575**	**3,55,205**
3.	**Expenses :**			
	Cost of raw materials & components consumed	26(a)	**2,35,181**	2,22,897
	Other manufacturing expenses	26(b)	**62,524**	62,721
	Changes in inventories of finished goods and work-in-progress	27	**12,911**	(2,145)
	Employee benefits expense	28	**15,105**	13,732
	Finance costs	29	**7,222**	8,990
	Depreciation and amortization expenses	30	**11,317**	10,445
	Other expenses	31	**20,534**	17,422
	Total expenses		**3,64,794**	**3,34,062**
	Profit / (loss) before exceptional items and tax		**30,781**	**21,143**
	Exceptional items	48	**(870)**	-
4.	**Profit before tax**		**29,911**	**21,143**
5.	Tax Expense :	18		
	(a) Current tax		**(8,161)**	(6,225)
	(b) Current tax pertaining to earlier years		**159**	-
	(c) Deferred tax		**667**	1,257
	(d) Deferred tax pertaining to earlier years		**(2,510)**	-
6.	**Net profit after tax for the year**		**20,066**	**16,175**
7.	**Other comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	- MTM gain on equity investments		**(9,330)**	4,11,150
	- Revaluation gain on fixed assets		**1,077**	-
	- Re-measurement of the defined benefit plans		**(19)**	(317)
	- Gain/(Loss) on foreign currency hedging		**(35)**	(44)
	Income tax relating to items that will not be reclassified to profit or loss			
	- MTM gain on equity instruments		**1,358**	(66,811)
	- Revaluation gain on fixed assets		**(271)**	**-**
	- Re-measurement of the defined benefit plans		**5**	80
	Total other comprehensive Income (net of tax)		**(7,215)**	**3,44,058**
	Total comprehensive income for the year (net of tax)		**12,851**	**3,60,233**
	Earnings per equity share (in ₹)			
	Basic	32	**11.13**	8.98
	Diluted	32	**11.13**	8.98
	Material accounting policies	1 & 2		

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

As per our report of even date

FOR LODHA & CO LLP
Chartered Accountants
FRN : 301051E/E300284

N. K. LODHA
Partner
M. No. 085155

New Delhi
29th May, 2026

Nagpur
29th May, 2026

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

PRANAV BHARDWAJ
MANAGING DIRECTOR
DIN 00054805

S. MAHADEVAN
CHIEF FINANCIAL OFFICER

CA VINITA BAHRI
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HEAD COMPANY SECRETARY
M. No. ACS 23011

SUNFLAG IRON AND STEEL COMPANY LIMITED, NAGPUR
STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31st MARCH, 2026

Particulars	For the year ended 31.03.2026 (₹ in Lakh)		For the year ended 31.03.2025 (₹ in Lakh)	
A. Cash flow from operating activities				
Net profit / (loss) before tax		**29,911**		21,143
Adjustments for:				
Depreciation and amortisation		**11,317**		10,445
(Profit) / loss on sale of property, plant and equipment		**63**		(7)
Finance costs		**7,222**		8,990
Interest income		**(985)**		(975)
Unrealised foreign exchange		**(7)**		-
Dividend Income		**(600)**		(600)
Bad Debts		**3**		81
Loss allowances for trade receivables		**584**		743
Operating profit / (loss) before working capital changes		**47,508**		**39,820**
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	**(4,507)**		(9,859)	
Trade receivables	**1,647**		(2,385)	
Other financial assets-current/non-current	**(917)**		(121)	
Other current assets	**(6,464)**	**(10,241)**	(3,689)	(16,054)
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	**6,804**		(4,757)	
Other financial liabilities	**2,735**		4,311	
Other current liabilities	**(623)**		1,244	
Long/short-term provisions	**663**	**9,579**	154	952
Cash generated from operations		**46,846**		24,718
Income Tax (paid)/refund (net)		**(7,835)**		(5,490)
Net cash flow from / (used in) operating activities (A)		**39,011**		**19,228**
B. Cash flow from investing activities				
Payment for Property, plant and equipment, CWIP,				
Capital Advance & Capital Creditors		**(12,772)**		(8,812)
Proceeds from sale of property, plant & equipment		**-**		8
Other Bank deposits not considered in cash & cash equivalent (net)		**(548)**		627
Interest received		**1,034**		931
Dividend received		**600**		600
Long-term investments in;				
- Joint ventures		**(487)**		(2,486)
Net cash flow from / (used in) investing activities (B)		**(12,173)**		**(9,132)**
C. Cash flow from financing activities				
Proceeds from long-term borrowings		**5,300**		3,285
Repayment of long-term borrowings		**(16,823)**		(11,927)
Net (decrease)/ increase in working capital borrowings		**1,922**		(1,252)
Repayment of unsecured deferred sales tax loan		**-**		(62)
Interest paid		**(6,902)**		(8,482)
Dividends paid		**(1,345)**		-
Payment of lease liability		**(928)**		(918)
Net cash flow (used in)/ from financing activities (C)		**(18,776)**		**(19,356)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**8,062**		(9,260)
Cash and cash equivalents at the beginning of the year		**9,979**		19,239
Cash and cash equivalents at the end of the year		**18,041**		**9,979**
Component of cash and cash equivalents				
Cash and Cash Equivalents				
- Cash on hand		**39**		29
- Balances in current accounts		**2,400**		444
- Fixed deposits with original maturity period of up to three months		**12,316**		9,506
- Debit balance in Cash Credit Account		**3,286**		-
		18,041		**9,979**

SUNFLAG IRON AND STEEL COMPANY LIMITED, NAGPUR
STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31st MARCH, 2026

Cash Flow Continued....

Changes in liabilities arising from financing activities **(₹ in Lakh)**

Particulars	31st March, 2024	Cashflows	31st March, 2025	Cashflows	31st March, 2026
Non-Current Borrowings	25,833	(9,727)	16,106	(10,424)	**5,682**
Current borrowings (current maturities of long-term debt)	11,266	1,023	12,289	(1,099)	**11,190**
Current Borrowings Others	29,485	(1,252)	28,233	1,922	**30,155**

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

FOR LODHA & CO LLP
Chartered Accountants
FRN : 301051E/E300284

N. K. LODHA
Partner
M. No. 085155

New Delhi
29th May, 2026

Nagpur
29th May, 2026

PRANAV BHARDWAJ
MANAGING DIRECTOR
DIN 00054805

S. MAHADEVAN
CHIEF FINANCIAL OFFICER

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TIRTHNATH JHA
DIRECTOR
DIN 07593002

ASHUTOSH MISHRA
HEAD COMPANY SECRETARY
M. No. ACS 23011

Standalone Statement of Changes in Equity for the year ended March 31, 2026

a) Equity share capital

Particulars	No. of shares	Amount (₹ in Lakh)
Balance as at 1st April, 2024	18,02,19,448	18,022
Changes in equity share capital during the current year	-	-
Balance as at 31st March, 2025	18,02,19,448	18,022
Changes in equity share capital during the current year	-	-
Balance as at 31st March, 2026	**18,02,19,448**	**18,022**

b) Other equity **(₹ in Lakh)**

Particulars	Reservs and Surplus			Other comprehensive Income				Total
	Securities premium	General reserve	Retained earnings	MTM gain /(loss) on equity shares	Revaluation Surplus	Effective portion of cash flow Hedges	Remeasurement of the defined benefit plans	
Balance as at April 01, 2024	**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**
Depreciation on Revalued assets transferred to retained earnings (net of taxes)	-	-	1,746	-	(1,746)	-	-	**-**
Balance as at March 31, 2025	**3,785**	**256**	**2,63,994**	**5,55,138**	**33,839**	**35**	**(27)**	**8,57,020**
Net Profit for the year	-	-	20,066	-	-	-	-	**20,066**
Other comprehensive income for the year	-	-	-	(7,972)	806*	(35)	(14)	**(7,215)**
Dividend paid	-	-	(1,352)	-	-	-	-	**(1,352)**
Depreciation on Revalued assets transferred to retained earnings (net of taxes)	-	-	1,750	-	(1,750)	-	-	-
Balance as at March 31, 2026	**3,785**	**256**	**2,84,458**	**5,47,166**	**32,895**	**-**	**(41)**	**8,68,519**

Nature of reserves

i. Retained earnings represent the undistributed profits of the Company.

ii. Other comprehensive income (OCI) 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 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 represent the amount received in excess of par value of securities issued by the Company. 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.

* Please refer note no. 3(a)(iii).

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

FOR LODHA & CO LLP
Chartered Accountants
FRN : 301051E/E300284

N. K. LODHA
Partner
M. No. 085155

New Delhi
29th May, 2026

Nagpur
29th May, 2026

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DIN 07593002

ASHUTOSH MISHRA
HEAD COMPANY SECRETARY
M. No. ACS 23011

Notes forming part of the Standalone Financial Statements as at and for the year ended 31st March, 2026

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 have been approved and adopted by the Board of Directors of the Company in their meeting held on May 29, 2026.

1.1 Basis of Preparation of Standalone Financial Statements

Statement of Compliance

The standalone financial statements have been prepared in accordance with Indian accounting standards as prescribed under Section 133 of the Companies Act, 2013 (the 'Act') read with Companies (Indian Accounting Standards) Rules, 2015, other relevant provisions of the Act and presentation requirements of Division II of Schedule III to the Act. The Company has consistently applied the accounting policies used in the preparation of its Standalone financial statements.

The standalone financial statements provide comparative information in respect of previous year.

The material accounting policies used in preparing the standalone financial statements are set out in Note no. 2 of the Notes to the standalone financial statements.

Basis of Preparation

The preparation of the standalone financial statements in conformity with Indian Accounting Standards (Ind AS) requires management to make judgments, 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 judgments, 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 Standalone financial statements. Actual results could vary from these estimates. (Refer note no. 2.1 on critical accounting estimates, assumptions and judgments).

Functional and Presentation Currency

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

A) Basis of Measurement

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.

B) Property, plant and equipment

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 Standalone financial statements upon sale or retirement of the asset and the resultant gain or losses are recognized in the statement of profit and loss.

The Company has adopted the Revaluation Model for Certain Property, Plant and Equipment i.e. for Plant & Machinery and Buildings, which 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 other 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. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred directly to retained earnings.

Property, plant and equipment are eliminated from the Standalone 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 assets is derecognized.

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively.

Capital work-in-progress:

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.

C) Depreciation and amortization

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: -

Class of assets	Years
Lease Hold Land	30 & 95 years
Building including roads	1-60 years
Plant & Machinery	8-30 years
Electrical fittings & Computers	3-10 years
Furniture fixtures and others	8 years
Vehicles	6-10 years
Office equipment	5-10 years
Development of Mines	20-30 years

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.

Based on management evaluation, depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment.

Certain plant and machinery have been considered as continuous process plant on the basis of technical assessment and depreciation on the same is provided for accordingly.

D) Valuation of Inventories

Inventories are valued as under:

S.N.	Inventory Type	Valuation Basis
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.

E) Foreign Currency Transactions

i. Initial recognition

Foreign currency transactions are initially recorded in the functional currency, using the exchange rate prevailing at the date of the transaction.

ii. 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.

iii. 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.

F) Borrowing Costs

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.

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.

G) 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:

• 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.

• 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.

• 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.

H) 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.

I) Taxes on Income

Tax expense comprises of current and deferred tax. Current 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 Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current 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.

J) 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 of 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.

K) Investment in Subsidiaries, Associates and Joint Ventures

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 IND AS 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.

L) 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.

M) 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.

N) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Non- Derivative Financial Instruments

• 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 where that do not contain any significant portion of financing component. 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.

• Subsequent Measurement

• Financial assets carried at amortised cost

A financial asset is subsequently measured at amortized if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

• Financial assets at fair value through other comprehensive income - Debt

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.

• Financial assets at fair value through other comprehensive income - Equity

These include financial assets that are equity instruments as defined in Ind AS 32 "Financial Instruments: Presentation" and are not held for trading and where the Company's management has elected to irrevocably designated the same as Equity instruments at FVOCI upon initial recognition.

Subsequently, these are measured at fair value and changes therein are recognised directly in other comprehensive income, net of applicable income taxes.

Gains and losses on these equity instruments are never recycled to profit or loss. However, on derecognition of an equity instrument, the net profit / loss on sale of equity instruments (net of taxes) are reclassified to retained earnings.

Dividends from these equity investments are recognised in the statement of profit and loss when the right to receive the payment has been established.

- **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.

- **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.

- **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 statement of profit and loss.

- **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.

Financial liabilities at amortised cost

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.

- **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.

- **Derecognition of financial assets/liabilities**

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.

- **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.

- **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.

b) Derivative Financial Instruments

Derivative instruments such as forward currency contracts are used to hedge foreign currency risks, and are initially recognized at their fair values on the date on which a derivative contract is entered into and are subsequently re-measured at fair value on each reporting date. A hedge of foreign currency risk of a firm commitment is accounted for as a fair value hedge. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss. However, if hedging instrument hedges an equity instrument for which the Company has elected to present changes as at fair value through other comprehensive income, then fair value changes are recognized in Other Comprehensive Income.

2.1 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) 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.

C) 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.

D) 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.

E) 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.

F) Liquidated damages

Liquidated damages payable or receivable are estimated and recorded as per contractual terms/management assertion; estimate may vary from actuals as levy by customer/vendor.

G) Impairment testing

The Company has reviewed its carrying value of long term investments in equity/debentures at the end of each reporting period, for possible impairment if there are events or changes in circumstances that indicate that carrying amount of assets may not be recoverable. If the recoverable value, which is based upon economic circumstances and future plan is less than its carrying amount, the impairment loss is accounted.

H) Other estimates

The Company provides for other receivables / recovery against services, interest, etc. Also, the Company provides for inventory obsolescence, excess inventory and inventories with carrying values in excess of net realizable value based on assessment of the future demand, market conditions and specific inventory management initiatives. In all cases inventory is carried at the lower of historical cost and net realizable value.

2.2 Other Accounting Policies

A) 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.

B) 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.

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

C) 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.

D) Leases

Right of Use Assets

The Company recognizes a right-of-use asset, on a lease-by-lease basis, to measure that right-of-use asset an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

The cost of right-of-use assets includes the amount of lease liabilities recognised. Initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment test on an annual basis.

Lease Liabilities

The Company recognise a lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on a lease by lease basis.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

Short-term Leases and leases of low-value assets

The company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

E) 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.

F) Segment 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.

G) Statement of Cash Flow

Cash Flows are reported using indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals and accruals of past or future operating cash receipts and payments and item of income and expenses associated with investing or financing cash flows. The cash flows from operating, investing, and financing activities of the company are segregated.

H) Current and Non-Current Classification

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.

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

An asset is 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.

A liability is current when:

- 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.

The Company classifies all other liabilities as non-current.

I) New and amended standards notified by the Ministry of Corporate Affairs

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. 1st April 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

1) Ind AS 1, Presentation of Financial Statements, applicable w.e.f. 1st April 2025 – The amendment relates to classification of liabilities as current or noncurrent and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact of these amendments in its classification criteria of current and non-current liabilities.
2) Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. 1st April 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.
3) Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief.

Notes forming part of the standalone financial statements as at and for the year ended 31st March, 2026

3(a) Property, plant and equipment (PPE) and Right of use asset (ROU) **(₹ in Lakh)**

Particulars	Property, Plant and Equipment (PPE)-At Cost								PPE-Revalued		Total PPE	Right of use Assets as per Ind AS 116		Total ROU
	Freehold Land	Leasehold Land	Railway Siding	Furniture Fixture & others	Vehicles	Office Equipment	Develop-ment of Mines	Electrical fittings & Computers	Building including Roads	Plant & Machinery		Leasehold land	Plant & Machinery	
Gross Block														
As at 01.04.2024	**9,220**	**89**	**375**	**908**	**789**	**706**	**2,203**	**2,146**	**38,881**	**1,27,612**	**1,82,929**	**92**	**6,853**	**6,945**
Additions	-	-	-	6	53	5	-	8	1,380	4,948	6,400	-	77	77
Disposals	-	-	-	-	(19)	-	-	(1)	-	-	(20)	-	-	-
As at 31.03.2025	**9,220**	**89**	**375**	**914**	**823**	**711**	**2,203**	**2,153**	**40,261**	**1,32,560**	**1,89,309**	**92**	**6,930**	**7,022**
Additions	-	-	-	4	-	4	-	17	6,356	13,112	19,493	-	12	12
Adjustment of revaluation Gain / (Loss)	-	-	-	-	-	-	-	-	581	496	1,077	-	-	-
Disposals	-	-	(33)	(52)	(106)	(168)	-	(456)	(29)	(3)	(847)	-	-	-
As at 31.03.2026	**9,220**	**89**	**342**	**866**	**717**	**547**	**2,203**	**1,714**	**47,169**	**1,46,165**	**2,09,032**	**92**	**6,942**	**7,034**
Accumulated Depreciation/Amortisation														
As at 01.04.2024	**-**	**34**	**356**	**254**	**634**	**414**	**1,429**	**1,938**	**4,638**	**25,684**	**35,381**	**9**	**2,201**	**2,210**
Charge for the year	-	1	-	82	52	57	131	17	1,563	8,046	9,949	2	494	496
Disposals	-	-	-	-	(18)	-	-	(1)	-	-	(19)	-	-	-
As at 31.03.2025	**-**	**35**	**356**	**336**	**668**	**471**	**1,560**	**1,954**	**6,201**	**33,730**	**45,311**	**11**	**2,695**	**2,706**
Charge for the year	-	1	-	82	45	57	131	18	1,720	8,760	10,814	2	501	503
Disposals	-	-	(31)	(50)	(100)	(159)	-	(435)	(8)	(1)	(784)	-	-	-
As at 31.03.2026	**-**	**36**	**325**	**368**	**613**	**369**	**1,691**	**1,537**	**7,913**	**42,489**	**55,341**	**13**	**3,196**	**3,209**
Net Block														
As at 31.03.2025	9,220	54	19	578	155	240	643	199	34,060	98,830	1,43,998	81	4,235	4,316
As at 31.03.2026	**9,220**	**53**	**17**	**498**	**104**	**178**	**512**	**177**	**39,256**	**1,03,676**	**1,53,691**	**79**	**3,746**	**3,825**

Notes :

(i) 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.

(ii) Cost of Leasehold land is amortised over the period of lease i.e. 95 years.

(iii) The Company has adopted the revaluation model under Ind AS 16, Property, Plant and Equipment, for its Buildings and Plant and Machinery with effect from March 31, 2020, using the Replacement Cost Method under the Cost Approach. In accordance with this accounting policy, the Company revalued and updated these classes of Property, Plant and Equipment as at March 31, 2026 based on a valuation performed by an independent registered valuer.
Accordingly, the net carrying values of Buildings and Plant & Machinery as on March 31, 2026 have been increased by ₹581 lakhs and ₹496 lakhs respectively with corresponding effect in Other Comprehensive Income of ₹ 806 lakhs (net of tax impact of ₹ 271 lakhs). The previous revaluations of these assets were carried out as at March 31, 2020 and March 31, 2023. Due to revaluation, the Company has charged incremental depreciation of ₹2,338 lakhs for the year ended March 31, 2026 (Previous Year: ₹ 2,334 lakhs).

(iv) The Company has pledged certain property, plant and equipment against borrowings which have been disclosed in Note 15.

Notes forming part of the standalone financial statements as at and for the year ended 31st March, 2026

3(b) Capital Work in Progress (CWIP) : **(₹ in Lakh)**

Particulars	As at 31.03.2026	As at 31.03.2025
Brought forward from last year	**27,401**	**25,797**
Expenditure incurred during the year :		
Building and civil constructions	**4,373**	2,380
Machinery and equipments	**7,715**	5,435
Interest and financial charges	**117**	-
Total expenditure during the year	**12,205**	**7,815**
Less : Capitalised during the year	**(19,473)**	(6,211)
Net Carrying Value	**20,133**	**27,401**
Pre-operative expenditure included in CWIP expenses		
(i) Interest and other processing fees	**117**	**-**
Total	**117**	**-**

CWIP Ageing Schedule - As on 31.03.2026 **(₹ in Lakh)**

Particulars	Amount in CWIP for a Period of 31.03.2026				
	Less than 1 Year	1 - 2 Years	2- 3 Years	More than 3 Years	Total
Projects in progress	9,593	4,610	1,174	4,712	**20,089**
Projects temporarily suspended	-	-	-	44	**44**
Total	**9,593**	**4,610**	**1,174**	**4,756**	**20,133**

Note : 1) 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.

CWIP Project Completion Schedule whose completion is overdue - As on 31.03.2026 **(₹ in Lakh)**

Particulars	To be completed in				
	Less than 1 Year	1 - 2 Years	2- 3 Years	More than 3 Years	Total
Projects temporarily suspended					
Mines under development *	-	-	-	44	**44**
Total	**-**	**-**	**-**	**44**	**44**

* read with note no. 1 above

CWIP Ageing Schedule - As on 31.03.2025 **(₹ in Lakh)**

Particulars	Amount in CWIP for a Period of 31.03.2025				
	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**
Total	**7,440**	**7,264**	**5,042**	**7,655**	**27,401**

Note:1) Delay in execution of projects are mainly due to suspension of activities during COVID-19 period. However, there are no cost over run.

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

CWIP Project Completion Schedule whose completion is overdue - As on 31.03.2025 **(₹ in Lakh)**

Particulars	To be completed in				
	Less than 1 Year	1 - 2 Years	2- 3 Years	More than 3 Years	Total
Projects temporarily suspended					
Mines under development *	-	-	-	44	**44**
Total	**-**	**-**	**-**	**44**	**44**

* read with note no. 2 above

The Company has pledged certain Capital Work in Progress against borrowings which have been disclosed in Note 15.

