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SECY / SE / 2020 / 363 – 364
Saturday, 29th August, 2020

The General Manager,
Department of Corporate Services,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 4 00 001

The Manager, Listing Department,
National Stock Exchange of India Ltd.,
“Exchange Plaza”, C-1, Block - G,
Bandra – Kurla Complex, Bandra (East)
Mumbai – 4 00 05 1

Sub : Submission of 34th Annual Report of the Company for the Financial Year 2019-20.

Ref : Sunflag Iron and Steel Company Limited – BSE Scrip Code : 500404 / NSE Scrip Code : SUNFLAG

Dear Sir / Madam,

Pursuant to the Regulation 34(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), we are submitting herewith the 34th Annual Report of the Company along with the Notice convening the Annual General Meeting (AGM) of the Company to be held on Monday, the 21st September, 2020 at 03.00 p.m through Video Conferencing (VC) Mode / Other Audio-Visual Mode (OAVM).

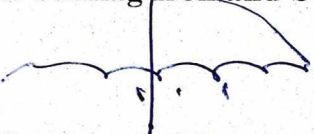
The Annual Report is also available on the website of the Company at the link:

<https://sunflagsteel.com/wp-content/uploads/2020/08/34th-Annual-Report-2019-20.pdf>

This is for your information and records.

Sincerely,

For **Sunflag Iron and Steel Company Limited**


CS Ashutosh Mishra
Company Secretary & Compliance Officer
Membership No. ACS - 23011



Visit us at www.sunflagsteel.com



SUNFLAG IRON & STEEL CO. LTD.

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CIN:L27100MH1984PLC034003

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SUNFLAG IRON & STEEL CO. LTD.

THIRTY-FOURTH (34TH) ANNUAL REPORT

2019 - 2020

SUNFLAG IRON AND STEEL COMPANY LIMITED

BOARD OF DIRECTORS	Mr. RAVI BHUSHAN BHARDWAJ (Non-executive Chairman) Mr. PRANAV BHARDWAJ (Managing Director) Mr. SURENDRA KUMAR GUPTA (Deputy Managing Director) Dr. E. R. C. SHEKAR (Non-executive, Independent Director) Mr. KUMAR JITENDRA SINGH (Non-executive, Independent Director) CA NEELAM KOTHARI (Non-executive, Independent Director) Mr. SAJIV DHAWAN (Non-executive, Independent Director) CA R. MURALIDHAR [Executive Director (Finance)] Mr. RAMCHANDRA VASANT DALVI [Executive Director (Works)] Mr. SUHRIT RAVI BHUSHAN BHARDWAJ (Non-executive Director) Mr. ANAND SADASHIV KAPRE [Additional Director - Non-executive, Independent, (w.e.f. 12.11.2019)]
CHIEF FINANCIAL OFFICER	CA VINITA BAHRI [Additional Director-Non-executive, Independent, (w.e.f. 13.03.2020)] CA R. MURALIDHAR (upto 30.09.2019) Mr. S. MAHADEVAN (w.e.f. 01.10.2019)
COMPANY SECRETARY	CS ASHUTOSH MISHRA
STATUTORY AUDITORS	M/s. S.S. KOTHARI MEHTA & CO. CHARTERED ACCOUNTANTS, NEW DELHI
SECRETARIAL AUDITORS	M/s. MUKESH PARAKH & ASSOCIATES COMPANY SECRETARIES, NAGPUR
COST AUDITORS	M/s. G. R. PALIWAL & COMPANY COST ACCOUNTANTS, NAGPUR
INTERNAL AUDITORS	M/s. AKMK & ASSOCIATES CHARTERED ACCOUNTANTS, SURAT
JOINT INTERNAL AUDITORS	M/s. NITIN ALSHI & ASSOCIATES CHARTERED ACCOUNTANTS, NAGPUR
BANKERS	STATE BANK OF INDIA BANK OF INDIA CANARA BANK INDIAN BANK IDBI BANK LIMITED AXIS BANK LIMITED
REGISTERED OFFICE	33, MOUNT ROAD, SADAR, NAGPUR - 440001, MH, IN
WORKS	WARTH, BHANDARA ROAD, BHANDARA - 441905, MH, IN
WEB SITE & e-mail	www.sunflagsteel.com / e-mail - investor@sunflagsteel.com
REGISTRAR & SHARE TRANSFER AGENT	BIGSHARE SERVICES PRIVATE LIMITED, MUMBAI