4. Non- Current Investments **(₹ in Lakh)**

Pariculars	Face Value (₹)	No. of Shares / Units		Extent of Holding (%)		Amount	
		As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
A. Investment In Equity Instruments (Fully paid up unless otherwise stated)							
a) Subsidiaries (Unquoted at cost)							
Sunflag Power Limited	**10**	**49,940**	49,940	**99.88**	99.88	**5**	5
Khappa Coal Company Private Limited	**10**	**31,63,500**	31,63,500	**63.27**	63.27	**316**	316
Sunflag Foundation	**10**	**10,000**	10,000	**100.00**	100.00	**1**	1
Diminution in the value of investments						**(316)**	(316)
						6	**6**
b) Joint Ventures (Unquoted at cost)							
Madanpur (North) Coal Block Private Limited	**10**	**12,10,188**	12,10,188	**11.73**	11.73	**121**	121
C T Mining Private Limited	**10**	**31,80,000**	31,80,000	**31.80**	31.80	**318**	318
Daido DMS India Private Limited	**10**	**56,19,400**	56,19,400	**17.56**	17.56	**562**	562
Ramesh Sunwire Private Limited	**10**	**1,32,30,000**	98,00,000	**49.00**	49.00	**1,323**	980
ReNew Green (MPR Three) Private Limited	**10**	**3,39,04,800**	3,39,04,800	**31.20**	31.20	**3,390**	3,390
Diminution in the value of investments						**(396)**	(396)
						5,318	**4,975**
c) Others (Quoted at Fair Value through Other Comprehensive Income)							
Lloyds Metals & Energy Limited.	**1**	**6,00,00,000**	6,00,00,000	**10.66**	11.47	**1,22,610**	1,22,610
Add :- MTM Gain on fair value measurement of equity shares						**6,40,410**	6,49,740
						7,63,020	**7,72,350**
d) Others (Unquoted at cost)							
Sunsure Solarpark Thirty Seven Private Limited (refer note below)	**10**	**13,594**	-	**36.27**	-	**144**	-
India Bulls CSEB Bhaiyathan Power Limited	**10**	**74**	74	**-**	-	**-**	-
(CY ₹740/- PY ₹740/-)						**144**	**-**
Total investment in Equity Instruments (A) = (a+b+c+d)						**7,68,488**	**7,77,331**
B. Investments in Debentures							
Zero coupon compulsory convertible debentures							
Sunflag Power Limited		**1,05,00,000**	1,05,00,000	**99.88**	99.88	**1,050**	1,050
Total Investment in Debentures (B)						**1,050**	**1,050**
Total Non Current Investments (A+B)						**7,69,538**	**7,78,381**
Additional Information :							
Aggregate amount of quoted investments and market value thereof;						**7,63,020**	7,72,350
Aggregate amount of unquoted investments						**7,230**	6,743
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 :- The Company entered into long term power purchase agreement (PPA) with Sunsure Solarpark Thirty Seven Private Limited, a Power producer Company on 22nd April, 2025 for the purchase of the power generated from its 11 MW AC/16.5 MWp DC, grid connected solar (photovoltaic) electric generating facility/ solar photovoltaic project to be set up at Ajande Kh. Taluka Sindhkeda, District Dhule, Maharashtra, India, 425404. With commitment for investment up to ₹578 lakhs and in this regard Company has signed Share Subscription and Shareholders Agreement (SSSHA) and to maintain investment (minimum) 26% in equity (till date invested ₹144 lakhs). The Company, as a captive user, has no role & responsibility in the day to day management & operations of Sunsure Solarpark Thirty Seven Private Limited. As such, Sunsure Solarpark Thirty Seven Private Limited has not been considered as joint venture / associate for consolidated purpose.

The Company has pledged certain investment against borrowings which have been disclosed in Note 15.

5. Non- Current loans (unsecured) **(₹ in Lakh)**

Particulars	As at 31.03.2026	As at 31.03.2025
Loans to related parties considered doubtful #	**737**	737
Less :- Provision against Loan to Subsidiary	**(737)**	(737)
	-	**-**

(Refer Note No. 39)

This loan is non interest bearing (refer note no. 39(II)(ii)(b)

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

Type of Borrowers	As at 31.03.2026	Percentage to the Total Loans and Advances in the nature of loans	As at 31.03.2025	Percentage to the Total Loans and Advances in the nature of loans
Promotors	-	-	-	-
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.

6(a) Other Financial Assets (unsecured) **(₹ in Lakh)**

Particulars	As at 31.03.2026	As at 31.03.2025
Security deposits	**1,104**	1,102
Less : provision for security deposits	**(23)**	-
Security deposits Related Parties (Refer Note No. 39)	**28**	28
Bank deposits with more than 12 months maturity *	**3,444**	2,043
Interest Accrued on bank deposits	**70**	42
Earmarked escrow bank deposit for mine restoration obligation	**212**	212
Earmarked escrow current account for mine restoration obligation	**88**	27
	4,923	**3,454**

*Kept as margin money deposit against bank guarantee and letter of credit.

The Company has pledged certain asset against borrowings which have been disclosed in Note 15.

6(b) Other non-current assets

Capital advances	**2,574**	2,398
	2,574	**2,398**

The above assets have been pledged against borrowings which have been disclosed in Note 15.

7. Inventories (As taken, valued and certified by the management)

Raw materials on hand	**36,005**	22,081
Goods-in transit (raw material)	**724**	211
Work-in-progress	**22,848**	25,579
Finished goods	**25,330**	35,612
Goods in Transit (finished goods)	**2,944**	2,843
Consumables, stores and spares #	**9,775**	6,793
	97,626	**93,119**

Note : i. Valued at lower of cost and net realisable value, unless otherwise stated.

ii. Inventories are hypothecated to banks against working capital loans & term loans. (Refer Note No. 19 (a)(i) & 15).

iii. # Consumables, stores and spares are net of provision for obsolete and terms loans items, amounting to ₹ 215 Lakhs (Previous year ₹ 215 Lakhs).

8. Trade receivables (Refer note below)

Considered good-Unsecured	**33,933**	36,167
Credit impaired	**2,941**	2,357
	36,874	**38,524**
Less : Provision for expected credit loss	**(2,941)**	(2,357)
Total	**33,933**	**36,167**

Trade receivables ageing schedule - As on 31.03.2026

(₹ 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-Unsecured	27,353	6,580	-	-	-	-	**33,933**
Credit impaired	-	-	1,177	528	105	466	**2,276**
(ii) Disputed Trade Receivables							
Considered Good-Unsecured	-	-	-	-	-	-	**-**
Credit impaired	-	-	-	35	-	630	**665**
Total	**27,353**	**6,580**	**1,177**	**563**	**105**	**1,096**	**36,874**
Less- Provision for expected credit loss	-	-	(1,177)	(563)	(105)	(1,096)	**(2,941)**
Total	**27,353**	**6,580**	**-**	**-**	**-**	**-**	**33,933**

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-Unsecured	29,058	7,109	-	-	-	-	**36,167**
Credit impaired	-	-	369	705	143	510	**1,727**
(ii) Disputed Trade Receivables							
Considered Good-Unsecured	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	91	539	**630**
Total	**29,058**	**7,109**	**369**	**705**	**234**	**1,049**	**38,524**
Less- Provision for expected credit loss	**-**	**-**	**(369)**	**(705)**	**(234)**	**(1,049)**	**(2,357)**
Total	**29,058**	**7,109**	**-**	**-**	**-**	**-**	**36,167**

Note : i) Trade receivables are hypothecated to banks against working capital loans and term loans refer note No. 19(a)(i) & 15 , 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 39.

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

9(a) Cash and cash equivalents

(₹ in Lakh)

Particulars	As at 31.03.2026	As at 31.03.2025
Cash on hand	**39**	29
Balances with banks in current accounts	**2,400**	444
Fixed deposits with original maturity period of upto three months	**12,316**	9,506
Debit balance in Cash Credit Account	**3,286**	-
Total (a)	**18,041**	**9,979**
9(b) Bank balances other than above		
Margin money deposit against Letter of Credit & Bank Guarantees	**4,746**	5,667
Earmarked Balance for Unclaimed dividend #	**40**	33
Total (b)	**4,786**	**5,700**

During the year ₹18 Lakhs (Previous year Nil) amount has been transferred to investors Education and Protection Fund.

10. Other - current financial assets **(₹ in Lakh)**

Particulars	As at 31.03.2026	As at 31.03.2025
Accruals - Interest accrued on deposits with banks	**164**	241
Advances to employees	**25**	81
Export incentives receivable	**1**	9
Claims receivables	**26**	26
Less : provision for claims receivable	**(25)**	(25)
Other receivables	**1,002**	-
Total	**1,193**	**332**

Certain assets have been pledged against borrowings which have been disclosed in Note 15.

11. Income tax assets (net)

Advance Tax (Net of provision)	**-**	55
Total	**-**	**55**

12. Other current assets

Advance to vendors	**17,562**	11,109
Less:- provision for advance to vendors	**(852)**	(844)
Prepaid Expenses	**753**	**607**
Balances with Statutory / Govt Authorities #	**220**	178
Others	**-**	169
Total	**17,683**	**11,219**

includes Mega Project incentives receivable and duty paid under protest of ₹118 Lakhs (Previous year ₹118 Lakhs)
Certain assets have been pledged against borrowings which have been disclosed in Note 15.

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

Particulars	As at 31.03.2026		As at 31.03.2025	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of ₹10/- each	**20,50,00,000**	**20,500**	20,50,00,000	20,500
Total	**20,50,00,000**	**20,500**	**20,50,00,000**	**20,500**
Issued, Subscribed & Fully paid up				
Equity shares of ₹10/- each Fully paid up	**18,02,19,448**	**18,022**	18,02,19,448	18,022
Total	**18,02,19,448**	**18,022**	**18,02,19,448**	**18,022**

a) Terms/ Voting Rights attached to the Equity Shares

(i) The Company has one class of equity shares having a face value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

(ii) In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion of the number of the Equity shares held by the Shareholders.

b) Reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31.03.2026	As at 31.03.2025
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 31.03.2026		As at 31.03.2025	
	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	**1,28,07,291**	**7.11**	1,27,92,000	7.10

d) Shares held by promoters at the end of the year as on 31.03.2026

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 31.03.2025 **(₹ in Lakh)**

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

e) Aggregate number of bonus share or share for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date are "NIL".

f) The Board of Directors have recommended dividend of ₹1/- per fully paid up equity share of ₹ 10 each for the year ended 31st March, 2026, subject to approval of the members at the ensuing Annual General Meeting.

14. Other equity **(₹ in Lakh)**

Particulars	As at 31.03.2026	As at 31.03.2025
a) Securities premium		
Balance at the beginning of the year	**3,785**	3,785
Balance at the end of the year	**3,785**	**3,785**
b) General reserve		
Balance at the beginning of the year	**256**	256
Balance at the end of the year	**256**	**256**
c) Retained earnings		
Balance at the beginning of the year	**2,63,994**	2,46,073
Add : Profit during the year	**20,066**	16,175
Add : Depreciation on Revalued assets transferred from OCI (net of taxes)	**1,750**	1,746
Less : Dividend paid	**(1,352)**	-
Balance at the end of the year	**2,84,458**	**2,63,994**
d) Other Comprehensive income/ (Loss)		
- Revaluation Surplus*		
Balance at the beginning of the year	**33,839**	35,585
Add : Additions during of the year	**806**	-
Less : Depreciation on Revalued assets transferred to retained earnings (net of taxes)	**(1,750)**	(1,746)
Balance at the end of the year	**32,895**	**33,839**
- Remeasurements of the defined benefit plans		
Balance at the beginning of the year	**(27)**	210
Add : Loss during the year	**(14)**	(237)
Balance at the end of the year	**(41)**	**(27)**
- MTM Gain on fair value measurement of equity shares		
Balance at the beginning of the year	**5,55,138**	2,10,799
Add : Gain / (Loss) during the year	**(7,972)**	3,44,339
Balance at the end of the year	**5,47,166**	**5,55,138**
- Effective portion of cash flow Hedges		
Balance at the beginning of the year	**35**	79
Movement during of the year	**(35)**	(44)
Balance at the end of the year	**-**	**35**
Total	**8,68,519**	**8,57,020**

* Refer note no. 3(a) (iii).

15. Non current borrowings

Secured		
a) Term loans - from Banks	**13,045**	18,755
b) Term loans - from NBFCs	**2,452**	8,265
Less : Current maturities of long-term debt {refer note 19(a)}		
- Term loans - from Banks	**(9,114)**	(8,240)
- Term loans - from NBFCs	**(2,076)**	(4,049)
Total (a)	**4,307**	**14,731**
Unsecured		
a) Loan from promoters (interest free)	**1,375**	1,375
Total (b)	**1,375**	**1,375**
Total (a+b)	**5,682**	**16,106**

Notes :

i. a) Term loans from Banks/NBFCs [except facility disclosed in point (d) below] are secured by a first pari passu charges on the entire fixed

assets of the Company both present and future situated at Village Warthi, District Bhandara. Certain borrowings from banks are additionally secured by a second *pari passu* charge on the Company's current assets, including inventories, receivables and other current assets.

b) The facility sanctioned by Axis Bank of ₹16,250 Lakhs is additionally secured by an exclusive charge on fixed assets funded via Axis Bank's Term loan for Bhivkund Coal Mine.

c) The facilities sanctioned by Indian Bank additionally secured by an exclusive pledge of 74 lakhs nos. of equity shares of Lloyds Metals & Energy Limited (LMEL).

d) The facility sanctioned by Bajaj Finance Limited of ₹5,500 lakhs is secured by a first mortgage of the Company's Immovables properties situated at Plot No. 10B, KG Marg, New Delhi.

e) 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.

f) As at the reporting date, modification of charges in respect of certain term loan facilities aggregating to ₹17,600 lakhs and satisfaction of charges in respect of closed borrowing facilities aggregating to ₹1,247 lakhs are pending filing with the Registrar of Companies. The Company is in the process of completing the requisite statutory filings.

ii. Term loan availed and outstanding during the year :- **(₹ in Lakh)**

Sr. No.	Bank Name	ROI	Sanctioned Amount	Availed / Outstanding 31-03-2026	Availed / Outstanding 31-03-2025
1	State Bank of India		3,400	**-**	1,303
2	Axis Bank Limited	ROI for these	10,000	**542**	953
3	Indian Bank	loans range from	24,000	**8,854**	13,895
4	Axis Bank Limited	8.00% to 9.65%	16,250	**688**	-
5	Bajaj Finance Ltd - NBFC		7,000	**836**	2,276
6	Bajaj Finance Ltd - NBFC		5,500	**1,616**	2,656
7	Tata Capital Limited - NBFC		6,000	**-**	3,333
8	Indian Bank		10,000	**382**	2,604
9	South Indian Bank Limited		12,500	**2,579**	-
	Total		**94,650**	**15,497**	**27,020**

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
Term loan from Banks	9,114	3,931
Term loan from NBFCs	2,076	376

16 (a) Lease Liabilities **(₹ in Lakh)**

Particulars		As at 31.03.2026	As at 31.03.2025
Lease Liability Ind AS 116*		**4,943**	5,349
Less : Lease Liability - Current Maturity*		**(467)**	(422)
Net Lease Liability	**Total (a)**	**4,476**	**4,927**

* Refer note 36

16 (b) Other Financial Liabilities

Security Deposits		**65**	65
	Total (b)	**65**	**65**

17. Non-current provisions

Provision for employee benefits		
- Gratuity	**1,426**	814
- Leave encashment	**598**	720
Provision for contingencies (refer below mentioned note)	**634**	615
Total	**2,658**	**2,149**

Note : 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	
	2025-2026	2024-2025	2025-2026	2024-2025	2025-2026	2024-2025
Opening	**400**	400	**215**	2,335	**615**	2,735
Provision regrouped during the year	**-**	-		(2,138)	**-**	(2,138)
Payment during the year	**-**	-	**-**	-	**-**	-
Interest Charge during the year	**-**	-	**19**	18	**19**	18
Closing	**400**	**400**	**234**	**215**	**634**	**615**

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

Particulars	As on 31.03.2026	Charge/Credit during the year	As on 31.03.2025	Charge/Credit during the previous year	As on 31.03.2024
a) Deferred Tax Liabilities on					
On account of difference between book and tax base related to property, plant and machinery	**8,685**	2,893	5,792	(349)	6,141
Revaluation Gain	**11,063**	(318)	11,381	(587)	11,968
Fair value measurement of equity shares	**93,244**	(1,358)	94,602	66,811	27,791
Right of use assets	**963**	(237)	1,200	(261)	1,461
	1,13,955	**980**	**1,12,975**	**65,614**	**47,361**
Deferred Tax Asset on					
Lease liability	**1,244**	(7)	1,251	(231)	1,482
Investments	**104**	104	-	-	-
Re-measurement of the defined benefit plans	**14**	(188)	202	80	122
Expenses Disallowed	**1,781**	320	1,461	291	1,170
	3,143	**229**	**2,914**	**140**	**2,774**
Net Deferred Tax Liability	**1,10,812**	**751**	**1,10,061**	**65,474**	**44,587**

b) Tax Expense **(₹ in Lakh)**

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
a) Current tax expense for the year	**(8,161)**	(6,225)
b) Current tax pertaining to earlier years	**159**	-
c) Deferred tax	**667**	1,257
d) Deferred tax pertaining to earlier years	**(2,510)**	-
	(9,845)	**(4,968)**
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31.03.2026 and 31.03.2025.		
Accounting profit before tax	**29,911**	21,143
Applicable tax rate	**25.168%**	25.168%
Computed tax	**(7,528)**	(5,321)
Adjustments :-		
Permanent disallowance	**121**	298
Current tax pertaining to earlier years	**159**	-
Deferred tax pertaining to earlier years	**(2,510)**	-
Others	**(87)**	55
Net Tax Expense for the Year	**(9,845)**	**(4,968)**

19 (a) Current financial liabilities - Borrowings

Secured			
Loans repayable on demand			
Borrowings for working capital from banks		**25,320**	22,228
Customer bills discounted		**4,835**	6,005
	Total (a)	**30,155**	**28,233**
Current maturities of long-term debt :			
Secured			
- Term loan from banks		**9,114**	8,240
- Term loan from NBFCs		**2,076**	4,049
	Total (b)	**11,190**	**12,289**
	Total (a+b)	**41,345**	**40,522**

Note :

i. Working capital borrowings are secured by way of a first pari passu charge with consortium banks on the entire present and future current assets of the Company, including raw materials, stock-in-process, finished goods, stores and spares, other consumables, book debts and all other current assets. The facilities are further secured by way of a second pari passu charge with consortium banks on the entire present and future fixed assets of the Company situated at Village Warthi, Bhandara Road, Bhandara..

ii. Interest on working capital loan from Banks are charged between 6.55% to 8.40% by respective bank.

iii. Outstanding under Customer bills discounted are supported by Letter of credit issued by the respective customers. Further the bills are discounted after receipt of acceptance from applicant's Bank.

iv. The quarterly returns or statements filed by the Company for working capital limits with such banks 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 and 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)

Name of the Bank	Particular of Securities Provided	Period ended	Amount as Per Financials	Amount as per statement filed with Bankers	Difference	DP Utilized	Reason for material discrepancies
Consortium of banks (State Bank of India, Canara Bank, Bank of India, Indian Bank & IDBI Bank)	Refer note above 19(a)(i) & 15	30.06.2025	84,594	81,473	3,121	21,159	Refer note above 19(a)(iv)
		30.09.2025	85,325	82,542	2,783	25,348	
		31.12.2025	82,190	84,047	-1,857	25,120	
		31.03.2026	76,174	76,620	-446	25,320	

Pervious Reporting Period (₹ in Lakh)

Name of the Bank	Particular of Securities Provided	Period ended	Amount as Per Financials	Amount as per statement filed with Bankers	Difference	DP Utilized	Reason for material discrepancies
Consortium of banks (State Bank of India, Canara Bank, Bank of India, Indian Bank & IDBI Bank)	Refer note above 19(a)(i) & 15	30.06.2024	82,413	93,307	-10,894	24,097	Refer note above 19(a)(iv)
		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	

v. As at the reporting date, satisfaction of charges in respect of borrowing facility sanction from Axis Bank Limited of ₹9,500 Lakhs are pending filing with the Registrar of Companies. The Company is in the process of completing the requisite statutory filings.

19 (b) Lease Liability - Current Maturity (₹ in Lakh)

Particulars	As at 31.03.2026	As at 31.03.2025
Lease Liability - Current Maturity	**467**	422
	467	**422**

20. Current financial liabilities - Trade payables

a) Total outstanding dues of Micro and Small Enterprises	**1,938**	3,895
b) Others		
i) Acceptances	**27,314**	22,811
ii) Other than acceptances	**25,409**	21,123
	52,723	**43,934**
Total (a+b)	**54,661**	**47,829**

Trade Payables ageing schedule As on 31-03-2026 (₹ 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) Micro & Small Enterprises	**1,497**	**433**	**-**	**-**	**1**	**1,931**
(ii) Others	**36,847**	**12,629**	**280**	**102**	**609**	**50,467**
(iii) Disputed dues - Micro & Small enterprises	**-**	**-**	**-**	**-**	**7**	**7**
(iv) Disputed dues - Others	**-**	**-**	**-**	**-**	**2,256**	**2,256**
Total	**38,344**	**13,062**	**280**	**102**	**2,873**	**54,661**

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) Micro & Small Enterprises	2,457	1,431	-	-	-	**3,888**
(ii) Others	30,741	9,850	277	139	427	**41,434**
(iii) Disputed dues - Micro & Small enterprises	-	-	-	-	7	**7**
(iv) Disputed dues - Others	-	-	-	-	2,500	**2,500**
Total	**33,198**	**11,281**	**277**	**139**	**2,934**	**47,829**

There are certain amounts outstanding beyond the agreed period to Micro, Small and Medium Enterprises as required by MSMED Act, 2006 as at the Balance Sheet date due to the dispute with these suppliers to the extent such suppliers have been identified based on information available with the Company. Based on the facts and circumstances of the disputes and the legal assessment available, the management believes that no liability towards interest under the MSMED Act is required to be recognised in respect of these disputed amounts.

Disclosure pertaining to Micro and small Enterprises (as per information available with the Company)	**As at 31.03.2026**	**As at 31.03.2025**
i. Principal amount remaining unpaid to supplier at the end of the year.	**1,938**	3,895
ii. Interest due thereon remaining unpaid to supplier at the end of the year.	-	-
iii. Amount of interest paid in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iv. 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 this Act.	-	-
v. Amount of interest accrued and remaining unpaid at the end of the year.	-	-
vi. 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 MSMED Act, 2006.	-	-
	1,938	**3,895**

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 of 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.