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SUNFLAG IRON AND STEEL COMPANY LIMITED
REGISTERED OFFICE : 33, MOUNT ROAD, SADAR, NAGPUR - 440001, MH, IN

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

Tel Nos. + 91 712 2524661 / 2520356-7-8, Fax No. + 91 712 2520360, e-mail Id : investor@sunflagsteel.com, Website : www.sunflagsteel.com

NOTICE

NOTICE is hereby given that the **Thirty-fourth (34th) Annual General Meeting ('AGM')** of the Members of **Sunflag Iron and Steel Company Limited** will be held on **Monday, the 21st day of September, 2020 at 3.00 P. M.** through Video Conferencing (“VC”) or Other Audio-Visual Means (“OAVM”) to transact the following business:

ORDINARY BUSINESS

- To receive, consider and adopt the Audited Financial Statements (Standalone & Consolidated) of the Company for the Financial Year 2019-20 ended 31st March, 2020, including, the Balance Sheet as at 31st March, 2020, Profit and Loss and Cash Flow for the Financial Year 2019-20 ended 31st March, 2020, together with the Board's Report and Report of the Statutory Auditors thereon.
- To appoint a Director in place of Mr. Suhrit Ravi Bhushan Bhardwaj (DIN - 02318190), who retires by rotation and, being eligible, offers himself for re-appointment.
- To appoint M/s. N S B P & Co., Chartered Accountants, New Delhi (ICAI Firm Registration No. 001075N, Peer Review Certificate No. 009284), as the Statutory Auditors of the Company in place of retiring Auditors M/s. S. S. Kothari Mehta & Co., Chartered Accountants, New Delhi (ICAI Firm Registration No. 000756N, Peer Review Certificate No. 008927) and fix their remuneration and in this connection to consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and rules made thereunder and pursuant to recommendation of Audit Committee of the Board of Directors, M/s. N S B P & Co., Chartered Accountants, New Delhi (ICAI Firm Registration No. 001075N, Peer Review Certificate No. 009284), be and are hereby appointed as the Statutory Auditors of the Company from the conclusion of the Thirty-fourth (34th) Annual General Meeting to hold such office for a period of Five (5) consecutive years till the conclusion of the Thirty-ninth (39th) Annual General Meeting of the Company to be held in the Financial Year 2025-26 at such remuneration as shall be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS

- Appointment of Mr. Anand Sadashiv Kapre (DIN: 00019530), as a Director (Category – Non-executive, Independent) of the Company, and also for a fixed first term of Three (3) consecutive years, as an Independent Director of the Company.**

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

“RESOLVED THAT Mr. Anand Sadashiv Kapre (DIN: 00019530), who was appointed by the Board of Directors as an Additional Director of the Company effective 12th November, 2019 and who holds office up to the date of this Thirty-fourth (34th) Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 (“the Act”) and Article 128 of the Articles of Association of the Company but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of a Director of the Company, be and is hereby appointed as a Director of the Company.”

“RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, and the Companies (Appointment and Qualification 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. Anand Sadashiv Kapre (DIN: 00019530), who meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of Listing Regulations, and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a fixed first term of three (3) consecutive years i.e. from 25th September, 2020 up to 24th September, 2023.”

“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.”

- Appointment of CA Vinita Bahri (DIN: 03109454), as a Director (Category – Non-executive, Independent) of the Company, and also for a fixed first term of Five (5) consecutive years, as an Independent Director of the Company.**

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

“RESOLVED THAT CA Vinita Bahri (DIN: 03109454), who was appointed by the Board of Directors as an Additional Director of the Company effective 13th March, 2020 and who holds office up to the date of this Thirty-fourth (34th) Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 (“the Act”) and Article 128 of the Articles of Association of the Company but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing her 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 Qualification 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”), CA Vinita Bahri (DIN: 03109454), 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 five (5) consecutive years i.e. from 21st September, 2020 up to 20th September, 2025.”

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

6. **Re-appointment of CA Neelam Kothari (DIN: 06709241), as a Director (Category – Non-executive, Independent) of the Company for a fixed second term of Five (5) consecutive years.**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and Regulation 16 (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, CA Neelam Kothari (DIN: 06709241), who was appointed as a Director of the Company in the category of Non-executive, Independent, and who holds office up to the conclusion of the 34th Annual General Meeting of the Company, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member signifying his intention to propose her candidature for the office of Director, be and is hereby re-appointed as a Director of the Company, in the category of Non-executive, Independent, for a fixed second term of consecutive five (5) years, from the conclusion of Thirty-fourth (34th) Annual General Meeting i.e. from 21st September, 2020 till 20th September, 2025.”