The Company has trade payables balance, which are part of supplier finance arrangements, of ₹2,229 Lakhs (March 31, 2025 ₹396 Lakhs). The key terms and conditions of the arrangement are :

a. The Company decides which invoices will be financed.
b. The financier pays the supplier before the due date of the invoice.
c. The Company pays the financier on the due date of the invoice.
d. The financing terms are negotiated by the Company, and it bears interest in the range of 6.98-7.75% on the credit availed beyond the due date.

Further, the Company has not provided comparative information in respect of the amendments to Ind AS 7 and Ind AS 107 relating to supplier finance arrangements, as it has applied the transitional relief available on initial adoption of these amendments, which allows entities not to present comparative disclosures for prior periods.

21. Other current financial liabilities

(₹ in Lakh)

Particulars	**As at 31.03.2026**	**As at 31.03.2025**
Interest accrued but not due on borrowings	**102**	175
Security deposits	**829**	562
Unclaimed dividends #	**40**	33
Discounts	**4,831**	4,430
Managerial commission	**822**	416
Salary & Reimbursements	**1,520**	1,445
Capital Creditors	**1,756**	2,244
Liability w.r.t. Mining Lease Obligations	**2,138**	2,138
Others	**5,427**	3,841
Total	**17,465**	**15,284**

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	**2,383**	1,436
Statutory dues payable	**674**	2,325
Others	**297**	216
	3,354	**3,977**

23. Provisions Current (₹ in Lakh)

Particulars	As at 31.03.2026	As at 31.03.2025
Provision for employee benefits		
Leave encashment	**308**	135
	308	135
24. Current Tax Liabilities (net)		
Income tax liabilities (net)	**112**	-
	112	-

25 (a) Revenue from operations (₹ in Lakh)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
Sale of manufactured goods	**4,03,303**	3,65,194
Less : Discounts	**(11,322)**	(11,772)
Total (a)	**3,91,981**	**3,53,422**
Other operating income		
Duty drawback & export incentives	**151**	72
Industrial Promotion Subsidy-Mega Project (2013)	**1,806**	65
Total (b)	**1,957**	**137**
Total revenue from operations (a+b)	**3,93,938**	**3,53,559**
Revenue from Contracts with Customers		
Revenue from Contracts with Customers disaggregated based on nature of product or services		
A) Sale of Products		
- Iron & Steel	**3,91,981**	3,53,422
- Other	**-**	-
	3,91,981	3,53,422
B) Other operating Revenue		
- Iron & Steel	**1,957**	137
	1,957	137
Revenue from Contracts with Customers disaggregated based on geography (Revenue is recognised at a point in time)		
Domestic	**3,82,535**	3,48,742
Export	**11,403**	4,817
Total	**3,93,938**	**3,53,559**
Reconciliation of Gross Revenue with the Revenue from Contracts with Customers		
Gross Revenue	**4,05,260**	3,65,331
Less : Discounts & rebate etc.	**(11,322)**	(11,772)
Net Revenue recognised from Contracts with Customers	**3,93,938**	**3,53,559**

Assets & Liabilities related to Contracts with Customers (₹ in Lakh)

Particulars	As at 31.03.2026		As at 31.03.2025	
	Non-Current	Current	Non-Current	Current
Contract Assets-Trade Receivable	**-**	**33,933**	-	36,167
Contract Liabilities-Advance from customers	**-**	**2,383**	-	1,436

25 (b) Other Income (₹ in Lakh)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
Interest income	**985**	975
Insurance claims	**10**	-
Dividend income	**600**	600
Others	**42**	71
Total other Income	**1,637**	**1,646**

(₹ in Lakh)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
26 (a) Cost of raw material & components consumed		
Inventory at the beginning of the year	**29,085**	21,373
Add: Purchases during the year	**2,52,598**	2,30,609
Less: Inventory at the end of the year	**(46,502)**	(29,085)
Total raw material & components consumption	**2,35,181**	**2,22,897**
Details of raw material & components consumed		
Iron ore & iron ore fines	**48,140**	50,644
Coal & coal fines #	**12,994**	15,055
Coking coal	**37,610**	14,020
Coke	**43,296**	58,132
Scrap & HBI	**8,060**	829
Ferro alloys	**38,405**	37,581
Super alloy Raw Material	**2,637**	1,035
Fluxes, minerals & additives	**10,598**	10,023
Electrodes	**3,285**	3,001
Others	**30,156**	32,577
Total (a)	**2,35,181**	**2,22,897**
# Net of consumption of coal from captive mines		
26 (b) Other manufacturing expenses		
Consumption of fuel	**7,122**	11,762
Consumption of power (net of captive consumption)	**26,989**	25,719
Coal mine FPO, royalty, coal raising, freight and other expenses	**6,161**	6,991
Contract expenses	**22,252**	18,249
Total Other Manufacturing Expenses (b)	**62,524**	**62,721**
Total Expenses (a+b)	**2,97,705**	**2,85,618**
27. Changes in inventories of finished goods and work-in-progress		
Inventories at the end of the year :		
Finished goods	**28,274**	38,455
Work-in-progress	**22,848**	25,578
Total (a)	**51,122**	**64,033**
Inventories at the beginning of the year :		
Finished goods	**38,455**	38,479
Work-in-progress	**25,578**	23,409
Total (b)	**64,033**	**61,888**
Net (increase) / decrease Total (b-a)	**12,911**	**(2,145)**
28. Employee Benefits Expenses		
Salaries, wages and bonus	**12,937**	11,982
Contribution to provident and other funds	**1,262**	1,136
Staff welfare expenses	**906**	614
Total	**15,105**	**13,732**
29. Finance Cost		
Interest on term loans	**2,051**	2,962
Interest capitalised	**(117)**	-
Interest on term loans (net)	**1,934**	2,962
Interest on working capital loans	**1,834**	1,911
Interest on bills discounted	**343**	394
Other borrowing costs	**2,582**	3,163
Unwinding of interest	**19**	18
Interest on lease liability (IND AS 116) {Refer note No.36}	**510**	542
Total	**7,222**	**8,990**

30. Depreciation and amortization expense **(₹ in Lakh)**

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
Depreciation and amortization of property, plant & equipment	**10,814**	9,949
Amortization of right of use assets #	**503**	496
# (Refer note No. 36) **Total**	**11,317**	**10,445**

31.

31.1 Other Expenses

Freight & forwarding (net of recoveries)	**12,144**	10,900
Travelling & conveyance	**676**	588
Insurance charges	**407**	355
Rent	**72**	69
Rates and taxes	**183**	234
Repairs & maintenance	**326**	95
Printing & stationery	**29**	32
Directors' sitting fee	**8**	6
Postage & telephones	**54**	43
Corporate social responsibility (Refer note No.44)	**463**	506
Legal & professional expenses (Refer note No.31.2 below)	**2,015**	1,685
Foreign exchange fluctuation (net)	**363**	544
Commission on Sales	**1,652**	335
Bad Debts written-off	**3**	81
Provision for doubtful advances	**31**	-
Provision for doubtful debts	**584**	743
Loss on disposal/discard of property, plant and equipment	**63**	-
Miscellaneous expenses	**1,461**	1,206
Total	**20,534**	**17,422**

31.2 Payments to auditors

Statutory audit fees	**18**	18
Limited review fees*	**14**	10
Total	**32**	**28**

* Current year figure includes Limited Review fee paid to erstwhile auditors for Quarter-1 of FY 2025-26 ₹3.50 Lakhs

32. Earnings per share

Net profit attributable to equity shareholders	(₹ in lakhs)	**20,066**	16,175
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	**11.13**	8.98
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.

33. Contingent liabilities and commitments (to the extent not provided for) **(₹ in Lakh)**

Particulars	As at 31.03.2026	As at 31.03.2025
Contingent liabilities		
Claims against the Company not acknowledged as debts *		
(a) Excise duty, custom duty, GST & other taxes against which Company has preferred an appeal	**1,721**	2,074
(b) Other Legal cases #	**16**	21
Other		
(a) Unexpired letter of credit	**10,482**	23,874
(b) Guarantees issued by Company's bankers on behalf of the Company	**14,046**	12,202

Note *

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.

Excluding civil matters of ₹1,501 lakhs (previous year ₹1,501 lakhs), which mainly includes an arbitral award of ₹1,100 lakhs (Section 34 challenge, stay granted by District Court on ground of unilateral appointment of Arbitrator) and a stamp duty matter of ₹320 lakhs (under challenge before Bombay HC, stay granted), which have not been disclosed as contingent liability as the management believes, that the possibility of an outflow of resources embodying economic benefits is remote.

(₹ in Lakh)

Particulars	As at 31.03.2026	As at 31.03.2025
Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	**12,053**	10,830

34. Impairment review

Assets are tested for impairment whenever there are any internal or external indicators of impairment. Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs within the Company at which the assets are monitored for internal management purposes, within an operating segment. The impairment assessment is based on higher of value in use and value from sale calculations. During the year, the testing did not result in any impairment in the carrying amount of 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 rate
- Capital expenditures

Operating margins : Operating margins have been estimated based on historical performance and current market dynamics of the steel manufacturing industry. Margins reflect operational efficiencies achieved through process optimization, economies of scale, and improved capacity utilization. Although raw material price fluctuations and market-driven pricing pressures may have some impact, the Company expects stable to improved margins due to ongoing cost control initiatives and favourable demand outlook in the infrastructure and construction sectors.

Discount rate : Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs. The discount rate is estimated based on the weighted average cost of capital for respective CGU or group of CGUs.

Growth rates : The growth rates used are in line with the long term average growth rates of the steel industry and the Indian economy, and are consistent with the forecasts included in the industry reports.

Capital expenditures : The cash flow forecasts of capital expenditure are based on past experience coupled with additional capital expenditure required for maintenance and strategic growth projects.

35. Segment information

The Company has only one operating segment i.e. 'Iron & Steel Business' and operations are mainly within India. Hence, it is the only reportable segment under IND AS-108 'Operating Segments'.

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

Geographical Information

a) Revenue

(₹ in Lakh)

Particulars	For the Year ended 31st March, 2026		For the Year ended 31st March, 2025	
	Domestic	Foreign	Domestic	Foreign
Revenues from Operations #	**3,82,535**	**11,403**	3,48,742	4,817

There is no single customer who has contributed 10% or more to the Company's revenue for both the years ended 31st March, 2026 and 31st March, 2025.

b) Non - current sssets :-

All non-current assets other than financial instruments of the Company are located in India.

36. Leases (Ind AS 116 Disclosure)

Set out below are the carrying amounts of lease liabilities and the movements during the year : **(₹ in Lakh)**

Particulars	As at 31.03.2026	As at 31.03.2025
a) The movement in lease liabilities is as follows :		
Opening Balance	**5,349**	**5,649**
Acquisition	**12**	76
Accretion of interest	**510**	542
Payments	**(928)**	(918)
Closing balance	**4,943**	**5,349**
Non-current lease liabilities	**4,476**	4,927
Current lease liabilities	**467**	422
Total	**4,943**	**5,349**

Note : The effective interest rate of lease liabilities is 9.85%, with maturity between 2026-2083.

b) Lease expenses recognised in statement of profit & loss (₹ in Lakh)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
Amortisation expense of right of use assets	**503**	496
Interest expense on lease liabilities	**510**	542
Total amount recognised in statement of profit & loss	**1,013**	**1,038**
c) Amounts recognised in statement of cash flows :		
Financing activities :		
Repayment of principal	**418**	376
Repayment of interest	**510**	542
Total cash outflow for leases	**928**	**918**

d) The maturity analysis of lease liabilities. (₹ in Lakh)

Particulars	As at 31.03.2026	As at 31.03.2025
Less than one year	**467**	422
One to five years	**2,402**	2,172
More than five years	**2,074**	2,755
Total discounted lease liabilities	**4,943**	**5,349**

e) Maturity analysis of Lease Liabilities on an undiscounted basis are disclosed in note no. 42 (iii) of liquidity risk.

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

37. Capital management

For the purpose of the Company's capital management, equity includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders and net debt includes interest bearing loans and borrowings less current investments and cash and bank balances. 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 31.03.2026	As at 31.03.2025
Long term borrowing	**5,682**	16,106
Short term borrowing	**30,155**	28,233
Current maturities of long-term debt	**11,190**	12,289
Less : Cash and bank balance	**(22,827)**	(15,679)
Net debt	**24,200**	**40,949**
Total Equity	8,86,541	8,75,042
Capital and net debt	**9,10,741**	9,15,991
Gearing ratio	**2.66%**	**4.47%**

Note :

i) Debt is defined as long-term and short-term borrowings including current maturities {refer note no. 15 & 19(a)}.

ii) Cash & bank balances include cash and cash equivalent, balances in bank deposits (Other than earmarked deposits) and investments in mutual funds, if any {refer note no. 9(a) & 9(b)}.

iii) Equity includes all capital & other Equity {refer note no. 13 & 14}.

iv) 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.

v) No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2026 and 31st March, 2025.

38. 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 ₹993 lakhs (Previous Year ₹922 lakhs).

Employee Provident Fund, the Company has provided the shortfall of interest on fund ₹114 lakhs (Previous Year ₹44 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 availabilty of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Further the following table sets out for the Employee Benefits plan as required under Ind AS 19 **(₹ in Lakh)**

Particulars	Gratuity		Provident Fund	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025
Statement showing changes in Present Value of obligation :				
Present value of obligations at the beginning of the year	**3,598**	3,100	**10,440**	10,110
Interest cost	**254**	223	**821**	796
Current Service Cost	**258**	198	**1,514**	1,359
Past Service Cost	**641**	-	-	-
Benefits Paid	**(413)**	(256)	**(1,328)**	(1,825)
Actuarial Loss on obligations	**47**	333	**-**	-
Present value of obligations as at the end of the year	**4,385**	3,598	**11,447**	10,440
Table showing changes in the fair value of plan Assets :				
Fair value of plan assets at the beginning of year	**2,785**	2,590	**10,452**	10,266
Expected return on plan assets	**187**	186	**707**	752
Contributions	**372**	248	**1,514**	1,359
Benefits paid	**(412)**	(255)	**(1,328)**	(1,825)
Actuarial Gain / (Loss) on plan assets	**28**	16	**-**	-
Transfer from opening MTM	-	-	**48**	(100)
Fair value of plan assets at the end of the year	**2,960**	2,785	**11,393**	10,452
Funded Status	**1,425**	813	**(54)**	12
Actuarial Gain / (Loss) recognised in OCI :				
Actuarial Loss for the year – Obligation	**47**	333	**-**	-
Actuarial Gain / (Loss) for the year – plan assets	**28**	16	**-**	-
Total Loss for the year	**19**	317	**-**	-
Actuarial Gain / (Loss) Recognised in the year	**(19)**	(317)	**-**	-
Amounts to be recognised in the Balance Sheet :				
Present value of obligations as at the end of the year	**4,385**	3,598	**11,447**	10,440
Fair value of Plan assets as at the end of the year	**2,960**	2,785	**11,393**	10,452
Funded Status	**1,425**	813	**(54)**	12
Net Asset / (Liability) Recognised in the Balance Sheet	**(1,425)**	(813)	**(54)**	12
Expenses Recognised in the statement of Profit and Loss :				
Current Service Cost	**258**	198	**-**	-
Interest Cost	**254**	223	**821**	796
Past Service Cost	**641**	-	-	-
Expected return on plan assets	**187**	186	**707**	752
Expenses Recognised in statement of Profit & Loss	**966**	235	**(114)**	(44)
Actuarial Assumptions :				
Discount rate	**7.05%**	6.65%	**-**	-
Salary escalation	**5.00%**	5.00%	**-**	-
Mortality Rate	**100% of IALM 2012-14**			
Investment Details :				
Central Government Securities	**-**	-	**6%**	7%
State Government securities	**-**	-	**45%**	44%
Bonds of Public Financial Institutions/Banks	**-**	-	**36%**	37%
Equity & related investments	**-**	-	**13%**	12%
Total			**100%**	100%

Note :

i. The investment details of Gratuity funds are as per the scheme of Life Insurance Corporation of India (LIC).

ii. Provident Fund managed by a trust set up by the Company:
Provident Fund for eligible employees is managed by the Company through a trust. The plan guarantees interest at the rate notified by the Provident Fund Authorities. Figures disclosed in the above schedule are as per trust audited financial statements and calculated & certified by the management.

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:

Particulars	Impact on defined benefit obligations [increase/(decrease)]	
	31.03.2026	31.03.2025
Impact of the change in discount rate (p.a.)		
Impact due to increase of 1.00%	**(232)**	(191)
Impact due to decrease of 1.00%	**257**	209
Impact of change in salary escalation rate (p.a.)		
Impact due to increase of 1.00%	**260**	212
Impact due to decrease of 1.00%	**(238)**	(194)
Impact of change in attrition rate (p.a.)		
Impact due to increase of 0.50%	**47**	40
Impact due to decrease of 0.50%	**(61)**	(32)

d) Other long-term employee benefits

An amount of ₹256 lakhs (Previous Year ₹367 lakhs) pertains to expense towards compensated absences.

Particulars	31.03.2026	31.03.2025
Actuarial assumptions		
Discount rate (per annum)	**7.05%**	6.65%
Salary escalation (per annum)	**5.00%**	5.00%
Mortality Rate	**100% of IALM 2012-14**	

39. Related Party Disclosure (as identified by the Management)

In accordance with the requirements of IND AS 24, on related party disclosure where control exists or where transactions have taken place and description of the relationship in identified and certified by the management are as follows :

(I) Name of related parties & nature of Relationship

a. Subsidiary	Khappa Coal Company Private Limited Sunflag Power Limited Sunflag Foundation
b. Joint Ventures	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
c. Enterprises over which Key Management Personnel (KMP) of the Company and their relatives exercise significant influence and with whom transaction have taken place during the year	Haryana Televesions Limited Supra Corporation Limited Surjagarh Metals & Minerals Limited
d. Other (Shareholder of 10% in the Company)	Daido Steel Company Limited, Japan
e. Key Management Personnel	Mr Ravi Bhushan Bhardwaj (Non Executive Chairman) Mr. Pranav Bhardwaj (Managing Director) Mr. Suhrit Ravi Bhushan Bhardwaj (Non Executive Director) Mr. Ramchandra V. Dalvi [(Director (Technical)] Mr. S. Mahadevan (Chief Financial Officer) Mr. Ashutosh Mishra (Head Company Secretary) Mrs. Neelam Kothari (Independent Director) (till 20.09.25) Mr. Anand S. Kapre (Independent Director) Mrs. Vinita Bahri (Independent Director) Mr. Sajiv Dhawan (Independent Director) (till 10.08.25) Mr. M. A. V. Goutham (Independent Director) Mr. Tirthnath Jha (Independent Director)

(II) Transactions with related parties during the year :

i) Key Management Personnel

(₹ in Lakh)

Name	Account	Transactions for the year ended		Outstanding As at	
		31.03.2026	31.03.2025	31.03.2026	31.03.2025
Mr Ravi Bhushan Bhardwaj	Commission	**111**	94	**65**	7
Mr. Pranav Bhardwaj	Remuneration & Commission	**612**	534	**1**	1
Mr. Ramchandra V Dalvi	Remuneration	**196**	138	**-**	-
Mr. S. Mahadevan	Remuneration	**107**	89	**-**	-
Mr. Ashutosh Mishra	Remuneration	**72**	62	**-**	-
Mrs. Neelam Kothari	Commission & Sitting Fees	**4**	4	**-**	-
Mr. Anand S. Kapre	Commission & Sitting Fees	**5**	4	**-**	-
Mrs. Vinita Bahri	Commission & Sitting Fees	**5**	5	**-**	-
Mr. Sajiv Dhawan	Commission & Sitting Fees	**4**	4	**-**	-
Mr. M. A. V. Goutham	Commission & Sitting Fees	**5**	4	**-**	-
Mr. Tirthnath Jha	Commission & Sitting Fees	**5**	4	**-**	-

Note :- Directors' remuneration includes post-employment benefits, provident fund contributions and other statutory contributions. In accordance with the Company's policy, directors' commission is included in the related party transaction disclosures only after the relevant financial statements have been approved by the shareholders. Accordingly, the directors' commission of ₹ 416 lakhs pertaining to the financial year 2024-25 has been disclosed above, as the financial statements for that year were approved by the shareholders during the current financial year. The directors' commission of ₹822 lakhs provided in the books of account for the financial year 2025-26 has not been included in the above disclosure, as the relevant financial statements are yet to be approved by the shareholders, and shall be disclosed upon receipt of such approval.

ii) Subsidiaries

(₹ in Lakh)

Particulars	Account	Transactions for the year ended		Outstanding As at	
		31.03.2026	31.03.2025	31.03.2026	31.03.2025
Sunflag Power Limited	Share Capital	**-**	-	**5**	5
Khappa Coal Company Private Limited	Loan given	**-**	-	**737**	737
Khappa Coal Company Private Limited	Share Capital	**-**	-	**316**	316
Sunflag Foundation	Share Capital	**-**	-	**1**	1
Sunflag Foundation	CSR Expenses	**463**	506	**-**	-

a) Refer note no. 40 for loans, advances & investments in subsidiaries.

b) Interest on advances to subsidiaries changed @ 9% p.a. However, as these Companies are not commercially operational, the same has been off waived of since the changes of recovery is remote.

iii) Joint Ventures

Daido DMS India Private Limited	Share Capital	**-**	-	**562**	562
Ramesh Sunwire Private Limited	Share Capital	**343**	-	**1,323**	980
Ramesh Sunwire Private Limited	Sale of Goods	**3,270**	2,482	**692**	1,093
Ramesh Sunwire Private Limited	Purchase of goods	**(77)**	(45)	**45**	37
C T Mining Private Limited	Share Capital	-	-	**318**	318
Madanpur (North) Coal Block Private Limited	Share Capital	-	-	**121**	121
ReNew Green (MPR Three) Private Limited	Share Capital	**-**	2,486	**3,390**	3,390