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

7. **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, 2021.**

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

“RESOLVED THAT, pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013, Schedule V to the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications and / or re-enactment thereof for the time being in force), Articles 151 to 154 of the Articles of Association of the Company, approval of the members be and is hereby accorded to the re-appointment of Mr. Pranav Bhardwaj (DIN : 00054805), as the Managing Director, designated Key Managerial Personnel of the Company, not liable to retire by rotation, for a further period of Five (5) years effective 17th January, 2021, on the following terms and conditions including remuneration:

Remuneration : Basic Salary: ₹ 6,72,500/- (Rupees Six Lakh Seventy Two Thousand Five 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;

Commission : 2% of Net Profit as computed in accordance with the provisions of the Companies Act, 2013;

Allowances & Perquisites : Rent free furnished accommodation with all facilities and amenities or House Rent Allowance @ 40% of Basic Salary per month, reimbursement of all medical expenses / medical allowance, subscription to two clubs, personal insurance, use of car with driver, telephone at residence, contributions to the provident fund, superannuation and annuity fund, leave travel concessions, leave encashment, gratuity and other retirement benefits, 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 of the Company will be applicable.

Minimum Remuneration : In the event of loss or inadequacy of profits in any Financial Year during the currency of tenure of service of Mr. Pranav Bhardwaj (DIN : 00054805) as the Managing Director of the Company, the payment of remuneration comprising of salary, perquisites and commission shall be governed by the limits prescribed under Section II of Part II of Schedule V to the Companies Act, 2013 and be paid as the minimum remuneration;

with an authority to the Nomination and Remuneration Committee and/or the Board of Directors to modify / alter / revise the terms of re-appointment including payment of remuneration thereof, or any other terms and conditions as it may deem fit and proper, from time to time subject to the provisions of the Companies Act, 2013 read with Schedule V to the Act.”

“FURTHER RESOLVED THAT the Committee and/or 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.”

8. **Re-appointment of Mr. Surendra Kumar Gupta (DIN: 00054836) as the Deputy Managing Director (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 30th July, 2020.**

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

“RESOLVED THAT, pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013, Schedule V to the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications and / or re-enactment thereof for the time being in force), Articles 151 to 154 of the Articles of Association of the Company approval of the members be and is hereby accorded to the re-appointment of Mr. Surendra Kumar Gupta (DIN : 00054836), as the 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, 2020 on the following terms and conditions including remuneration:

Remuneration : Basic Salary: ₹ 4,00,000/- (Rupees Four Lakh Only) per month, with suitable annual increase as may be decided by the Committee and/or Board of Directors from time to time;

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

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

Minimum Remuneration : In the event of loss or inadequacy of profits in any Financial Year during the currency of tenure of service of Mr. Surendra Kumar Gupta as the Deputy Managing Director of the Company, the payment of remuneration comprising of salary and perquisites shall be governed by the limits prescribed under Section II of Part II of Schedule V to the Companies Act, 2013 and be paid as the minimum remuneration;

with an authority to the Nomination and Remuneration Committee and/or the Board of Directors to modify / alter / revise the terms of re-appointment including payment of remuneration thereof, or any other terms and conditions as it may deem fit and proper, from time to time, subject to the provisions of the Companies Act, 2013 read with Schedule V to the Act.”

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

9. **Re-appointment of CA Rambhatla Muralidhar (DIN: 00982212) as an Executive Director (Finance) (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, 2020.**

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

“**RESOLVED THAT**, pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013, Schedule V to the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications and / or re-enactment thereof for the time being in force), Articles 151 to 154 of the Articles of Association of the Company approval of the members be and is hereby accorded to the re-appointment of CA Rambhatla Muralidhar (DIN : 00982212), as an Executive Director (Finance), designated Key Managerial Personnel of the Company liable to retire by rotation for a further period of Three (3) years effective 14th August, 2020 on the following terms and conditions including remuneration:

Remuneration : Basic Salary: ₹ 2,70,000/- (Rupees Two Lakh Seventy Thousand Only) per month, with suitable annual increase as may be decided by the Committee and/or Board of Directors from time to time.