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

iv) Entities over which KMPs have significant influence

Haryana Televisions Limited	Rent	**57**	57	**-**	-
Haryana Televisions Limited	Security deposit	**-**	-	**28**	28
Supra Corporation Limited	Rent received	1	1	-	-
Surjagarh Metals & Minerals Limited	Rent received*	-	-	-	-
*₹1416/- (Previous year ₹1416/-)					

Note : Above figures given are inclusive of taxes.

v) Deemed related party

Daido Steel Company Limited, Japan	Royalty	**236**	276	**-**	75
Daido Steel Company Limited, Japan	Technical services	**2**	6	**-**	-

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

40. 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
Khappa Coal Company Private Limited	**737**	-	-	**737**	737	Operational

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

c) Particulars of investment made :

Name of the Company	Opening Balance	Investment made	Investment Sold	Closing Balance	Provided	Purpose
Subsidiaries-						
1. Sunflag Power 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.
Joint Ventures -						
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**	343	-	**1,323**	**-**	Long Term Inv.
5. ReNew Green (MPR Three) Private Limited	**3,390**	-	-	**3,390**	-	Long Term Inv.
Other-						
1. Lloyds Metals & Energy Limited *	**1,22,610**	-	-	**1,22,610**	**-**	Long Term Inv
2. India Bulls CSEB Bhaiyathan Power Ltd.	-	-	-	-	-	Long Term Inv
3. Sunsure Solarpark Thirty Seven Pvt. Ltd.	-	144	-	**144**	**-**	Long Term Inv
Total	**1,29,353**	**487**	**-**	**1,29,840**	**(712)**	

* Cost of Investment disclosed, these are at fair value through OCI, refer note no. 4

d) Particulars of security provided : Nil

41. 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 31.03.2026		As at 31.03.2025	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets measured at fair value through other comprehensive income :					
Investments (Non-current)	Level 1	**7,63,020**	**7,63,020**	7,72,350	7,72,350
Financial assets measured at amortised cost :					
Investments (Non-current)	Level 3	**6,518**	**6,518**	6,031	6,031
Loans	Level 3	-	-	-	-
Other financial asset (Non-current)	Level 3	**4,923**	**4,923**	3,454	3,454
Trade receivables	Level 3	**33,933**	**33,933**	36,167	36,167
Cash and cash equivalents	Level 2	**18,041**	**18,041**	9,979	9,979
Bank balances other than above	Level 2	**4,786**	**4,786**	5,700	5,700
Other financial asset (current)	Level 3	**1,193**	**1,193**	332	332
Total		**8,32,414**	**8,32,414**	**8,34,013**	**8,34,013**

Financial Liabilities :

Financial liability measured at amortised cost :					
Borrowings (Non-current)	Level-2	**5,682**	**5,682**	16,106	16,106
Other financial liabilities (Non current)	Level-3	**65**	**65**	65	65
Borrowings (Current)	Level-2	**41,345**	**41,345**	40,522	40,522
Other financial labilities (Current	Level-3	**17,465**	**17,465**	15,284	15,284
Trade payables	Level-3	**54,661**	**54,661**	47,829	47,829
Lease liabilities (Non-current & Current)	Level-3	**4,943**	**4,943**	5,349	5,349
		1,24,161	**1,24,161**	**1,25,155**	**1,25,155**

During the year ended March 31, 2026 and March 31, 2025, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

Fair valuation techniques

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount 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 following methods and assumptions were used to estimate the fair values:

1) Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

2) Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values. For fixed interest rate borrowing fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-perfoemance of the Company is considered to be insignificant in valuation.
3) The fair values of derivatives are estimated by using pricing models, where the inputs to those models are based on readily observable market parameters basis contractual terms, period to maturity, and market parameters such as interest rates, foreign exchange rates and volatility. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement and inputs thereto are readily observable from actively quoted market prices. Management has evaluated the credit and non-performance risks associated with its derivative counterparties and believe them to be insignificant and not warranting a credit adjustment.

Fair value hierarchy:

The Company uses following hierarchy for fair value measurement of the Company's financial assets and liabilities :

Level 1 : Quoted prices/NAV (unadjusted) in active markets for identical assets or liabilities at the measurement date.

Level 2 : Other techniques for which all Inputs which have a significant effect on the recorded fail value are observable, either directly or indirectly.

Level 3 : Techniques which use Inputs that have a significant effect on the recorded fail value that are not based on observable market data.

42. 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: interest rate risk, currency 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 March 31, 2026 and March 31, 2025.

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 31.03.2026	As at 31.03.2025
Variable rate borrowings	**45,652**	55,253

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 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
0.50%	0.50%	**(228)**	(276)
- 0.50%	- 0.50%	**228**	276

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 related to trade payables (net of forward contracts) to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities.

Foreign currency sensitivity

1% increase and decrease in foreign currency rate will have the following impact on profit before tax. **(₹ in Lakh)**

	As at 31.03.2026		As at 31.03.2025	
Currency	**Increase by 1%**	**Decrease by 1%**	**Increase by 1%**	**Decrease by 1%**
CNY	**2**	**(2)**	2	(2)
EURO	**0.43**	**(0.43)**	-	-
USD	**52**	**(52)**	57	(57)

Foreign currency exposure as at	**As at 31.03.2026**	**As at 31.03.2025**
Trade Payable		
- Exposure in Dollars (In ₹)	**5,212**	5,700
- Exposure in Euros (in ₹)	**43**	21
- Exposure in CNY (in ₹)	**237**	205

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 2026 and 31 March 2025, would result in an impact of ₹38,151 lakhs and ₹38,618 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**	
	31.03.2026	**31.03.2025**	**31.03.2026**	**31.03.2025**	**31.03.2026**	**31.03.2025**
Trade receivables	**36,874**	38,524	**33,933**	36,167	**2,941**	2,357
Less : ECL Provision	**(2,941**)	(2,357)	**-**	-	**(2,941)**	(2,357)

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

Particulars	**Opening Balance**	**Addition**	**Reversal**	**Closing Balance**
Expected Credit loss - **2025-2026**	**2,357**	**584**	**-**	**2,941**
2024-2025	1,614	743	-	2,357

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**	
	31.03.2026	**31.03.2025**	**31.03.2026**	**31.03.2025**	**31.03.2026**	**31.03.2025**	**31.03.2026**	**31.03.2025**
Non current financial liabilities								
i) Borrowings*	**16,872**	28,395	**11,190**	12,289	**4,307**	9,683	**1,375**	6,423
ii) Lease liabilities	**4,476**	4,927	**933**	930	**933**	930	**5,562**	6,398
iii) Others	**65**	65	-	-	**-**	-	**65**	65
Current financial liabilities								
i) Borrowings	**30,155**	28,233	**30,155**	28,233	**-**	-	**-**	-
ii) Trade Payables	**54,661**	47,829	**54,661**	47,829	**-**	-	**-**	-
iii) Lease liabilities	**467**	422	**467**	422	-	-	-	-
iv) Others	**17,465**	15,284	**17,465**	15,284	**-**	-	**-**	-

*including current maturity of long term debt

43. Derivative Financial Instruments:

a) The Company uses foreign currency forward and Interest rate swap contracts to manage some of its transactions exposure. The details of derivative financial instruments are as follows:

(₹ in Lakh)

Particulars	As at 31.03.2026	As at 31.03.2025
Assets		
Forward Contracts-Export (Past Performance Basis)	**Nil**	Nil
Liabilities		
Forward Contracts-Import	**959 Lakhs (USD 1 million at Original Contracted rate)**	5539 Lakhs (USD 6.44 million at Original Contracted rate)

b) Unhedged for currency exposures (net of forward contract)

(₹ in Lakh)

Particulars	As at 31.03.2026	As at 31.03.2025
Foreign Currency Payable *	**(12,570)**	(24,532)
Foreign currency receivable	**1,580**	312
Cash and cash equivalents	**1,704**	103
Total (Unhedged foreign currency exposure)	**(9,286)**	**(24,117)**

*including commitment w.r.t. open letter of credit of ₹ 7,078 lakhs (prevoius year ₹18,606 lakhs)

44. Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the Company as per the Act. The funds were primarily utilized throughout the year on activities as stated in para (c) below, which are specified in schedule VII of the Companies Act, 2013 :

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

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
Gross amount required to be spent during the year	**463**	506
Amount spent during the year		
- Construction / acquisition of any assets	-	-
- On purpose other than above	**463**	506

b) Provision made for Corporate Social Responsibility

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
Opening balance of Provision	**-**	-
Addition during the Year	**463**	560
Funds transferred to Sunflag Foundation for CSR activities	**463**	506
Closing balance of provision	**-**	-

c) CSR expenditure incurred by the implementing agency and the Company

Description	Relevant Clause of SCH VII of Companies Act, 2013	For the year ended 31.3.2026	For the year ended 31.3.2025
a) Expenditure done through Sunflag Foundation			
Rural Development	Clause No. X	**73**	117
Health Care	Clause No. I	**201**	187
Education training & skill development	Clause No. II	**54**	117
Environment sustainability & protection of Flora and Fauna	Clause No. IV	**30**	52
District Sport & cultural activities	Clause No. VII	**21**	33
Sub Total		**379**	**506**
b) Expenditure done directly by the Company			
Rural Development	Clause No. X	-	-
Total Expenditure incurred		**379**	**506**

d) Corporate Social Responsibility (CSR) **(₹ in Lakh)**

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
i) Amount required to be spent by the company during the year	**463**	506
ii) Amount of expenditure incurred for the current year *	**463**	506
iii) Projected spent of earlier years, spent during the year	**-**	116
iv) Shortfall at the end of the year	**-**	-
v) Funds Kept in Special Allocated Bank Accounts	**-**	-
vi) Total of previous years shortfall	**Nil**	Nil
vii) Reason for shortfall	**Nil**	Nil
viii) Nature of CSR activities	**Refer to (c) above**	Refer to (c) above
ix) Details of related party transactions, Donation paid to Sunflag Foundation (implementing agency) (contribution to a section 8 Company controlled by the company in relation to CSR expenditure).	**463**	506

* Payment made to the CSR eligible organisation of ₹84 lakhs pending for utilisation as on 31.03.2026.

45. Subsequent events

No adjusting or significant non-adjusting events have occurred between the reporting date and date of authorization of these standalone financial statements.

46. Vendor's / Customer's reconciliations

Balances of certain capital advances, creditors (including MSME), receivables, security deposit given/received and other receivables are in process of confirmation/reconciliation. Management believes that on reconciliation/ confirmation there will not be any material impact on financial statements.

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. Exceptional Items

Government of India notified the four Labour Codes on November 21, 2025 consolidating 29 existing labours laws. The Ministry of Labour and Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulation. The Company has assessed its implication through actuarial valuation, which has resulted in increase in gratuity and leave liability by ₹ 870 Lakhs. Considering the impact arising out of an enactment of the new legislation, the Company have recognised the same under “Exceptional Items”.

49. Audit Trail

Under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as inserted by the Companies (Accounts) Amendment Rules, 2021, issued by the Ministry of Corporate Affairs (MCA), companies are required to use accounting software for maintaining their books of account that has a feature of recording an audit trail for each and every transaction, creating an edit log of every change made in the books of account along with the date on which such changes were made, and ensuring that the audit trail cannot be disabled. The Company enabled the audit trail (edit logs) feature in its accounting software (SAP S/4HANA) used for maintaining all accounting records with effect from 05.01.2026, following the migration from SAP ECC6 to SAP S/4HANA. The audit trail is enabled for relevant transactions at the application level. Additionally, the audit trail (edit logs) feature is enabled for direct changes made at the underlying database level with effect from 31.12.2025.

50. Ratio Analysis

Sr. No.	Ratio	UOM	Numerator	Denominator	2026	2025	Change%	Change in ratio in excess of 25% compared to preceding year
1	Net Profit Margin	Percentage	Net Profit after Tax	Revenue from operation	**5.09%**	4.75%	11.34%	NA
2	Debt Service Coverage Ratio	Times	Earnings available for debt service (PAT+Non-cash operating expenses +finance cost +other adjustments)	Finance costs + scheduled principal repayments (excluding prepayments) during the period for long term debts	**1.55**	1.80	-13.89%	NA
3	Trade Receivable Turnover Ratio	Times	Revenue from Operation	Average Accounts Receivable	**11.24**	9.99	12.49%	NA
4	Inventory Turnover Ratio	Times	Cost of goods sold	Average Inventories	**2.60**	2.50	3.92%	NA
5	Trade payable Turnover Ratio	Times	Purchases	Average Trade payable	**4.93**	4.60	7.27%	NA
6	Debt- Equity Ratio	Times	Total Borrowings	Total Equity (equity share capital+other equity)	**0.05**	0.06	- 18.03%	NA
7	Current Ratio	Times	Current Assets	Current Liabilities	**1.47**	1.45	1.69%	NA
8	Return on Equity Ratio	Percentage	Net profit after tax	Average Shareholder's Equity	**2.28%**	2.33%	-2.12%	NA
9	Return on Capital Employed	Percentage	EBIT	Capital Employed (Tangible Net Worth + Total Debt -/+Deferrered Tax Assets/Liabilities)	**3.64%**	2.89%	25.80%	Increase in EBIT during the year.
10	Return on Investment *	Percentage	Net gain/(loss) on sale/fair value changes of investment	Investment	**-1.21%**	112.72%	- 101.07%	Due to movement in the market price of the equity shares of Quoted Investment
11	Net Capital Turnover Ratio	Times	Revenue from Operation	Working Capital	**7.09**	7.30	- 2.92%	NA

* For the purpose of calculating the Return on Investment (ROI) ratio, only the investment in the equity shares of Quoted Investment has been considered.

51. Other Statutory information

a) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

b) The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

c) The Company have not traded or invested in crypto currency or virtual currency during the financial year 31st March 2026 and 31st March 2025.

d) The Company have not entered in to any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act,1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

e) The Company has complied with the 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.

f) The Company is not declared wilful defaulter by any bank or financial institution or government or any government authority at any time during the financial year.

g) The Company have not advance or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:

a) 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

b) provide any guarantee, security or the like to or on behalf of the ultimate Beneficiaries.

h) The Company have not received any fund from any person(s) or entity(ies) including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :

a) 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

b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

i) The Company do not have any CIC as part of the group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016).

j) The Company has not entered into any scheme of arrangement which has an accounting impact on current financial year.

52. Tthe Board of Directors have recommended a dividend of ₹ 1/- per fully paid up equity share of ₹ 10 each for the year ended 31st March, 2026 subject to the approval of the members at the ensuing Annual General Meeting.

53. Previous year's figures have been regrouped / re-classified wherever necessary to make them more comparable.

In light of guidance and principals elaborated in "Guidance Note on "Division II-Ind AS-Schedule III to the Companies Act, 2013", issued by The Institute of Chartered Accountants of India, the Company has changed classification of certain items in Current year from one head to another head of financial statements and also reclassified previous year figures in line with current year presentation and classification. This reclassification is not having any financial impact over financial results and state of affair as on 31st March 2026. Summary of reclassification of items has been given below :

(₹ in Lakh)

Particulars	Classification under the broad heads of financial statements in FY 24-25	Reclassification of items under the broad heads of financial statements in FY 25-26	Amount Reclassified
Security Deposit	Other financial liabilities Non-current {(Note No. 16(b)}	**Other financial liabilities (current) (Note No. 21)**	562
Liability w.r.t. Mining Lease Obligations	Provisions Non-current (Note No. 17)	**Other financial liabilities (current) (Note No. 21)**	2138
Provision for Leave Encashment	Provisions Non-current (Note No. 17)	**Provisions (current) (Note No. 23)**	135

As per our report of even date as attached

FOR LODHA & CO LLP
Chartered Accountants
FRN : 301051E/E300284

N. K. LODHA
Partner
M. No. 085155

New Delhi
29th May, 2026

Nagpur
29th May, 2026

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

PRANAV BHARDWAJ
MANAGING DIRECTOR
DIN 00054805

S. MAHADEVAN
CHIEF FINANCIAL OFFICER

CA VINITA BAHRI
DIRECTOR
DIN 03109454

RAMCHANDRA DALVI
DIRECTOR (TECHNICAL)
DIN 00012065

CA M. A. V. GOUTHAM
DIRECTOR
DIN 00101447

TIRTHNATH JHA
DIRECTOR
DIN 07593002

ASHUTOSH MISHRA
HEAD COMPANY SECRETARY
M. No. ACS 23011

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 / Associate Companies / Joint Ventures

(₹ in Lakh)

Part "A" : Subsidiaries			
Particulars	**Sunflag Power Limited**	**Khappa Coal Company Private Limited**	**Sunflag Foundation**
Latest audited Balance Sheet date	31.03.2026	31.03.2026	31.03.2026
% 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	-	(57.30)	-
Other Liabilities	0.45	0.24	102.34
Total Assets	1,055.45	1,607.94	103.34
Total Liabilities	1,055.45	1,607.94	103.34
Investments	-	-	-
Turnover	-	-	-
Profit/(Loss) before Taxation	-	5.83	-
Provision for Taxation	-	0.42*	-
Profit/(Loss) after Taxation	-	6.25	-
Proposed Dividend	-	-	-

Note : Except Sunflag foundation, other Subsidiary Companies mentioned above, have yet to commence their activities or business operations.

*** Income Tax adjustment of earlier years.**

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	31.03.2026	31.03.2026	31.03.2026	31.03.2026
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	1,32,30,000	3,39,04,800
	Amount of investment in Associate / Joint Ventures	121.00	318.00	561.94	1323.00	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	407.98	451.64	1,593.97	3,489.10
6	Profit / (Loss) for the year	(11.40)	18.54	(49.87)	53.03	143.39
	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.

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

PRANAV BHARDWAJ
MANAGING DIRECTOR
DIN 00054805

S. MAHADEVAN
CHIEF FINANCIAL OFFICER

CA VINITA BAHRI
DIRECTOR
DIN 03109454

RAMCHANDRA DALVI
DIRECTOR (TECHNICAL)
DIN 00012065

CA M. A. V. GOUTHAM
DIRECTOR
DIN 00101447

TIRTHNATH JHA
DIRECTOR
DIN 07593002

ASHUTOSH MISHRA
HEAD COMPANY SECRETARY
M. No. ACS 23011

Nagpur
29th May, 2026

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"), its Subsidiaries (the Holding Company and its Subsidiaries together referred to as "the Group") and its Joint Ventures, which comprise the Consolidated Balance Sheet as at 31st March, 2026, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows for the year then ended, notes to the Consolidated Financial Statements including 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 the audit reports of the other auditors on separate financial statements and on the other financial information of subsidiaries and Joint Ventures, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act"), in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs (consolidated financial position) of the Group and its Joint Ventures as at 31st March, 2026, and their consolidated profit including other comprehensive income (consolidated financial performance), the consolidated statement of changes in equity and its 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 ventures 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Financial Statements for the financial year ended 31st March, 2026. 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:

S. No.	Key Audit Matter	Auditor's Response
1.	**Revenue Recognition** Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognized when the Holding Company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery. The timing, nature of discount and rebate arrangements of revenue recognition is relevant to the reported performance of the Holding Company. The Holding Company's management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred. Owing to the multiplicity of the Holding Company's products and volume of sales transactions, revenue is determined to be an area involving significant risk requiring significant auditor attention and is therefore considered to be a key audit matter in the current year audit. Refer note no. 2(H) – Material Accounting Policies; and Revenue from Operations of the Holding Company as set out and included in Note no. 25(a) of the Consolidated Financial Statements of the Company	**Our procedures included the following:** ● Assessing the appropriateness of the Holding Company's revenue recognition accounting policies in line with IND AS 115 ("Revenue from Contracts with Customers") and testing thereof. ● Evaluating the design and implementation of Company's controls in respect of revenue recognition and related rebates and discounts. ● Performed test of details by selecting samples of revenue transactions recorded during the year and samples from specific period before and after year end. For such samples selected, verified the underlying documents, which included sales invoices/ contracts and dispatch /shipping documents to ensure revenue is booked with accurate amount and in the correct period. ● Performed test of details over the outstanding trade receivable balances which included obtaining direct independent confirmations from customers, on a sample basis, for balances outstanding. ● Performing analytical procedures over revenue recorded during the year to identify any unusual indicators/ trends. ● Assessed the appropriateness and adequacy of the related disclosures in consolidated financial statements.

Information Other than the Consolidated 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 Annual Report but does not include the Consolidated Financial Statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so,

consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Management and those charge with governance for the Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group and its Joint Ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act.

The respective Board of Directors of the companies included in the Group and its Joint Ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its Joint Ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of the respective companies 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 the respective companies in the Group and its joint ventures or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of Companies, included in the Group and its Joint Ventures are also responsible for overseeing the financial reporting process of the Group and its joint ventures.

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 on the basis of these Consolidated Financial Statements.

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the holding company, subsidiaries, and Joint Ventures incorporated in India (based on the auditors' report of respective 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its Joint Ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its Joint Ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its joint ventures to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by 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. Our responsibilities in this regard are further described in para (i) of the section titled “other matters” in this audit report.

We communicate with those charged with governance of the Holding Company 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

(i) We did not audit the financial statements of 2 subsidiaries included in the Consolidated Financial Statements, whose financial statements reflects total assets of ₹ 2,663 lakhs as at 31st March, 2026 and total revenues of ₹7 lakhs, total net profit after tax of ₹ 6 lakhs, total comprehensive income (net) of ₹ 6 lakhs for the year ended 31st March, 2026 and net cash inflows of ₹6 lakhs for the year ended 31st March, 2026 as considered in the consolidated financial statements. The Consolidated Financial Statements also includes the Group's share of total net profit after tax of ₹53 lakhs, and total comprehensive income (net) of ₹53 lakhs for the year ended 31st March, 2026 as considered in the consolidated financial statements in respect of one joint venture. These financial statements have been audited by their respective auditors, whose report have been furnished to us by the Holding Company's Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, is based solely on the reports of such auditors and the procedures performed by us as stated in the paragraph above.

Our opinion on the above statement is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

(ii) The Consolidated Financial Statements also includes the Group's share of total net profit after tax of ₹112 lakhs and total comprehensive income (net) of ₹112 lakhs for the year ended 31st March, 2026 in respect of three joint ventures, whose financial statements and other information has not been audited by their respective auditors and have been approved and furnished to us by the Holding Company's Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these joint ventures, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements are 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 statements and other information certified by the management.