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

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

Minimum Remuneration : In the event of loss or inadequacy of profits in any Financial Year during the currency of tenure of service of CA Rambhatla Muralidhar, as an Executive Director (Finance) 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 Companies Act, 2013 and be paid as the minimum remuneration;

with an authority to the Nomination and Remuneration Committee and/or the Board of Directors to modify / alter / revise the terms of re-appointment including payment of remuneration thereof, or any other terms and conditions as it may deem fit and proper, from time to time, subject to the provisions of the Companies Act, 2013 read with Schedule V to the Act.”

“**FURTHER RESOLVED THAT** the Committee and/or 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.”

10. **Re-appointment of Mr. Ramchandra Vasant Dalvi (DIN: 00012065) as an Executive Director (Works) (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, 2020.**

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

“**RESOLVED THAT**, pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013, Schedule V to the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications and / or re-enactment thereof for the time being in force), Articles 151 to 154 of the Articles of Association of the Company approval of the members be and is hereby accorded to the re-appointment of Mr. Ramchandra Vasant Dalvi (DIN : 00012065), as an Executive Director (Works), designated Key Managerial Personnel of the Company, liable to retire by rotation for a further period of Three (3) years effective 14th August, 2020 on the following terms and conditions including remuneration:

Remuneration : Basic Salary: ₹ 2,00,000/- (Rupees Two Lakh Only) per month, with suitable annual increase as may be decided by the Committee and/or the Board of Directors from time to time.

Allowances & Perquisites: As per the rules of the Company as applicable from time to time. HRA- Nil;

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

Minimum Remuneration : In the event of loss or inadequacy of profits in any Financial Year during the currency of tenure of service of Mr. Ramchandra Vasant Dalvi as an Executive Director (Works) 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 Companies Act, 2013 and be paid as the minimum remuneration;

with an authority to the Nomination and Remuneration Committee and/or the Board of Directors to modify / alter / revise the terms of re-appointment including payment of remuneration thereof, or any other terms and conditions as it may deem fit and proper, from time to time, subject to the provisions of the Companies Act, 2013 read with Schedule V to the Act.”

“**FURTHER RESOLVED THAT** the Committee and/or 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.”

11. **Ratification of Remuneration of Cost Auditors of the Company**

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications and / or re-enactment thereof, for the time being in force), the remuneration of ₹ 2,40,000/- (Rupees Two Lakh Forty Thousand Only) plus applicable taxes (GST) and reimbursement of actual out of pocket expenses, if any, payable in connection with audit of cost records of the Company, for the Financial Year 2020-21 ending 31st March, 2021, to M/s. G. R. Paliwal & Company, Cost Accountants, Nagpur (Membership No. 7815), whose appointment as the Cost Auditors of the Company, for the Financial Year 2020-21 ending 31st March, 2021, has been duly approved by the Board of Directors, based on the recommendations of the Audit Committee of the Company, be and is hereby ratified.”

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

NOTES :

IN VIEW OF THE CONTINUING COVID-19 PANDEMIC, SOCIAL DISTANCING NORM IS REQUIRED TO BE FOLLOWED, ACCORDINGLY, THE MINISTRY OF CORPORATE AFFAIRS ("MCA") HAS VIDE ITS CIRCULAR DATED MAY 5, 2020 READ WITH CIRCULARS DATED APRIL 8, 2020 AND APRIL 13, 2020 (HEREINAFTER REFERRED TO AS "MCA CIRCULARS") PERMITTED THE HOLDING OF ANNUAL GENERAL MEETING (AGM) THROUGH VC / OAVM, WITHOUT THE PHYSICAL PRESENCE OF THE MEMBERS AT A COMMON VENUE. IN COMPLIANCE WITH THE PROVISIONS OF THE COMPANIES ACT, 2013 ("ACT"), SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ("SEBI LISTING REGULATIONS") AND MCA CIRCULARS, THE 34TH AGM OF THE COMPANY SHALL BE CONDUCTED THROUGH VC / OAVM.