(iii) 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.

(iv) The comparative financial information of the Holding Company for the year ended 31st March, 2025, included in these consolidated financial statements, was audited by the predecessor auditor, who expressed an unmodified opinion on those consolidated financial statements vide their audit report dated 27th May, 2025.

Our opinion on the consolidated financial statements is not modified in respect of above matter.

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 sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiaries and joint venture, incorporated in India, as noted in the 'Other Matters' paragraph we give in the "Annexure A" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditors on separate financial statements and other financial information of Subsidiaries and Joint Venture incorporated in India, whose financial statements have been audited under the Act, we report, to the extent applicable, that:

   a) We / the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matters stated in paragraph 2(h) (vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ("the Rules");

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2026, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its Subsidiaries and Joint Venture incorporated in India whose audit under Section 143 of the Act has been completed, none of the directors of the Group and its Joint Venture Companies incorporated in India is disqualified as on 31st March, 2026, from being appointed as a director in terms of Section 164 (2) of the Act;

   f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 2(h)(vi)below on reporting under Rule 11(g) of the Rules.

   g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiaries and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure B.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint ventures, as noted in the Other Matters paragraph above:

i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group and its Joint Ventures in its Consolidated Financial Statements- Refer note no. 33 to the Consolidated Financial Statements.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Group and joint venture incorporated in India during the year ended 31st March, 2026.

iv. (a) The respective Managements of the Holding Company, its Subsidiaries and its Joint Venture which are Companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint venture respectively 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 Holding Company or its Subsidiaries and Joint Venture to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such Subsidiaries and Joint Venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective Managements of the Holding Company, its Subsidiaries and its Joint Venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint ventures respectively that, to the best of its knowledge and belief, no funds have been received by the Holding Company, its Subsidiaries or its Joint Venture from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any such Subsidiaries and Joint Venture shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on our audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries and joint venture, which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) & (b) above, contain any material misstatement.

v. The dividend declared and paid by the Holding Company during the year is in accordance with section 123 of the Act, as applicable. No dividend has been declared or paid during the year by its subsidiaries and joint venture, incorporated in India. As stated in Note No. 50 to the consolidated financial statements, 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 proposed is in accordance with section 123 of the Act, as applicable

vi. Based on our examination, which included test checks and those performed by the auditor of the subsidiaries and joint venture which are companies incorporated in India whose financial statements have been audited under the Act, the Holding, subsidiaries and a joint venture has a used ERP / other software as their accounting software for maintaining its books of accounts during the year ended 31st March, 2026, which has a feature of recording audit trail (edit logs) facility and the same was enabled on relevant transactions recorded in the accounting software except the followings:

(a) in case of holding company, at application level, the audit trail was enabled w.r.f 05th January, 2026 and (b) at database level, audit trail was enabled w.r.f. 31st December, 2025.

(b) In case of a Joint Venture, accounting softwares has been used for maintaining books of accounts except for PPE, Payroll and inventory.

During the course of performing our audit procedures and those performed by the auditor of the subsidiaries and joint venture, we and the auditor of the subsidiaries and joint venture did not come across any instance of the audit trail feature being tampered with and wherever audit trail was enabled, it has been preserved as per statutory record retention requirement.

3. The Holding Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. No remuneration paid / provided during the year by the subsidiaries & joint venture.

For Lodha & Co LLP,
Chartered Accountants
Firm Registration No. 301051E/E300284

New Delhi
29th May, 2026

(N.K. Lodha)
Partner
Membership No: 085155
UDIN :- 26085155MZWSLM1235

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date on the consolidated financial statements of Sunflag Iron and Steel Company Limited for the year ended 31st March, 2026.

In terms of paragraph 3(xxi) of the CARO 2020, in case of companies detailed below, remarks as stated by the respective auditors in their CARO report on the standalone financial statements of the respective companies included in the consolidated financial statements of the Holding Company are as under:

S. No.	Name of the Company	CIN	Holding / Subsidiary/ Joint Venture	Paragraph number in the respective CARO reports
1	Sunflag Iron and Steel Company Limited	L27100MH1984PLC034003	Holding Company	ii (b), iii (c) & iii (f)

Further to above the following are the Joint Venture Companies, included in the consolidated financial statements for the year ended March 31, 2026, where financial statement 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 D.M.S. India Private Limited	U28113HR2015FTC054839	Joint Venture
2	ReNew Green (MPR Three) Private Limited	U40106DL2022PTC400111	Joint Venture
3	CT Mining Private Limited	U10100JH2008PTC013329	Joint Venture

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the consolidated financial statements of Sunflag Iron and Steel Company Limited for the year ended 31st March, 2026)

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 Sunflag Iron and Steel Company Limited (hereinafter referred as to as "the Holding Company") as of and for the year ended 31st March, 2026, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and its Joint Ventures which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group and its Joint Ventures which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiaries and its joint ventures, as aforesaid, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were 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 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 auditors' judgement, including the assessment of the risks of material misstatement of the 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 in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to 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 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 financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to 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 consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to 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 explanations given to us and based on the consideration of the reports of the other auditors, as referred to the Other Matters paragraph below, the Holding Company, its Subsidiaries and its Joint Ventures which are companies incorporated in India, have maintained, in all material respects, 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, 2026, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

(a) Our 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 of the Holding Company, in so far as it relates to two Subsidiaries which are companies incorporated in India, is based solely on the corresponding reports of respective auditors of such companies incorporated in India.

(b) Reporting under Section 143(3)(i) of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to one joint venture incorporated in India namely Ramesh Sunwire Private Limited, pursuant to Ministry of Corporate Affairs Notification GSR 583(E) dated June 13, 2017.This Joint Ventures is not material to the Group.

(c) 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 in so far as it relates to three Joint Ventures which are incorporated in India, as the financial statements of this Joint Ventures is based solely on the basis of management certified financial statements. These Joint Ventures is not material to the Group.

(d) 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 which is incorporated in India namely Madanpur (North) Coal Block Private Limited, as the financial statements of the Joint Venture is not available and therefore the same has not been considered for consolidation purpose. This investment is fully impaired in the financial statements. This Joint Venture is not material to the Group.

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

For Lodha & Co LLP,
Chartered Accountants
Firm Registration No. 301051E/E300284

New Delhi
29th May, 2026

(N.K. Lodha)
Partner
Membership No: 085155
UDIN :- 26085155MZWSLM1235

SUNFLAG IRON AND STEEL COMPANY LIMITED, ITS SUBSIDIARIES AND JOINT VENTURES
CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2026

Particulars	Note No.	As at 31.03.2026 (₹ in Lakh)	As at 31.03.2025 (₹ in Lakh)
A. Assets			
1. Non-current Assets			
a) Property, plant and equipment	3(a)	**1,53,876**	1,44,183
b) Right of use assets	3(a)	**3,825**	4,316
c) Capital work - in - progress	3(b)	**21,387**	29,709
d) Financial assets			
i. Investments	4	**7,69,230**	7,77,906
ii. Other financial assets	5	**4,923**	3,454
e) Other non current asset	6	**2,595**	2,419
Total non-current assets		**9,55,836**	**9,61,987**
2. Current assets			
a) Inventories	7	**97,626**	93,119
b) Financial assets			
i. Trade receivables	8	**33,933**	36,167
ii. Cash and cash equivalents	9(a)	**18,189**	10,121
iii. Bank balances other than above	9(b)	**4,786**	5,700
iv. Others	10	**1,193**	332
c) Income tax assets (net)	11	**-**	55
d) Other current assets	12	**17,683**	11,220
Total current assets		**1,73,410**	**1,56,714**
Total assets		**11,29,246**	**11,18,701**
B. Equity and liabilities			
1. Equity			
a) Equity Share capital	13	**18,022**	18,022
b) Other equity	14	**8,69,230**	8,58,615
Equity attributable to owners of the Company		**8,87,252**	**8,76,637**
c) Non Controlling Interest		**162**	160
Total equity		**8,87,414**	**8,76,797**
2. Non-current liabilities			
a) Financial liabilities			
i. Borrowings	15	**6,110**	16,534
ii. Lease liabilities	16(a)	**4,476**	4,927
iii. Other financial liabilities	16(b)	**65**	65
b) Provisions	17	**2,658**	2,149
c) Deferred tax liabilities (Net)	18	**1,10,812**	1,10,061
Total non-current liabilities		**1,24,121**	**1,33,736**
3. Current liabilities			
a) Financial liabilities			
i. Borrowings	19(a)	**41,345**	40,522
ii. Lease liabilities	19(b)	**467**	422
iii. Trade payables	20		
- Total outstanding dues of Micro Enterprises and Small Enterprises		**1,938**	3,895
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		**52,722**	43,933
iv. Other financial liabilities	21	**17,465**	15,284
b) Other current liabilities	22	**3,354**	3,977
c) Provisions	23	**308**	135
d) Current tax liabilities (net)	24	**112**	-
Total current liabilities		**1,17,711**	**1,08,168**
Total equity and liabilities		**11,29,246**	**11,18,701**
Material accounting policies	1 & 2		

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

As per our report of even date

FOR LODHA & CO LLP
Chartered Accountants
FRN : 301051E/E300284

N. K. LODHA
Partner
M. No. 085155

New Delhi
29th May, 2026

Nagpur
29th May, 2026

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

PRANAV BHARDWAJ
MANAGING DIRECTOR
DIN 00054805

S. MAHADEVAN
CHIEF FINANCIAL OFFICER

CA VINITA BAHRI
DIRECTOR
DIN 03109454

RAMCHANDRA DALVI
DIRECTOR (TECHNICAL)
DIN 00012065

CA M. A. V. GOUTHAM
DIRECTOR
DIN 00101447

TIRTHNATH JHA
DIRECTOR
DIN 07593002

ASHUTOSH MISHRA
HEAD COMPANY SECRETARY
M. No. ACS 23011

SUNFLAG IRON AND STEEL COMPANY LIMITED, ITS SUBSIDIARIES AND JOINT VENTURES
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2026

Particulars	Note No.	For the Year Ended 31.03.2026 (₹ in Lakh)	For the Year Ended 31.03.2025 (₹ in Lakh)
Income			
1. Revenue from operations	25(a)	**3,93,938**	3,53,559
2. Other income	25(b)	**1,644**	1,652
Total Income		**3,95,582**	**3,55,211**
3. Expenses			
Cost of raw materials & components consumed	26(a)	**2,35,181**	2,22,897
Other manufacturing expenses	26(b)	**62,524**	62,721
Changes in inventories of finished goods and work-in-progress	27	**12,911**	(2,145)
Employee benefits expense	28	**15,105**	13,732
Finance costs	29	**7,222**	8,990
Depreciation and amortization expenses	30	**11,317**	10,445
Other expenses	31	**20,535**	17,423
Total expenses		**3,64,795**	**3,34,063**
4. Profit/(loss) before share of profit/(loss) from JVs and exceptional items & tax		**30,787**	21,148
5. Share of Profit / (Loss) in Joint Ventures & Associates		**165**	28
Exceptional items	47	**(870)**	-
6. Profit before tax		**30,082**	21,176
7. Tax Expense :	18		
(a) Current tax		**(8,161)**	(6,225)
(b) Current tax pertaining to earlier years		**159**	-
(c) Deferred tax		**667**	1,257
(d) Deferred tax pertaining to earlier years		**(2,510)**	-
8. Net Profit after tax for the year		**20,237**	**16,208**
Net Profit after tax attributable to			
Owners equity		**20,235**	16,206
Non-controlling Interest		**2**	2
9. Other comprehensive income			
Items that will not be reclassified to profit or loss			
- MTM gain on equity investments		**(9,330)**	4,11,150
- Revaluation gain on fixed assets		**1,077**	-
- Re-measurement of the defined benefit plans		**(19)**	(319)
- Gain/(Loss) on foreign currency hedging		**(35)**	(44)
Income tax relating to items that will not be reclassfied to profit or loss			
- MTM gain on equity instruments		**1,358**	(66,811)
- Revaluation gain on fixed assets		**(271)**	-
- Re-mesurement of the defined benefit plans		**5**	80
Total other comprehensive income (net of tax)		**(7,215)**	**3,44,056**
Total comprehensive income for the year (net of tax)		**13,022**	**3,60,264**
Other comprehensive income for the year attributable to:			
Owners equity		**(7,215)**	3,44,056
Non-controlling interest		**-**	-
Total comprehensive income for the year (net of tax) attributable to:			
Owners equity		**13,020**	3,60,262
Non-controlling interest		**2**	2
10. Earnings per equity share (in ₹)			
Basic	32	**11.23**	8.99
Diluted	32	**11.23**	8.99
Material accounting policies	1 & 2		

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

As per our report of even date

FOR LODHA & CO LLP
Chartered Accountants
FRN : 301051E/E300284

N. K. LODHA
Partner
M. No. 085155

New Delhi
29th May, 2026

Nagpur
29th May, 2026

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

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MANAGING DIRECTOR
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HEAD COMPANY SECRETARY
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SUNFLAG IRON AND STEEL COMPANY LIMITED, ITS SUBSIDIARIES AND JOINT VENTURES
CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31st MARCH, 2026

Particulars	For the year ended 31.03.2026 (₹ in Lakh)		For the year ended 31.03.2025 (₹ in Lakh)	
A. Cash flow from operating activities				
Net profit / (loss) before tax		**30,082**		21,176
Adjustments for :				
Depreciation and amortisation		**11,317**		10,445
(Profit) / loss on sale of property, plant and equipment		**63**		(7)
Finance costs		**7,222**		8,990
Interest income		**(992)**		(981)
Unrealised foreign exchange		**(7)**		-
Share of profit or loss of joint ventures and associates		**(165)**		(28)
Dividend Income		**(600)**		(600)
Bad debts		**3**		81
Loss allowances for trade receivables		**584**		743
Operating profit / (loss) before working capital changes		**47,507**		**39,819**
Changes in working capital :				
Adjustments for (increase) / decrease in operating assets :				
Inventories	**(4,507)**		(9,859)	
Trade receivables	**1,647**		(2,385)	
Other financial assets-current/non-current	**(918)**		(121)	
Other current assets	**(6,464)**	**(10,242)**	(3,690)	(16,055)
Adjustments for increase / (decrease) in operating liabilities :				
Trade payables	**6,805**		(4,758)	
Other financial liabilities	**2,735**		4,311	
Other current liabilities	**(623)**		1,243	
Long / Short-term provisions	**663**	**9,580**	153	949
Cash generated from operations		**46,845**		24,713
Income tax (paid)/refund net		**(7,835)**		(5,490)
Net cash flow from / (used in) operating activities (A)		**39,010**		**19,223**
B. Cash flow from investing activities				
Payment for Property, plant and equipment, CWIP, Capital Advance & Capital Creditors		**(12,772)**		(8,815)
Proceeds from sale of property, plant & equipment		**-**		8
Other Bank deposits not considered in cash & cash equivalents (net)		**(548)**		627
Interest received		**1,041**		937
Dividend received		**600**		600
Long-term investments in; - Joint ventures		**(487)**		(2,486)
Net cash flow from / (used in) investing activities (B)		**(12,166)**		**(9,129)**
C. Cash flow from financing activities				
Proceeds from long-term borrowings		**5,300**		3,285
Repayment of long-term borrowings		**(16,823)**		(11,927)
Net (decrease)/ increase in working capital borrowings		**1,922**		(1,252)
Repayment of unsecured Deferred Sales Tax Loan		**-**		(62)
Interest paid		**(6,902)**		(8,482)
Dividends paid		**(1,345)**		-
Payment of lease liability		**(928)**		(918)
Net cash flow (used in)/ from financing activities (C)		**(18,776)**		**(19,356)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**8,068**		(9,262)
Cash and cash equivalents at the beginning of the year		**10,121**		19,383
Cash and cash equivalents at the end of the year		**18,189**		**10,121**

Component of cash and cash equivalents	As at 31.03.2026 (₹ in Lakh)	As at 31.03.2025 (₹ in Lakh)
Cash and Cash Equivalents		
- Cash on hand	**39**	29
- Balances in current accounts	**2,548**	586
- Fixed deposits with original maturity period of upto three months	**12,316**	9,506
- Debit balance in Cash Credit Account	**3,286**	-
	18,189	**10,121**

SUNFLAG IRON AND STEEL COMPANY LIMITED, ITS SUBSIDIARIES AND JOINT VENTURES
CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31st MARCH, 2026

Cash Flow Continued....

Changes in liabilities arising from financing activities

Particulars	As at the end 31st March, 2024	Cashflows	As at the end 31st March, 2025	Cashflows	As at the end 31st March, 2026
Non-Current Borrowings	26,261	(9,727)	16,534	(10,424)	**6,110**
Current Borrowings (current maturities of long-term debt)	11,266	1,023	12,289	(1,099)	**11,190**
Current Borrowings Others	29,485	(1,252)	28,233	1,922	**30,155**

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

FOR LODHA & CO LLP
Chartered Accountants
FRN : 301051E/E300284

N. K. LODHA
Partner
M. No. 085155

New Delhi
29th May, 2026

Nagpur
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HEAD COMPANY SECRETARY
M. No. ACS 23011

Consolidated Statement of changes in equity for the year ended 31st March, 2026

a) Equity share capital

Particulars	No. of shares	Amount (₹ in Lakh)
As at 1st April, 2024	18,02,19,448	18,022
Changes in equity share capital during the current year	-	-
As at 31st March, 2025	18,02,19,448	18,022
Changes in equity share capital during the current year	-	-
As at 31st March, 2026	**18,02,19,448**	**18,022**

b) Other equity **(₹ in Lakh)**

Particulars	Reservs and Surplus			Other comprehensive Income				Total
	Securities premium	General reserve	Retained earnings	MTM gain /(loss) on equity shares	Revaluation Surplus	Effective portion of cash flow Hedges	Remeasurement of the defined benefit plans	
As at April 01, 2024	**3,785**	**256**	**2,47,637**	**2,10,799**	**35,585**	**79**	**210**	**4,98,351**
Net Profit for the year	-	-	16,208	-	-	-	-	**16,208**
Other comprehensive income for the year	-	-	-	3,44,339	-	(44)	(239)	**3,44,056**
Depreciation on Revalued assets transferred to retained earnings (net of taxes)	-	-	1,746	-	(1,746)	-	-	-
As at March 31, 2025	**3,785**	**256**	**2,65,591**	**5,55,138**	**33,839**	**35**	**(29)**	**8,58,615**
Net Profit for the year	-	-	20,235	-	-	-	-	**20,235**
Other comprehensive income for the year	-	-	-	(7,972)	806*	(35)	(14)	**(7,215)**
Dividend paid	-	-	(1,352)	-	-	-	-	**(1,352)**
Depreciation on Revalued assets transferred to retained earnings (net of taxes)	-	-	1,750	-	(1,750)	-	-	**-**
Adjustment	-	-	(1,053)	-	-	-	-	**(1,053)**
As at March 31, 2026	**3,785**	**256**	**2,85,171**	**5,47,166**	**32,895**	**-**	**(43)**	**8,69,230**

c) Non Controlling Interest

Particulars	As at 31st March, 2026	As at 31st March, 2025
Opening Balance	**160**	158
Changes during the year	**2**	2
Closing Balance	**162**	**160**

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 issued by the Company. 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.

* Refer note no. 3(a)(iii).

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 LODHA & CO LLP
Chartered Accountants
FRN : 301051E/E300284

N. K. LODHA
Partner
M. No. 085155

New Delhi
29th May, 2026

Nagpur
29th May, 2026

PRANAV BHARDWAJ
MANAGING DIRECTOR
DIN 00054805

S. MAHADEVAN
CHIEF FINANCIAL OFFICER

CA VINITA BAHRI
DIRECTOR
DIN 03109454

RAMCHANDRA DALVI
DIRECTOR (TECHNICAL)
DIN 00012065

CA M. A. V. GOUTHAM
DIRECTOR
DIN 00101447

TIRTHNATH JHA
DIRECTOR
DIN 07593002

ASHUTOSH MISHRA
HEAD COMPANY SECRETARY
M. No. ACS 23011

Notes forming part of the Consolidated Financial Statements as at and for the year ended 31st March, 2026

1. Corporate information

Sunflag Iron and Steel Company Limited ("the Company" or the "Holding 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 Holding Company is listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The registered office of the Holding 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	Daido D.M.S India Private Limited
Khappa Coal Company Private Limited	Ramesh Sunwire Private Limited
Sunflag Foundation*	C T Mining Private Limited
	Madanpur (North) Coal Block Private Limited
	ReNew Green (MPR Three) Private Limited

*Approved CSR entity, which cannot be consolidated as the equity of the said Institute is not available for distribution to its shareholders.

These Consolidated financial statements have been approved and adopted by the Board of Directors of the Holding Company in their meeting held on May 29, 2026.

1.1. Basis of Preparation of Consolidated Financial Statements

Statement of Compliance

The consolidated financial statements related to Sunflag Iron and Steel Company Limited (hereinafter referred to as the Company or Holding Company) and its subsidiaries (hereinafter collectively referred to as "Group") and its joint ventures.

The Group has adopted Indian Accounting Standards (the 'Ind AS') prescribed under section 133 of the Companies Act, 2013 (the 'Act'), read with the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules 2015, as amended from time to time.

The consolidated financial statements provide comparative information in respect of previous year.

The material accounting policies used in preparing the consolidated financial statements are set out in Note no. 2 of the Notes to the consolidated financial statements.

Basis of Preparation of the Consolidated Financial Statements:

The preparation of the consolidated 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 consolidated 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 consolidated financial statements. Actual results could vary from these estimates.

Functional and Presentation Currency

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

A) 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 Division II of Schedule III to the Companies Act, 2013.

B) 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. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

Joint 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 or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial 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.

C) Property, plant and equipment

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 Group 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 Group 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 consolidated financial statements upon sale or retirement of the asset and the resultant gain or losses are recognized in the statement of profit and loss.

The Holding Company has adopted the Revaluation Model for Certain Property, Plant and Equipment i.e. for Plant & Machinery and Buildings, which 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 other 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. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred directly to retained earnings.

Property, plant and equipment are eliminated from the consolidated 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 assets is derecognized.

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively.

Capital work-in-progress:

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.

D) Depreciation and amortization :

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 : -

Class of assets	Years
Lease Hold Land	30 & 95 years
Building including roads	1-60 years
Plant & Machinery	8-30 years
Electrical fittings & Computers	3-10 years
Furniture fixtures and others	8 years
Vehicles	6-10 years
Office equipment	5-10 years
Development of Mines	20-30 years

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.

Based on management evaluation, depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment.

Certain plant and machinery have been considered as continuous process plant on the basis of technical assessment and depreciation on the same is provided for accordingly.

E) Valuation of Inventories

Inventories are valued as under :

S.N.	Inventory Type	Valuation Basis
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.

F) Foreign Currency Transactions

i. Initial recognition

Foreign currency transactions are initially recorded in the functional currency, using the exchange rate prevailing at the date of the transaction.

ii. 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.

iii. 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.

G) Borrowing Costs

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.

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.

H) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group 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 :

• 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 Group 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 Group 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 Group ultimately expects it will have to return to the customer including volume rebates and discounts. The Group updates its estimates of refund liabilities at the end of each reporting period.

• 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.

• 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.

I) 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 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.

• 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.

J) Taxes on Income

Tax expense comprises of current and deferred tax. Current 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 Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current 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 Group 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.

K) 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.

L) Investment in Associates and Joint Ventures

Investment in 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 Group has adopted optional exemption under IND AS 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.

M) 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.

N) 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.

O) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Non- Derivative Financial Instruments

- **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 where that do not contain any significant portion of financing component. 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.

- **Subsequent Measurement**
- **Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortized if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- **Financial assets at fair value through other comprehensive income - Debt**

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.

- **Financial assets at fair value through other comprehensive income - Equity**

These include financial assets that are equity instruments as defined in Ind AS 32 "Financial Instruments: Presentation" and are not held for trading and where the Group's management has elected to irrevocably designated the same as Equity instruments at FVOCI upon initial recognition.

Subsequently, these are measured at fair value and changes therein are recognised directly in other comprehensive income, net of applicable income taxes.

Gains and losses on these equity instruments are never recycled to profit or loss. However, on derecognition of an equity instrument, the net profit / loss on sale of equity instruments (net of taxes) are reclassified to retained earnings.

Dividends from these equity investments are recognised in the statement of profit and loss when the right to receive the payment has been established.

- **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.

- **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.

- **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 statement of profit and loss.

- **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.

- **Financial liabilities at amortised cost**

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.

- **Equity instruments**

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

- **Derecognition of financial assets/liabilities**

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.

- **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.

- **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.

b) Derivative Financial Instruments

Derivative instruments such as forward currency contracts are used to hedge foreign currency risks, and are initially recognized at their fair values on the date on which a derivative contract is entered into and are subsequently re-measured at fair value on each reporting date. A hedge of foreign currency risk of a firm commitment is accounted for as a fair value hedge. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss. However, if hedging instrument hedges an equity instrument for which the Group has elected to present changes as at fair value through other comprehensive income, then fair value changes are recognized in Other Comprehensive Income.

2.1 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) 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.

C) 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.

D) 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.

E) 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.

F) Liquidated damages

Liquidated damages payable or receivable are estimated and recorded as per contractual terms/management assertion; estimate may vary from actuals as levy by customer/vendor.

G) Impairment testing

The Group has reviewed its carrying value of long term investments in equity/debentures at the end of each reporting period, for possible impairment if there are events or changes in circumstances that indicate that carrying amount of assets may not be recoverable. If the recoverable value, which is based upon economic circumstances and future plan is less than its carrying amount, the impairment loss is accounted.

H) Other estimates

The Group provides for other receivables / recovery against services, interest, etc. Also, the Group provides for inventory obsolescence, excess inventory and inventories with carrying values in excess of net realizable value based on assessment of the future demand, market conditions and specific inventory management initiatives. In all cases inventory is carried at the lower of historical cost and net realizable value.

2.2 Other Accounting Policies

A) 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.

B) 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.

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

C) 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.

D) Leases

Right of Use Assets

The Group recognizes a right-of-use asset, on a lease-by-lease basis, to measure that right-of-use asset an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

The cost of right-of-use assets includes the amount of lease liabilities recognised. Initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment test on an annual basis.

Lease Liabilities

The Group recognise a lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on a lease by lease basis.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

Short-term Leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

E) 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.

F) Segment 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 Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group'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 Group'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.

G) Statement of Cash Flow

Cash Flows are reported using indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals and accruals of past or future operating cash receipts and payments and item of income and expenses associated with investing or financing cash flows. The cash flows from operating, investing, and financing activities of the group are segregated.

H) Current and Non-Current Classification

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.

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

An asset is 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.

A liability is current when :

• 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.

The Group classifies all other liabilities as non-current.

I) New and amended standards notified by the Ministry of Corporate Affairs

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Holding Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact on its financial statements.

In August 2025, MCA notified the following amendments to:

1) Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2025 – The amendment relates to classification of liabilities as current or noncurrent and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Holding Company has no impact of these amendments in its classification criteria of current and non-current liabilities.

2) Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Holding Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

3) Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief.

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2026

3a) Property, plant and equipment (PPE) and Right of use asset (ROU)

(₹ in Lakh)

Particulars	Property, Plant and Equipment (PPE)-At Cost								PPE-Revalued		Total PPE	Right of use Assets as per Ind AS 116		Total ROU
	Freehold Land	Leasehold Land	Railway Siding	Furniture Fixture & others	Vehicles	Office Equipment	Develop-ment of Mines	Electrical fittings & Computers	Building including Roads	Plant & Machinery		Leasehold land	Plant & Machinery	
Gross Block														
As at 01.04.2024	**9,401**	**89**	**375**	**911**	**814**	**706**	**2,203**	**2,148**	**38,881**	**1,27,619**	**1,83,147**	**92**	**6,853**	**6,945**
Additions	**-**	**-**	**-**	**6**	**53**	**5**	**-**	**8**	**1,380**	**4,948**	**6,400**	**-**	**77**	**77**
Disposals	**-**	**-**	**-**	**-**	(19)	**-**	**-**	(1)	**-**	**-**	**(20)**	**-**	-	**-**
As at 31.03.2025	**9,401**	**89**	**375**	**917**	**848**	**711**	**2,203**	**2,155**	**40,261**	**1,32,567**	**1,89,527**	**92**	**6,930**	**7,022**
Additions	-	-	-	4	-	4	-	17	6,356	13,112	19,493	-	12	12
Adjustment of revaluation Gain / (Loss)	-	-	-	-	-	-	-	-	581	496	1,077	-	-	-
Disposals	**-**	**-**	(33)	(52)	(106)	(168)	**-**	(456)	(29)	(3)	(847)	**-**	-	**-**
As at 31.03.2026	**9,401**	**89**	**342**	**869**	**742**	**547**	**2,203**	**1,716**	**47,169**	**1,46,172**	**2,09,250**	**92**	**6,942**	**7,034**
Accumulated Depreciation/Amortisation														
As at 01.04.2024	**-**	**34**	**356**	**257**	**657**	**414**	**1,429**	**1,940**	**4,638**	**25,689**	**35,414**	**9**	**2,201**	**2,210**
Charge for the year	-	1	-	82	52	57	131	17	1,563	8,046	9,949	2	494	496
Disposals	-	-	-	-	(18)	-	-	(1)	-	-	(19)	-	-	-
As at 31.03.2025	**-**	**35**	**356**	**339**	**691**	**471**	**1,560**	**1,956**	**6,201**	**33,735**	**45,344**	**11**	**2,695**	**2,706**
Charge for the year	-	1	-	82	45	57	131	18	1,720	8,760	10,814	2	501	503
Disposals	-	-	(31)	(50)	(100)	(159)	-	(435)	(8)	(1)	(784)	-	-	-
As at 31.03.2026	**-**	**36**	**325**	**371**	**636**	**369**	**1,691**	**1,539**	**7,913**	**42,494**	**55,374**	**13**	**3,196**	**3,209**
Net Block														
As at 31.03.2025	9,401	54	19	578	157	240	643	199	34,060	98,832	1,44,183	81	4,235	4,316
As at 31.03.2026	**9,401**	**53**	**17**	**498**	**106**	**178**	**512**	**177**	**39,256**	**1,03,678**	**1,53,876**	**79**	**3,746**	**3,825**

Notes :

(i) 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.

(ii) Cost of Leasehold land is amortised over the period of lease i.e. 95 years.

(iii) The Holding Company has adopted the revaluation model under Ind AS 16, Property, Plant and Equipment, for its Buildings and Plant and Machinery with effect from March 31, 2020, using the Replacement Cost Method under the Cost Approach. In accordance with this accounting policy, the Company revalued and updated these classes of Property, Plant and Equipment as at March 31, 2026 based on a valuation performed by an independent registered valuer.
Accordingly, the net carrying values of Buildings and Plant & Machinery as on March 31, 2026 have been increased by ₹581 lakhs and ₹496 lakhs respectively with corresponding effect in Other Comprehensive Income of ₹806 lakhs (net of tax impact of ₹ 271 lakhs). The previous revaluations of these assets were carried out as at March 31, 2020 and March 31, 2023. Due to revaluation, the Company has charged incremental depreciation of ₹2,338 lakhs for the year ended March 31, 2026 (Previous Year: ₹ 2,334 lakhs).

(iv) The Holding Company has pledged certain property, plant and equipment against borrowings which have been disclosed in Note 15.

Notes forming part of the Consolidated financial statements as at and for the year ended 31st March, 2026

3b) Capital Work in Progress (CWIP) :

(₹ in Lakh)

Particulars	As at 31.03.2026	As at 31.03.2025
Brought forward from last year	**29,709**	**28,098**
Expenditure incurred during the year:		
Building and civil constructions	**4,372**	2,380
Machinery and equipments	**7,715**	5,442
Interest and financial charges	**117**	-
Total expenditure during the year	**12,204**	**7,822**
Less: Capitalised during the year	**(19,473)**	(6,211)
Less: Adjustment *	**(1,053)**	-
Net Carrying Value	**21,387**	**29,709**

* on account of consolidation.

Pre-operative expenditure included in CWIP expenses		
(i) Interest and other processing fees	**117**	-
As at March 31, 2026	**117**	**-**

CWIP Ageing Schedule - As on 31.03.2026

(₹ in Lakh)

Particulars	Amount in CWIP for a Period of 31.03.2026				
	Less than 1 Year	1 - 2 Years	2- 3 Years	More than 3 Years	Total
Projects in progress	9,593	4,617	1,189	4,712	**20,111**
Projects temporarily suspended	-	-	-	1,276	**1,276**
Total	**9,593**	**4,617**	**1,189**	**5,988**	**21,387**

Note: 1) 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 31.03.2026

(₹ in Lakh)

Particulars	To be completed in				
	Less than 1 Year	1 - 2 Years	2- 3 Years	More than 3 Years	Total
Projects temporarily suspended					
Mines under development *	-	-	-	266	**266**
Hydro power project *	-	-	-	1,010	**1,010**
Total	**-**	**-**	**-**	**1,276**	**1,276**

*read with note no. 1 above

CWIP Ageing Schedule - As on 31.03.2025

(₹ in Lakh)

Particulars	Amount in CWIP for a Period of 31.03.2025				
	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**
Total	**7,447**	**7,280**	**5,042**	**9,940**	**29,709**

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)

Particulars	To be completed in				
	Less than 1 Year	1 - 2 Years	2- 3 Years	More than 3 Years	Total
Projects temporarily suspended					
Mines under development *	**-**	**-**	**-**	1,319	**1,319**
Hydro power project *	-	-	-	1,010	**1,010**
Total	**-**	**-**	**-**	**2,329**	**2,329**

*read with note no. 2 above

The Holding Company has pledged certain Capital Work in Progress against borrowings which have been disclosed in Note 15.

4. Non- Current Investments **(₹ in Lakh)**

Name of the Body Corporate	Face Value (₹)	No. of Shares / Units		Extent of Holding (%)		Amount	
		As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
Investment in Equity Instruments (Fully paid up unless otherwise stated)							
a) Subsidiaries (Unquoted at cost)							
Sunflag Foundation	**10**	**10,000**	10,000	**100.00**	100.00	**1**	1
						1	**1**
b) Joint Ventures (Unquoted at cost)							
Madanpur (North) Coal Block Private Limited	**10**	**12,10,188**	12,10,188	**11.73**	11.73	**121**	121
C T Mining Private Limited	**10**	**31,80,000**	31,80,000	**31.80**	31.80	**318**	318
Daido DMS India Private Limited	**10**	**56,19,400**	56,19,400	**17.56**	17.56	**563**	563
Ramesh Sunwire Private Limited	**10**	**1,32,30,000**	98,00,000	**49.00**	49.00	**1,323**	980
ReNew Green (MPR Three) Private Limited	**10**	**3,39,04,800**	**3,39,04,800**	**31.20**	31.20	**3,390**	3,390
Add :- Company's share in the profit/(loss) of the Joint Ventures (equity method)						**350**	183
						6,065	**5,555**
c) Others (Quoted at Fair Value through Other Comprehensive Income)							
Equity Shares in Lloyds Metals & Energy Ltd.	**1**	**6,00,00,000**	6,00,00,000	**10.66**	11.47	**1,22,610**	1,22,610
Add :- MTM Gain on fair value measurement of equity shares						**6,40,410**	6,49,740
						7,63,020	**7,72,350**
d) Others (Unquoted at cost)							
Sunsure Solarpark Thirty Seven Private Limited (refer note below)	**10**	**13,594**	-	**36.27**	-	**144**	-
India Bulls CSEB Bhaiyathan Power Limited (CY ₹740/- PY ₹740/-)	**10**	**74**	74	-	-	-	-
						144	**-**
Total investment in Equity Instruments = (a+b+c+d)						**7,69,230**	**7,77,906**
Additional Information :							
Aggregate amount of quoted investments and market value thereof;						**7,63,020**	7,72,350
Aggregate amount of unquoted investments						**6,210**	5,556
Aggregate amount of Diminution in value of investments						**-**	**-**
Carrying amounts of investments have been adjusted to reflect losses incurred at Joint Ventures.							

Note :-

The Holding Company entered into long term power purchase agreement (PPA) with Sunsure Solarpark Thirty Seven Private Limited, a power producer Company on 22nd April 2025 for the purchase of the power generated from its 11 MW AC/16.5 MWp DC, grid connected solar (photovoltaic) electric generating facility/ solar photovoltaic project to be set up at Ajande Kh, Taluka Sindhkeda, District Dhule, Maharashtra, India, 425404. With commitment for investment up to ₹578 lakhs and in this regard Holding Company has signed Share Subscription and Shareholders Agreement (SSSHA) and to maintain investment (minimum) 26% in equity (till date invested ₹ 144 lakhs). The Holding Company, as a captive user, has no role & responsibility in the day to day management & operations of Sunsure Solarpark Thirty Seven Private Limited. As such, Sunsure Solarpark Thirty Seven Private Limited has not been considered as joint venture / associate for consolidated purpose.

The Holding Company has pledged certain investment against borrowings which have been disclosed in Note 15.

5. Other Financial Assets (unsecured) **(₹ in Lakh)**

Particulars	As at 31.03.2026	As at 31.03.2025
Security deposits	**1,104**	1,102
Less:-provision for security deposits	**(23)**	-
Security deposits Related Parties (Refer Note No. 38)	**28**	28
Bank deposits with bank more than 12 months maturity *	**3,444**	2,043
Interest Accrued on bank deposits	**70**	42
Earmarked escrow bank deposit for mine restoration obligation	**212**	212
Earmarked escrow current account for mine restoration obligation	**88**	27
Total	**4,923**	**3,454**

*Kept as margin money deposit against bank guarantee and letter of credit.

The Holding Company has pledged certain asset against borrowings which have been disclosed in Note 15.

6. Other non-current assets

(₹ in Lakh)

Particulars	As at 31.03.2026	As at 31.03.2025
Capital advances	**2,595**	2,419
Total	**2,595**	**2,419**

The Holding Company has pledged certain asset against borrowings which have been disclosed in Note 15.

7. Inventories (As taken, valued and certified by the management)

Raw materials on hand	**36,005**	22,081
Goods-in transit (raw material)	**724**	211
Work-in-progress	**22,848**	25,579
Finished goods	**25,330**	35,612
Goods in transit (finished goods)	**2,944**	2,843
Consumables, stores and spares #	**9,775**	6,793
Total	**97,626**	**93,119**

Note :-

i. Valued at lower of cost and net realisable value, unless otherwise stated.

ii. Inventories are hypothecated to banks against working capital loans and term loans. Refer Note No. 19(a)(i)& 15.

iii. # Consumables, stores and spares are net of provision for obsolete items, amounting to ₹215 Lakhs (Previous year ₹215 Lakhs)

8. Trade receivables

Considered good - Unsecured,	**33,933**	36,167
Credit impaired	**2,941**	2,357
	36,874	**38,524**
Less: Provision for expected credit loss	**(2,941)**	**(2,357)**
Total	**33,933**	**36,167**

Trade receivables ageing schedule - As on 31.03.2026

(₹ 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 - Unsecured	27,353	6,580	-	-	-	-	**33,933**
- Credit impaired	-	-	1,177	528	105	466	**2,276**
(ii) Disputed Trade Receivables							
- Considered good - Unsecured	-	-	-	-	-	-	**-**
- Credit impaired	-	-	-	35	-	630	**665**
Total	**27,353**	**6,580**	**1,177**	**563**	**105**	**1,096**	**36,874**
Less:- Provision for expected credit loss	-	-	(1,177)	(563)	(105)	(1,096)	**(2,941)**
Total	**27,353**	**6,580**	**-**	**-**	**-**	**-**	**33,933**

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 - Unsecured	29,058	7,109	-	-	-	-	**36,167**
- Credit impaired	-	-	369	705	143	510	**1,727**
(ii) Disputed Trade Receivables	-	-	-	-	-	-	-
- Considered good - Unsecured	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	91	539	**630**
Total	**29,058**	**7,109**	**369**	**705**	**234**	**1,049**	**38,524**
Less:- Provision for expected credit loss	-	-	(369)	(705)	(234)	(1,049)	**(2,357)**
Total	**29,058**	**7,109**	**-**	**-**	**-**	**-**	**36,167**

Note :

i) Trade receivables are hypothecated to banks against working capital loans and term loans refer note No. 19(a)(i) & 15 , 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 38.

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

(₹ in Lakh)

Particulars	As at 31.03.2026	As at 31.03.2025
9(a) Cash and cash equivalents		
Cash on hand	**39**	29
Balances with bank in current accounts	**2,548**	586
Fixed deposits with original maturity period of upto three months	**12,316**	9,506
Debit balance in Cash Credit Account	**3,286**	-
Total	**18,189**	**10,121**
9(b) Bank balances other than above		
Margin money deposit against letter of credit & bank guarantees	**4,746**	5,667
Earmarked balance for unclaimed dividend #	**40**	33
Total	**4,786**	**5,700**
# During the year ₹ 18 Lakhs (Previous year ₹ NIL) amount has been transferred to Investor Education and Protection Fund.		
10. Others - current financial assets		
Accruals - Interest accrued on deposits with banks	**164**	241
Advances to employees	**25**	81
Export incentives receivable	**1**	9
Claims receivables	**26**	26
Less: provision for claims receivable	**(25)**	(25)
Other receivables	**1,002**	-
Total	**1,193**	**332**
Certain assets have been pledged against borrowings which have been disclosed in Note 15.		
11. Income tax assets (net)		
Advance Tax (Net of Provision)	**-**	55
Total	**-**	**55**
12. Other current assets		
Advance to vendors	**17,562**	11,110
Less:- provision for advance to vendors	**(852)**	(844)
Prepaid Expenses	**753**	607
Balances with Statutory / Govt Authorities #	**220**	178
Others	**-**	169
Total	**17,683**	**11,220**
# includes Mega Project incentive receivable and duty paid under protest of ₹118 Lakh (Previous year ₹118 Lakh)		
Certain assets have been pledged against borrowings which have been disclosed in Note 15.		

13. Equity share capital (₹ in Lakh)

Particulars	As at 31.03.2026		As at 31.03.2025	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of ₹10/- each	**20,50,00,000**	**20,500**	20,50,00,000	20,500
Total	**20,50,00,000**	**20,500**	**20,50,00,000**	**20,500**
Issued, Subscribed & Fully paid up				
Equity shares of ₹10/- each fully paid up	**18,02,19,448**	**18,022**	18,02,19,448	18,022
Total	**18,02,19,448**	**18,022**	**18,02,19,448**	**18,022**

a) Terms/ Voting Rights attached to the Equity Shares

(i) The Company has one class of equity shares having a face value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

(ii) In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion of the number of the Equity shares held by the Shareholders.

b) Reconciliation of equity shares outstanding at the beginning and at the end of the year **(₹ in Lakh)**

Particulars	As at 31.03.2026	As at 31.03.2025
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 31.03.2026		As at 31.03.2025	
	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	**1,28,07,291**	**7.11**	1,27,92,000	7.10

d) Shares held by promoters at the end of the year as on 31.03.2026

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 31.03.2025

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) Aggregate number of bonus share or share for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date are "NIL".

f) The Board of Directors have recommended a dividend of ₹ 1/- per fully paid up equity share of ₹ 10 each for the year ended March 31, 2026, subject to approval of the members at the ensuing Annual General Meeting.

14. Other equity **(₹ in Lakh)**

Particulars	As at 31.03.2026	As at 31.03.2025
a) Securities premium		
Balance at the beginning of the year	**3,785**	3,785
Balance at the end of the year	**3,785**	**3,785**
b) General reserve		
Balance at the beginning of the year	**256**	256
Balance at the end of the year	**256**	**256**
c) Retained earnings		
Balance at the beginning of the year	**2,65,591**	2,47,637
Add : Profit during the year	**20,235**	16,208
Add : Depreciation on Revalued assets transferred from OCI (net of taxes)	**1,750**	1,746
Less : Dividend paid	**(1,352)**	-
Less : Adjustment #	**(1,053)**	-
Balance at the end of the year	**2,85,171**	**2,65,591**
d) Other Comprehensive income/ (Loss)		
- Revaluation Surplus *		
Balance at the beginning of the year	**33,839**	35,585
Add : Additions during of the year	**806**	-
Less : Depreciation on Revalued assets transferred to retained earnings (net of taxes)	**(1,750)**	(1,746)
Balance at the end of the year	**32,895**	**33,839**

(₹ in Lakh)

Particulars	As at 31.03.2026	As at 31.03.2025
- Remeasurements of the defined benefit plans		
Balance at the beginning of the year	**(29)**	210
Add : Loss during the year	**(14)**	(239)
Balance at the end of the year	**(43)**	**(29)**
- MTM Gain on fair value measurement of equity shares		
Balance at the beginning of the year	**5,55,138**	2,10,799
Add : Gain / (Loss) during the year	**(7,972)**	3,44,339
Balance at the end of the year	**5,47,166**	**5,55,138**
- Effective portion of cash flow Hedges		
Balance at the beginning of the year	**35**	79
Movement during of the year	**(35)**	(44)
Balance at the end of the year	-	35
Total	**8,69,230**	**8,58,615**

* Refer note no. 3(a) (iii).
# on account of consolidation.

15. Non-current borrowings

i. Secured		
a) Term loans - from Banks	**13,045**	18,755
b) Term loans - from NBFCs	**2,452**	8,265
Less : Current maturities of long-term debt {refer note 19(a)}		
- Term loans - from Banks	**(9,114)**	(8,240)
- Term loans - from NBFCs	**(2,076)**	(4,049)
Total (a)	**4,307**	**14,731**
ii. Unsecured		
a) Loan from Promoters (interest free)	**1,375**	1,375
b) Loan from others (interest free)	**428**	428
Total (b)	**1,803**	**1,803**
Total (a+b)	**6,110**	**16,534**

Notes :

i. a) Term loans from Banks/NBFCs [except facility disclosed in point (d) below] are secured by first pari passu charges on the entire fixed assets of the Holding Company both present and future situated at Village Warthi, District Bhandara. Certain borrowings from banks are additionally secured by a second pari passu charge on the Holding Company's current assets, including inventories, receivables and other current assets.

b) The facility sanctioned by Axis Bank Ltd. of ₹16,250 Lakhs is additionally secured by an exclusive charge on fixed assets funded via Axis Bank's Term loan for Bhivkund Coal Mine.

c) The facilities sanctioned by Indian Bank additionally secured by an exclusive pledge of 74 lakhs nos. of equity shares of Lloyds Metals & Energy Limited (LMEL).

d) The facility sanctioned by Bajaj Finance Limited of ₹5,500 lakhs is secured by a first mortgage of the Holding Company's Immovable properties situated at Plot No. 10 B,KG Marg, New Delhi.

e) 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.

f) As at the reporting date, modification of charges in respect of certain term loan facilities aggregating to ₹17,600 lakhs and satisfaction of charges in respect of closed borrowing facilities aggregating to ₹1,247 lakhs are pending filing with the Registrar of Companies. The Holding Company is in the process of completing the requisite statutory filings.

ii. Term loan availed and outstanding during the year :

(₹ in Lakh)

Sr. No.	Bank Name	ROI	Sanctioned Amount	Availed / Outstanding 31.03.2026	Availed / Outstanding 31.03.2025
1	State Bank of India	ROI for these loans ranges from 8.00% to 9.65%	3,400	**-**	1,303
2	Axis Bank Limited		10,000	**542**	953
3	Indian Bank		24,000	**8,854**	13,895
4	Axis Bank Limited		16,250	**688**	-
5	Bajaj Finance Limited - NBFC		7,000	**836**	2,276
6	Bajaj Finance Limited - NBFC		5,500	**1,616**	2,656
7	Tata Capital Limited - NBFC		6,000	**-**	3,333
8	Indian Bank		10,000	**382**	2,604
9	South Indian Bank Limited		12,500	**2,579**	-
			94,650	**15,497**	**27,020**

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..s

(₹ in Lakh)

Maturity Profile	0-1 year	1 - 2 year
Term loan from Banks	9,114	3,931
Term loan from NBFCs	2,076	376

16(a) Lease Liability (₹ in Lakh)

Particulars	As at 31.03.2026	As at 31.03.2025
Lease Liability Ind AS 116*	**4,943**	5,349
Less : Lease Liability - Current Maturity*	**(467)**	(422)
Net Lease Liability	**4,476**	**4,927**
*Refer Note 36		

16(b) Other financial liabilities

Security Deposits	**65**	65
Total	**65**	65

17. Non-current provisions

Provision for employee benefits		
- Gratuity	**1,426**	814
- Leave encashment	**598**	720
Provision for contingencies (refer below mentioned note)	**634**	615
	2,658	**2,149**

Note : 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	
	2025-2026	2024-2025	2025-2026	2024-2025	2025-2026	2024-2025
Opening	**400**	400	**215**	2,335	**615**	2,735
Provision regrouped during the year	**-**	-	**-**	(2,138)	**-**	(2,138)
Payment during the year	**-**	-	**-**	-	**-**	-
Interest Charge during the year	**-**	-	**19**	18	**19**	18
Closing	**400**	**400**	**234**	**215**	**634**	**615**

18. Deferred tax liabilities (₹ in Lakh)

Particulars	As at 31.03.2026	Charge/Credit during the year	As at 31.03.2025	Charge/Credit during the previous year	As at 31.03.2024
a) Deferred Tax Liabilities					
On account of timing difference between book and tax base related to property, plant and machinery	**8,685**	2,893	5,792	(349)	6,141
Revaluation gain	**11,063**	(318)	11,381	(587)	11,968
Fair value measurement of equity shares	**93,244**	(1,358)	94,602	66,811	27,791
Right of use assets	**963**	(237)	1,200	(261)	1,461
	1,13,955	**980**	**1,12,975**	**65,614**	**47,361**
Deferred Tax Asset on					
Lease liability	**1,244**	(7)	1,251	(231)	1,482
Investments	**104**	104	-	-	-
Re-measurements of the defined benefit plans	**14**	(188)	202	80	122
Expenses Disallowed	**1,781**	320	1,461	291	1,170
	3,143	**229**	**2,914**	**140**	**2,774**
Net Deferred Tax Liability	**1,10,812**	**751**	**1,10,061**	**65,474**	**44,587**

(₹ in Lakh)

Particulars	For the Year ended 31.03.2026	For the Year ended 31.03.2025
b) Tax Expense :		
a) Current Tax expense for the year	**(8,161)**	(6,225)
b) Current tax pertaining to earlier years	**159**	-
c) Deferred Tax	**667**	1,257
d) Deferred tax pertaining to earlier years	**(2,510)**	-
Total	**(9,845)**	**(4,968)**
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2026 and 31st March, 2025.		
Accounting profit before tax	**29,917**	21,148
Applicable tax rate	**25.168%**	25.168%
Computed tax	**(7,530)**	(5,321)
Adjustments :-		
Permanent disallowance	**121**	298
Current tax pertaining to earlier years	**159**	-
Deferred tax pertaining to earlier years	**(2,510)**	-
Others	**(85)**	55
Net Tax Expense for the Year	**(9,845)**	**(4,968)**

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

(₹ in Lakh)

Particulars	As at 31.03.2026	As at 31.03.2025
Secured		
Loans repayable on demand		
Borrowings for working capital from banks	**25,320**	22,228
Customer bills discounted	**4,835**	6,005
Total (a)	**30,155**	**28,233**
Current maturities of long-term debt :		
Secured		
- Term loan from banks	**9,114**	8,240
- Term loan from NBFCs	**2,076**	4,049
Total (b)	**11,190**	**12,289**
Total (a + b)	**41,345**	**40,522**

Note :

i. Working capital borrowings are secured by way of a first pari passu charge with consortium banks on the entire present and future current assets of the Holding Company, including raw materials, stock-in-process, finished goods, stores and spares, other consumables, book debts and all other current assets. The facilities are further secured by way of a second pari passu charge with consortium banks on the entire present and future fixed assets of the Holding Company situated at Village Warthi, Bhandara Road, Bhandara.

ii. Interest on working capital loan from Banks are charged between 6.55% to 8.40% by respective bank.

iii. Outstanding under Customer bills discounted are supported by Letter of credit issued by the respective customers. Further the bills are discounted after receipt of acceptance from applicant's Bank.

iv. The quarterly returns or statements filed by the Holding Company for working capital limits with such banks are generally in agreement with the books of account of the Holding 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 and 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)

Name of the Bank	Particular of Securities Provided	Period ended	Amount as Per Financials	Amount as Per statement filed with Bankers	Difference	DP Utilized	Reason for material discrepancies
Consortium of banks (State Bank of India, Canara Bank, Bank of India, Indian Bank & IDBI Bank)	Refer note above 19(a)(i) & 15	30.06.2025	84,594	81,473	3,121	21,159	Refer note above 19(a)(iv)
		30.09.2025	85,325	82,542	2,783	25,348	
		31.12.2025	82,190	84,047	-1,857	25,120	
		31.03.2026	76,174	76,620	- 446	25,320	

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

Name of the Bank	Particular of Securities Provided	Period ended	Amount as Per Financials	Amount as Per statement filed with Bankers	Difference	DP Utilized	Reason for material discrepancies
Consortium of banks (State Bank of India, Canara Bank, Bank of India, Indian Bank & IDBI Bank)	Refer note above 19(a)(i) & 15	30.06.2024	82,413	93,307	-10,894	24,097	Refer note above 19(a)(iv)
		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	

v. As at the reporting date, satisfaction of charges in respect of borrowing facility sanction of Axis Bank Limited ₹9,500 Lakhs are pending filing with the Registrar of Companies. The Holding Company is in the process of completing the requisite statutory filings.

19 (b) Lease Liability - Current Maturity **(₹ in Lakh)**

Particulars	As at 31.03.2026	As at 31.03.2025
Lease Liability - Current Maturity	**467**	422
Total	**467**	**422**

20. Current financial liabilities - Trade payables

(a) Total outstanding dues of Micro and Small Enterprises	**1,938**	3,895
Total (a)	**1,938**	**3,895**
(b) Others		
(i) Acceptances	**27,314**	22,811
(ii) Other than acceptances	**25,408**	21,122
Total (b)	**52,722**	**43,933**
Total (a+b)	**54,660**	**47,828**

Trade Payables ageing schedule - As on 31.03.2026 **(₹ 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. Micro & Small enterprises	**1,497**	**433**	**-**	**-**	**1**	**1,931**
ii. Others	**36,846**	**12,629**	**280**	**102**	**609**	**50,466**
iii. Disputed dues-Micro & Small enterprises	**-**	**-**	**-**	**-**	**7**	**7**
iv. Disputed dues - Others	**-**	**-**	**-**	**-**	**2,256**	**2,256**
Total	**38,343**	**13,062**	**280**	**102**	**2,873**	**54,660**

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. Micro & Small enterprises	2,457	1,431	-	-	-	**3,888**
ii. Others	30,740	9,850	277	139	427	**41,433**
iii. Disputed dues-Micro & Small enterprises	-	-	-	-	7	**7**
iv. Disputed dues - Others	-	-	-	-	2,500	**2,500**
Total	**33,197**	**11,281**	**277**	**139**	**2,934**	**47,828**

There are certain amounts outstanding beyond the agreed period to Micro, Small and Medium enterprises as required by MSMED Act, 2006 as at the Balance Sheet date due to the dispute with these suppliers, to the extent such suppliers have been identified based on information available with the Group. Based on the facts and circumstances of the disputes and the legal assessment available, the management believes that no liability towards interest under the MSMED Act is required to be recognised in respect of these disputed amounts.

Disclosure pertaining to Micro and Small Enterprises (as per information available with the Group.	As at 31.03.2026	₹ in Lakh) As at 31.03.2025
i. Principal amount remaining unpaid to supplier at the end of the year.	**1,938**	3,895
ii. Interest due thereon remaining unpaid to supplier at the end of the year.	**-**	-
iii. Amount of interest paid in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iv. 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 this Act	**-**	-
v. Amount of interest accrued and remaining unpaid at the end of the year.	**-**	-
vi. 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 MSMED Act, 2006	**-**	-
	1,938	**3,895**

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 Group is in the process of updating its suppliers data, as to the status of 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.

The Holding Company has trade payables balance, which are part of supplier finance arrangements, of ₹ 2,229 Lakhs (March 31, 2025 ₹ 396 Lakhs). The key terms and conditions of the arrangement are:

a. The Holding Company decides which invoices will be financed.
b. The financier pays the supplier before the due date of the invoice.
c. The Holding Company pays the financier on the due date of the invoice.
d. The financing terms are negotiated by the Company, and it bears interest in the range of 6.98-7.75% on the credit availed beyond the due date.

Further, the Holding Company has not provided comparative information in respect of the amendments to Ind AS 7 and Ind AS 107 relating to supplier finance arrangements, as it has applied the transitional relief available on initial adoption of these amendments, which allows entities not to present comparative disclosures for prior periods.

21. Other current financial liabilities **(₹ in Lakh)**

Particulars	As at 31.03.2026	As at 31.03.2025
Interest accrued but not due on borrowings	**102**	175
Security deposits	**829**	562
Unclaimed dividends #	**40**	33
Discounts	**4,831**	4,430
Managerial commission	**822**	416
Salary & Reimbursements	**1,520**	1,445
Capital Creditors	**1,756**	2,244
Liability w.r.t. Mining Lease Obligations	**2,138**	2,138
Others	**5,427**	3,841
Total	**17,465**	**15,284**

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	**2,383**	1,436
Statutory dues payable	**674**	2,325
Others	**297**	216
	3,354	**3,977**

23. Provisions-current

Provision for employee benefits		
-Leave encashment	**308**	135
	308	**135**

24. Current Tax Liabilities (net)

Income tax liabilities (net)	112	-
	112	**-**

25(a) Revenue from operations **(₹ in Lakh)**

Particulars	For the Year ended 31.03.2026	For the Year ended 31.03.2025
Sale of manufactured goods	**4,03,303**	3,65,194
Less : Discounts	**(11,322)**	(11,772)
Sub Total (a)	**3,91,981**	**3,53,422**
Other operating income		
Duty drawback & export incentives	**151**	72
Industrial Promotion Subsidy-Mega Project (2013)	**1,806**	65
Sub Total (b)	**1,957**	**137**
Total revenue from operations (a+b)	**3,93,938**	**3,53,559**
Revenue from Contracts with Customers		
Revenue from Contracts with Customers disaggregated based on nature of product or services		
A) Sale of Products		
- Iron & Steel	**3,91,981**	3,53,422
- Other	-	-
	3,91,981	**3,53,422**
B) Other operating Revenue		
- Iron & Steel	**1,957**	137
	1,957	**137**
Revenue from Contracts with Customers disaggregated based on geography (Revenue is recognised at a point in time)		
Domestic	**3,82,535**	3,48,742
Export	**11,403**	4,817
Total	**3,93,938**	**3,53,559**
Reconciliation of Gross Revenue with the Revenue from Contracts with Customers		
Gross Revenue	**4,05,260**	3,65,331
Less : Discounts & rebate etc.	**(11,322)**	(11,772)
Net Revenue recognised from Contracts with Customers	**3,93,938**	**3,53,559**

Assets & Liabilities related to Contracts with Customers **(₹ in Lakh)**

Particulars	As at 31.03.2026		As at 31.03.2025	
	Non-Current	Current	Non-Current	Current
Contract Assets-Trade Receivable	**-**	**33,933**	-	36,167
Contract Liabilities-Advance from customers	**-**	**2,383**	-	1,436

25(b) Other Income **(₹ in Lakh)**

Particulars	For the Year ended 31.03.2026	For the Year ended 31.03.2025
Interest income	**992**	981
Insurance claims	**10**	-
Dividend income	**600**	600
Others	**42**	71
Total other income	**1,644**	**1,652**

26(a) Cost of raw material & components consumed		
Inventory at the beginning of the year	**29,085**	21,373
Add: Purchases during the year	**2,52,598**	2,30,609
Less: Inventory at the end of the Year	**(46,502)**	(29,085)
Total raw material & components consumed (a)	**2,35,181**	**2,22,897**
Details of raw material & components consumed		
Iron Ore & Iron Ore Fines	**48,140**	50,644
Coal & Coal Fines #	**12,994**	15,055
Coking Coal	**37,610**	14,020
Coke	**43,296**	58,132
Scrap & HBI	**8,060**	829
Ferro Alloys	**38,405**	37,581
Super Alloy Raw Material	**2,637**	1,035
Fluxes, Minerals & Additives	**10,598**	10,023
Electrodes	**3,285**	3,001
Others	**30,156**	32,577
Total	**2,35,181**	**2,22,897**

Net of Consumption of Coal from Captive Mines

26(b) Other Manufacturing Expenses (₹ in Lakh)

Particulars	For the Year ended 31.03.2026	For the Year ended 31.03.2025
Consumption of fuel	**7,122**	11,762
Consumption of power (Net of captive consumption)	**26,989**	25,719
Coal mine FPO, royalty, coal raising, freight and other expenses	**6,161**	6,991
Contract expenses	**22,252**	18,249
Total Other Manufacturing Expenses (b)	**62,524**	**62,721**
Total Expenses (a+b)	**2,97,705**	**2,85,618**

27. Changes in inventories of finished goods and work-in-progress

a. Inventories at the end of the year :		
Finished goods	**28,274**	38,455
Work-in-progress	**22,848**	25,578
Total (a)	**51,122**	**64,033**
b. Inventories at the beginning of the year :		
Finished goods	**38,455**	38,479
Work-in-progress	**25,578**	23,409
Total (b)	**64,033**	**61,888**
Net (increase) / decrease Total (b-a)	**12,911**	**(2,145)**

28. Employee benefit expenses

Salaries, wages and bonus	**12,937**	11,982
Contribution to provident and other funds	**1,262**	1,136
Staff welfare expenses	**906**	614
Total	**15,105**	**13,732**

29. Finance cost

Interest on term loans	**2,051**	2,962
Interest capitalised	**(117)**	-
Interest on term loans (net)	**1,934**	**2,962**
Interest on working capital loans	**1,834**	1,911
Interest on bills discounted	**343**	394
Other borrowing costs	**2,582**	3,163
Unwinding of Interest	**19**	18
Interest on lease liability (IND AS 116) {Refer note No.36}	**510**	542
Total	**7,222**	**8,990**

30. Depreciation and amortization expense

Depreciation and amortization of property, plant & equipment	**10,814**	9,949
Amortization of right of use assets (Refer note No.36)	**503**	496
Total	**11,317**	**10,445**

31.

31.1 Other Expenses **(₹ in Lakh)**

Particulars	For the Year ended 31.03.2026	For the Year ended 31.03.2025
Freight & forwarding (net of recoveries)	**12,144**	10,900
Travelling & conveyance	**676**	588
Insurance charges	**407**	355
Rent	**72**	69
Rates and taxes	**183**	234
Repairs & maintenance	**326**	95
Printing & stationary	**29**	32
Directors' sitting fee	**8**	6
Postage & telephones	**54**	43
Corporate social responsibility	**463**	506
Legal & professional expenses (Refer note No.31.2 below)	**2,015**	1,685
Foreign exchange fluctuation (Net)	**363**	544
Commission on Sales	**1,652**	335
Bad debts written-off	**3**	81
Provision for doubtful advances	**31**	-
Provision for doubtful debts	**584**	743
Loss on disposal/discard of property, plant and equipment	**63**	-
Miscellaneous expenses	**1,462**	1,207
Total	**20,535**	**17,423**

31.2 Payments to Auditors

Statutory Audit fees	**18**	18
Limited Review Fees *	**14**	10
Total	**32**	**28**

* Current year figure includes Limited Review fee paid to erstwhile auditors for Quarter-1 of FY 2025-26 ₹ 3.50 lakh.

32. Earnings Per Share

Net profit attributable to equity shareholders	₹ in lakh	**20,237**	16,208
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	**11.23**	8.99
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.

33. Contingent liabilities and commitments (to the extent not provided for) **(₹ in Lakh)**

Particulars	As at 31.03.2026	As at 31.03.2025
Contingent liabilities		
Claims against the Company not acknowledged as debts *		
(a) Excise duty, custom duty, GST & other taxes against which Company has preferred an appeal	**1,721**	2,074
(b) Other Legal cases #	**16**	21
Other		
(a) Unexpired letter of credit	**10,482**	23,874
(b) Guarantees issued by Company's bankers on behalf of the Company	**14,046**	12,202

*** Note :**

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.

Excluding civil matters of ₹1,501 lakhs (previous year ₹1,501 lakhs), which mainly includes an arbitral award of ₹1,100 lakhs (Section 34 challenge, stay granted by District Court on ground of unilateral appointment of Arbitrator) and a stamp duty matter of ₹320 lakhs (under challenge before Bombay HC, stay granted), which have not been disclosed as contingent liability as the management believes, that the possibility of an outflow of resources embodying economic benefits is remote.

(₹ in Lakh)

Particulars	As at 31.03.2026	As at 31.03.2025
Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	**12,053**	10,830

34. Impairment review

Assets are tested for impairment whenever there are any internal or external indicators of impairment. Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs within the Group 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 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

Operating margins : Operating margins have been estimated based on historical performance and current market dynamics of the steel manufacturing industry. Margins reflect operational efficiencies achieved through process optimization, economies of scale, and improved capacity utilization. Although raw material price fluctuations and market-driven pricing pressures may have some impact, the Group expects stable to improved margins due to ongoing cost control initiatives and favourable demand outlook in the infrastructure and construction sectors.

Discount rate : Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs. The discount rate is estimated based on the weighted average cost of capital for respective CGU or group of CGUs.

Growth rates : The growth rates used are in line with the long term average growth rates of the steel industry and the Indian economy, and are consistent with the forecasts included in the industry reports.

Capital expenditures : The cash flow forecasts of capital expenditure are based on past experience coupled with additional capital expenditure required for maintenance and strategic growth projects.

35. 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 IND AS 108 'Operating Segments'.

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

Geographical Information

a) Revenue

(₹ in Lakh)

Particulars	For the Year ended 31st March, 2026		For theYear ended 31st March, 2025	
	Domestic	Foreign	Domestic	Foreign
Revenues from operations #	**3,82,535**	**11,403**	3,48,742	4,817

There is no single customer who has contributed 10% or more to the Company's revenue for both the years ended 31st March, 2026 and 31st March, 2025.

b) Non-Current Assets

All non-current assets other than financial instruments of the Group are located in India.

36. Leases (Ind AS 116 Disclosure)

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

(₹ in Lakh)

Particulars	As at 31.03.2026	As at 31.03.2025
a) The movement in lease liabilities is as follows :		
Opening Balance	**5,349**	5,649
Acquisition	**12**	76
Accretion of interest	**510**	542
Payments	**(928)**	(918)
Closing balance	**4,943**	**5,349**
Non-current lease liabilities	**4,476**	4,927
Current lease liabilities	**467**	422
Total	**4,943**	**5,349**

Note : The effective interest rate of lease liabilities is 9.85%, with maturity between 2026-2083

b) Lease expenses recognised in statement of profit & loss

(₹ in Lakh)

Particulars	For the Year ended 31.03.2026	For the Year ended 31.03.2025
Amortisation expense of right of use assets	**503**	496
Interest expense on lease liabilities	**510**	542
Total amount recognised in statement of profit & loss	**1,013**	**1,038**
c) Amounts recognised in statement of cash flows :		
Financing activities :		
Repayment of principal	**418**	376
Repayment of interest	**510**	542
Total cash outflow for leases	**928**	**918**

(₹ in Lakh)

Particulars	As at 31.03.2026	As at 31.03.2025
d) The maturity analysis of lease liabilities		
Less than one year	**467**	422
One to five years	**2,402**	2,172
More than five Years	**2,074**	2,755
Total discounted lease liabilities	**4,943**	**5,349**

e) The maturity analysis of lease liabilities are disclosed in note 42 (iii) Liquidity risk.

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

37. Capital management

For the purpose of the Group'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 bank balance. The Groups' capital management is intended to create value for shareholders by facilitating the achievement of long-term and short-term goals of the Company.

The Group 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 Group 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 Group'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 31.03.2026	As at 31.03.2025
Long term borrowing	**6,110**	16,534
Short term borrowing	**30,155**	28,233
Current maturities of long-term debt	**11,190**	12,289
Less : Cash and bank balance	**(22,975)**	(15,821)
Net debt	**24,480**	**41,235**
Total Equity	**8,87,414**	**8,76,797**
Capital and net debt	**9,11,894**	**9,18,032**
Gearing ratio	**2.68%**	**4.49%**

Note :

i) Debt is defined as long-term and short-term borrowings including current maturities {refer note no. 15 & 19(a)}

ii) Cash & bank balances include cash and cash equivalent, balances in bank deposits (Other than earmarked deposits) and investments in mutual funds, if any {refer note no. 9(a) & 9(b)}

iii) Equity includes all capital & other Equity (refer note no. 13 & 14)

iv) To maintain or adjust the capital structure, the Group review the fund management at regular intervals and take necessary actions to maintain the requisite capital structure.

v) No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2026 and 31st March, 2025.

38. Related Party Disclosure (as identified by the Management)

In accordance with the requirements of IND AS 24, related party disclosure where control exists or where transactions have taken place and description of the relationship as identified and certified by the management are as follows :

(I) Name of related parties & nature of Relationship

a. Subsidiary	Sunflag Foundation
b. Joint Ventures	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
c. Enterprises over which Key Management Personnel (KMP) of Holding company and their relatives exercise significant influence and with whom transaction have taken place during the year	Haryana Televisions Limited Supra Corporation Limited Surajgarh Metals & Minerals Limited
d. Other (Shareholder of 10% in the Company)	Daido Steel Company Limited, Japan
e. Key Management Personnel	Mr Ravi Bhushan Bhardwaj (Non Executive Chairman) Mr. Pranav Bhardwaj (Managing Director) Mr. Suhrit Ravi Bhushan Bhardwaj (Non Executive Director) Mr. Ramchandra V. Dalvi [(Director (Technical)] Mr. S. Mahadevan (Chief Financial Officer) Mr. Ashutosh Mishra (Head Company Secretary) Mrs. Neelam Kothari (Independent Director) (till 20.09.25) Mr. Anand S. Kapre (Independent Director) Mrs. Vinita Bahri (Independent Director) Mr. Sajiv Dhawan (Independent Director) (till 10.08.25) Mr. M. A. V. Goutham (Independent Director) Mr. Tirthnath Jha (Independent Director)

(II) Transactions with related parties during the year :

i) Key Management Personnel

(₹ in Lakh)

Name	Account	Transactions for the year ended		Outstanding As at	
		31.03.2026	31.03.2025	31.03.2026	31.03.2025
Mr. Ravi Bhushan Bhardwaj	Commission	**111**	94	**65**	7
Mr. Pranav Bhardwaj	Remuneration & Commission	**612**	534	**1**	1
Mr. Ramchandra V. Dalvi	Remuneration	**196**	138	**-**	-
Mr. S. Mahadevan	Remuneration	**107**	89	**-**	-
Mr. Ashutosh Mishra	Remuneration	**72**	62	**-**	-
Mrs. Neelam Kothari	Commission & Sitting Fees	**4**	4	**-**	-
Mr. Anand S. Kapre	Commission & Sitting Fees	**5**	4	**-**	-
Mrs. Vinita Bahri	Commission & Sitting Fees	**5**	5	**-**	-
Mr. Sajiv Dhawan	Commission & Sitting Fees	**4**	4	**-**	-
Mr. M. A. V. Goutham	Commission & Sitting Fees	**5**	4	**-**	-
Mr. Tirthnath Jha	Commission & Sitting Fees	**5**	4	**-**	-

Note : Directors' remuneration includes post employment benefits, provident fund contributions and other statutory contributions. In accordance with the Group's policy, directors' commission is included in the related party transaction disclosures only after the relevant financial statements have been approved by the shareholders. Accordingly, the directors' commission of ₹ 416 lakhs pertaining to the financial year 2024-25 has been disclosed above, as the financial statements for that year were approved by the shareholders during the current financial year. The directors' commission of ₹822 lakhs provided in the books of account for the financial year 2025-26 has not been included in the above disclosure, as the relevant financial statements are yet to be approved by the shareholders and shall be disclosed upon receipt of such approval.

ii) Subsidiaries

(₹ in Lakh)

Particulars	Account	Transactions for the year ended		Outstanding As at	
		31.03.2026	31.03.2025	31.03.2026	31.03.2025
Sunflag Foundation	Share Capital	**-**	-	**1**	1
Sunflag Foundation	CSR Expenses	**463**	506	**-**	-

iii) Joint Ventures

Daido DMS India Private Limited	Share Capital	**-**	-	**562**	562
Ramesh Sunwire Private Limited	Share Capital	**343**	-	**1,323**	980
Ramesh Sunwire Private Limited	Sale of Goods	**3,270**	2,482	**692**	1,093
Ramesh Sunwire Private Limited	Purchase of goods	**(77)**	(45)	**45**	37
C T Mining Private Limited	Share Capital	-	-	**318**	318
Madanpur (North) Coal Block Private Limited	Share Capital	-	-	**121**	121
ReNew Green (MPR Three) Private Limited	Share Capital	**-**	2,486	**3,390**	3,390

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

iv) Entities over which KMPs have significant influence

Haryana Televisions Limited	Rent	**57**	57	**-**	-
Haryana Televisions Limited	Security deposit	**-**	-	**28**	28
Supra Corporation Limited	Rent received	**1**	1	**-**	-
Surjagarh Metals & Minerals Limited	Rent received*	**-**	-	**-**	-
* ₹1416/- (Previous year ₹1416/-)					

Note : Above figures given are inclusive of taxes.

v) Deemed related party

Daido Steel Company Limited, Japan	Royalty	**236**	276	**-**	75
Daido Steel Company Limited, Japan	Technical services	**2**	6	**-**	-

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

39. Disclosure required by Companies Act, 2013

a) Particulars of guarantee given : The Group have not given any guarantee to its Subsidiary/ Joint Venture Companies

b) Particulars of security provided : Nil

c) Particulars of investment made

(₹ in Lakh)

Name of the Company	Opening Balance	Investment made	Investment Sold	Closing Balance	Provided	Purpose
Joint Ventures -						
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**	343	-	**1,323**	**-**	Long Term Inv.
5. ReNew Green (MPR Three) Pvt. Limited	**3,390**	-	-	**3,390**	-	Long Term Inv.
Other-						
1. Lloyds Metals & Energy Limited *	**1,22,610**	-	-	**1,22,610**	**-**	Long Term Inv
2. India Bulls CSEB Bhaiyathan Power Ltd.	-	-	-	-	-	Long Term Inv
3. Sunsure Solarpark Thirty Seven Pvt. Ltd.	-	144	-	**144**	**-**	Long Term Inv
Total	**1,27,981**	**487**	**-**	**1,28,468**	**(396)**	

* Cost of Investment disclosed, these are at fair value through OCI, refer note no. 4.

40. 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 other comprehensive income	Amount	As % of total comprehensive income	Amount	As % of total comprehensive income	Amount
Holding Company								
Sunflag Iron & Steel Company Limited	99.90%	8,86,541	99.16%	20,066	100.00%	(7,215)	98.69%	12,851
Subsidiaries:								
1. Sunflag Power Limited	0.00%	5	0.00%	-	0.00%	-	0.00%	-
2. Khappa Coal Co. Private Limited	0.03%	234	0.03%	6	0.00%	-	0.05%	6
3. Sunflag Foundation	0.00%	1	0.00%	-	0.00%	-	0.00%	-
Joint Ventures:								
1. Daido DMS India Private Limited	-0.01%	(110)	-0.25%	(50)	0.00%	-	-0.38%	(50)
2. Ramesh Sunwire Private Limited	0.03%	271	0.26%	53	0.00%	-	0.41%	53
3. CT Mining Private Limited	0.01%	90	0.09%	19	0.00%	-	0.14%	19
4. Madanpur (North) Coal Block Private Limited #	0.01%	121	0.00%	-	0.00%	-	0.00%	-
5. ReNew Green (MPR Three) Private Limited	0.01%	99	0.71%	143	0.00%	-	1.10%	143
Minority interests in subsidiaries								
1. Sunflag Power Limited	0.00%	-						
2. Khappa Coal Co. Private Limited	0.02%	162						
	100.00%	**8,87,414**	**100.00%**	**20,237**	**100.00%**	**(7,215)**	**100.00%**	**13,022**

Note:

i) In case of Daido DMS India Private Limited , ReNew Green (MPR Three) Private Limited and CT Mining Private 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 Private Limited (MNCBPL) are not available till the date of signing of these financials, hence, the figures relating to MNCBPL are not changed.

41. Fair value hierarchy of financial instruments:-

Set out below, is a comparison by class of the carrying amounts and fair value of the Group'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 31.03.2026		As at 31.03.2025	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets measured at fair value through other comprehensive income :					
Investments (Non-current)	Level 1	**7,63,020**	**7,63,020**	7,72,350	7,72,350
Financial assets measured at amortised cost :					
Investments (Non-current)	Level 3	**6,210**	**6,210**	5,556	5,556
Other financial asset (Non-current)	Level 3	**4,923**	**4,923**	3,454	3,454
Trade receivables	Level 3	**33,933**	**33,933**	36,167	36,167
Cash and cash equivalents	Level 2	**18,189**	**18,189**	10,121	10,121
Bank balances other than above	Level 2	**4,786**	**4,786**	5,700	5,700
Other financial asset (current)	Level 3	**1,193**	**1,193**	332	332
Total		**8,32,254**	**8,32,254**	**8,33,680**	**8,33,680**

Financial Liabilities : **(₹ in Lakh)**

Financial liability measured at amortised cost :					
Borrowings (Non-current)	Level-2	**6,110**	**6,110**	16,534	16,534
Other financial liabilities (Non current)	Level-3	**65**	**65**	65	65
Borrowings (Current)	Level-2	**41,345**	**41,345**	40,522	40,522
Other financial labilities (Current)	Level-3	**17,465**	**17,465**	15,284	15,284
Trade payables	Level-3	**54,660**	**54,660**	47,828	47,828
Lease liabilities (Non-current & Current)	Level-3	**4,943**	**4,943**	5,349	5,349
		1,24,588	**1,24,588**	**1,25,582**	**1,25,582**

During the year ended March 31, 2026 and March 31, 2025, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

Fair valuation techniques

The Group maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of thefinancial assets and liabilities are included at the amount 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 following methods and assumptions were used to estimate the fair values:

1) Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
2) Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values. For fixed interest rate borrowing fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance of the Group is considered to be insignificant in valuation.
3) The fair values of derivatives are estimated by using pricing models, where the inputs to those models are based on readily observable market parameters basis contractual terms, period to maturity, and market parameters such as interest rates, foreign exchange rates, and volatility. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement, and inputs thereto are readily observable from actively quoted market prices. Management has evaluated the credit and non-performance risks associated with its derivative counterparties and believe them to be insignificant and not warranting a credit adjustment.

Fair value hierarchy: The Group uses the following hierarchy for fair value measurement of the Group's financial assets and liabilities.

Level 1 - Quoted prices/NAV (unadjusted) in active markets for identical assets and liabilities at the measurement date.

Level 2 - Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 - Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

42. Financial Risk Management

Financial risk factors:-

The Group'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 Group's operations. The Group has loan, Investment, trade receivables, other receivables, cash and short-term deposits that arise directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Holding Company's senior management oversees the management of these risks and also ensure that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. It is the Group'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 : interest rate risk, currency rate risk and other price risks, such as equity price risk and commodity risk. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and financial liabilities held as at 31st March, 2026 and 31st March, 2025.

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 Group'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 Group'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 31.03.2026	As at 31.03.2025
Variable rate borrowings	**45,652**	55,253

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 Group'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 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
0.50%	0.50%	**(228)**	**(276)**
-0.50%	-0.50%	**228**	**276**

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 Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group'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.

(₹ in Lakh)

	As at 31.03.2026		As at 31.03.2025	
Currency	**Increase by 1%**	**Decrease by 1%**	**Increase by 1%**	**Decrease by 1%**
CNY	**2**	**(2)**	2	(2)
EURO	**0.43**	**(0.43)**	-	-
USD	**52**	**(52)**	57	(57)
			As at 31.03.2026	**As at 31.03.2025**
Foreign currency exposure				
Trade Payable				
- Exposure in Dollars (in ₹)			**5,212**	5,700
- Exposure in Euros (in ₹)			**43**	21
- Exposure in CNY (in ₹)			**237**	205

c) Equity price risk:-

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

The fair value of quoted investments held by the Group exposes the Group 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 31st March 2026 and 31st March 2025, would result in an impact of ₹38,151 lakh and ₹38,618 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 Group continuously monitors the economic environment in which it operates. The Group manages its Credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Group 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 Group'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**	
	31.03.2026	**31.03.2025**	**31.03.2026**	**31.03.2025**	**31.03.2026**	**31.03.2025**
Trade receivables	**36,874**	38,524	**33,933**	36,167	**2,941**	2,357
Less : ECL Provision	**(2,941)**	(2,357)	**-**	-	**(2,941)**	(2,357)

Movement of expected credit loss of trade receivable:

(₹ in Lakh)

Particulars	**Opening Balance**	**Addition**	**Reversal**	**Closing Balance**
Expected Credit loss - **2025-2026**	**2,357**	**584**	**-**	**2,941**
2024-2025	1,614	743	-	2,357

iii) Liquidity Risk

The Group monitors its risk of shortage of funds using a liquidity planning tool. The Group'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 Group'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	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025	31.03.2026	31.03.2025	31.03.2026	31.03.2025
Non current financial liabilities								
i) Borrowings*	**17,300**	28,823	**11,190**	12,289	**4,307**	9,683	**1,803**	6,851
ii) Lease liabilities	**4,476**	4,927	**933**	930	**933**	930	**5,562**	6,398
iii) Others	**65**	65	-	-	**-**	-	**65**	65
Current financial liabilities								
i) Borrowings	**30,155**	28,233	**30,155**	28,233	**-**	-	**-**	-
ii) Trade Payables	**54,660**	47,828	**54,660**	47,828	**-**	-	**-**	-
iii) Lease liabilities	**467**	422	**467**	422	-	-	-	-
iv) Others	**17,465**	15,284	**17,465**	15,284	**-**	-	**-**	-

*including current maturity of long term debt

43. Derivative Financial Instruments:

a) The Group uses foreign currency forward and Interest rate swap contracts to manage some of its transactions exposure. The details of derivative financial instruments are as follows:

(₹ in Lakh)

Particulars	As at 31.03.2026	As at 31.03.2025
Assets		
Forward Contracts-Export (Past Performance Basis)	**Nil**	Nil
Liabilities		
Forward Contracts-Import	**959 Lakhs (USD 1 million at Original Contracted rate)**	5,539 Lakhs (USD 6.44 million at Original Contracted rate)

b) Unhedged for currency exposures (net of forward contract)

(₹ in Lakh)

Particulars	As at 31.03.2026	As at 31.03.2025
Foreign Currency Payable *	(12,570)	(24,532)
Foreign currency receivable	1,580	312
Cash and cash equivalents	1,704	103
Total (Unhedged foreign currency exposure)	**(9,286)**	**(24,117)**

*including commitment w.r.t. open letter of credit of ₹ 7,078 lakhs (prevoius year ₹18,606 lakhs)

44. Subsequent events

No adjusting or significant non- adjusting events have occurred between the reporting date and date of authorization of these consolidated financial statements.

45. Vendor's / Customer's reconciliations

Balances of certain capital advances, creditors (including MSME), receivables, security deposit given/received and other receivables are in process of confirmation/reconciliation. Management believes that on reconciliation/ confirmation there will not be any material impact on financial statements

46. GST reconciliations

The Holding 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.

47. Exceptional Items

Government of India notified the four Labour Codes on November 21, 2025 consolidating 29 existing labours laws. The Ministry of Labour and Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulation. The Holding Company has assessed its implication through actuarial valuation, which has resulted in increase in gratuity and leave liability by ₹870 Lakhs. Considering the impact arising out of an enactment of the new legislation, the Holding Company have recognised the same under "Exceptional Items".

48. Audit Trail

Under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as inserted by the Companies (Accounts) Amendment Rules, 2021, issued by the Ministry of Corporate Affairs (MCA), companies are required to use accounting software for maintaining their books of account that has a feature of recording an audit trail for each and every transaction, creating an edit log of every change made in the books of account along with the date on which such changes were made, and ensuring that the audit trail cannot be disabled. The Company enabled the audit trail (edit logs) feature in its accounting software (SAP S/4HANA) used for maintaining all accounting records with effect from 05.01.2026, following the migration from SAP ECC6 to SAP S/4HANA. The audit trail is enabled for relevant transactions at the application level. Additionally, the audit trail (edit logs) feature is enabled for direct changes made at the underlying database level with effect from 31.12.2025.

Subsidiaries and a joint venture has an accounting software for maintaining its books of accounts during the year ended 31st March 2026, which has a feature of recording audit trail (edit logs) facility and the same was enabled on relevant transactions recorded in the accounting software except in case of a Joint Venture, accounting software has been used for maintaining books of accounts except for PPE, Payroll and inventory.

The management of the group & a joint venture company did not come across any instance of the audit trail feature being tampered with and wherever audit trail was enabled, it has been preserved as per statutory record retention requirement.

49. Other Statutory information -

a) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

b) The Group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

c) The Group have not traded or invested in crypto currency or virtual currency during the year ended 31st March 2026 and 31st March 2025.

d) The Group have not entered in to any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961 such as search or survey or any other relevant provisions of the Income Tax Act, 1961.

e) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

f) The Group is not declared wilful defaulter by any bank or financial Institution or government or any government authority at any time during the financial year.

g) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a) 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
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

h) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :
(a) 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
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

i) The Group do not have any CIC as part of the group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016).

j) The Group has not entered into any scheme of arrangement which has an accounting impact on current financial year.

50. The Board of Directors of Holding Company have recommended a dividend of ₹1/- per fully paid up equity share of ₹10 each for the year ended 31st March 2026, subject to approval of the members at the ensuing Annual General Meeting.

51. Previous year's figures have been regrouped / re-classified wherever necessary to make them more comparable.
In light of guidance and principals elaborated in " Guidance Note on "Division II- Ind AS - Schedule III to the Companies Act, 2013", issued by The Institute of Chartered Accountants of India , the company has changed classification of certain items in Current year from one head to another head of financial statements and also reclassified previous year figures in line with current year presentation and classification. This reclassification is not having any financial impact over financial results and state of affair as on 31st March 2026. Summary of reclassification of items has been given below:

(₹ in Lakh)

Particulars	Classification under the broad heads of financial statements in FY 24-25	Reclassification of items under the broad heads of financial statements in FY 25-26	Amount Reclassified
Security Deposit	Other financial liabilities Non-current {(Note No. 16(b)}	**Other financial liabilities (current) (Note No. 21)**	562
Liability w.r.t. Mining Lease Obligations	Provisions Non-current (Note No. 17)	**Other financial liabilities (current) (Note No. 21)**	2,138
Provision for Leave Encashment	Provisions Non-current (Note No. 17)	**Provisions (current) (Note No. 23)**	135

As per our report of even date as attached

FOR LODHA & CO LLP
Chartered Accountants
FRN : 301051E/E300284

N. K. LODHA
Partner
M. No. 085155

New Delhi
29th May, 2026

Nagpur
29th May, 2026

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

PRANAV BHARDWAJ
MANAGING DIRECTOR
DIN 00054805

S. MAHADEVAN
CHIEF FINANCIAL OFFICER

CA VINITA BAHRI
DIRECTOR
DIN 03109454

RAMCHANDRA DALVI
DIRECTOR (TECHNICAL)
DIN 00012065

CA M. A. V. GOUTHAM
DIRECTOR
DIN 00101447

TIRTHNATH JHA
DIRECTOR
DIN 07593002

ASHUTOSH MISHRA
HEAD COMPANY SECRETARY
M. No. ACS 23011

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