1. An explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of Special Business under Item Nos. 4 to 11 is annexed hereto and forms part of the Notice. Information related to the directors seeking appointment/re-appointment, pursuant to the provision of Regulation 36 (3) of the Listing Regulations has been given in the Corporate Governance Report which forms an integral part of the Board's Report of the Company.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip 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. All documents referred to in the Notice including Explanatory Statement thereof, will be available for inspection by Members during working hours on any working day till the date of the Thirty-fourth (34th) Annual General Meeting through VC / OAVM at the scheduled time of the Thirty-fourth (34th) Annual General Meeting of the Company.
4. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
5. The Register of Members and Share Transfer Books of the Company, will remain closed, from **Saturday, the 12th day of September, 2020 to Monday, the 21st day of September, 2020 (both days inclusive) for the purpose of Thirty-fourth (34th) Annual General Meeting.**
6. The Members are requested to send their queries, if any, in writing 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 Monday, the 14th September, 2020. Queries received well within the stipulated time will be considered and duly responded in writing at the given e-mail Id of the Member concerned.
7. In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.sunflagsteel.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of the e-voting agency- National Securities Depository Limited at www.evoting.nsdl.com
Shareholders who have not registered their e-mail address and in consequence the Annual Report, Notice of AGM and e-voting notice could not be serviced, may also temporarily provide their email address and mobile number to the Company's Registrar and Share Transfer Agent, Bigshare Services Private Limited ('Bigshare'), by clicking the link: <https://www.bigshareonline.com> for sending the same. Shareholders are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, shareholder may write to jibu@bigshareonline.com.
Alternatively, member may send an e-mail request at the email id jibu@bigshareonline.com along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.
8. **REGISTRAR & SHARE TRANSFER AGENT**
M/s. Bigshare Services Private Limited, 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apartments, Makwana Road, Marol, Andheri (East), Mumbai – 400059, MH, IN, have been appointed by the Company as the Registrar and Share Transfer Agent (RTA) effective 31st March, 2003. Therefore, the Depository Participants, Shareholders / Investors of the Company, are advised to send all documents and correspondence, such as requests for Dematerialisation of Shares, Change of Address, 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.
9. **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 and 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 mode.
10. **DEMATERIALISATION OF SHARES**
This is to inform that about 11,11,75,197 Equity Shares (**61.6888%**) of the total Issued, Subscribed and Paid-up Share Capital of the Company, have already been dematerialized as of 31st March, 2020.
In terms of the amended Regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure

Requirements) Regulations, 2015, as amended, except in case of transmission or transposition, requests for effecting transfer of securities of listed companies shall not be processed unless the securities are held in dematerialised form with a Depository. In view of the above, members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

Members holding share certificates under different folio numbers but in the same order of name are requested to apply for consolidation of such folios and send relevant share certificates to Bigshare for consolidating their holdings under one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

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 Seven (7) years is required to be transferred to the Investor Education & Protection Fund (IEPF) established by the Central Government pursuant to Section 124(5) of the Companies Act, 2013.

As such, the details of dividend remaining unpaid or unclaimed for Seven (7) years and subsequently its transfer to IEPF Account of Central Government is as under:

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

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

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the requisite details on 27th September, 2019 (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 Seven (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 Seven (7) years or more, in the name of '**IEPF Demat Account**'.

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

The voting rights on these shares shall remain frozen till the rightful owner of such shares claim the shares from the IEPF Authority. The IEPF Authority has laid down the detailed procedure for claiming both dividend as well as shares. The detailed list of shares transferred to this IEPF Authority Account as well as detailed procedure to claim is available on the Company's website www.sunflagsteel.com. Further, the procedure for claim is also available on the website of IEPF authority at www.iepf.gov.in. During the financial year 2019-2020 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. **GREEN INITIATIVE**

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 and notices, etc. (referred to as 'communications or documents'), as may be required under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to its Members, in electronic form.

In view of above, you are requested to notify or update, if there is any change in your registered e-mail id (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.**

13. **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) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at

the Thirty-fourth (34th) 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 venue voting on the date of the AGM will be provided by NSDL.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:

The remote e-voting period begins on Friday, 18th September, 2020 at 09:00 A.M. and ends on Sunday, 20th September, 2020 at 05:00 P.M. During this period Members' of the Company, holding Shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Monday, the 14th September, 2020 may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter.

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 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

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 'Shareholders' section'.
3. A new screen will open. You will have to enter your User ID, your Password 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://www.evoting.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 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:
 - a) 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.
 - b) "**Physical User Reset Password**" (If you are holding shares in physical mode) option available on <https://www.evoting.nsdl.com/>.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) 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.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the Companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of Company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. 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.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to csmukesh@live.com with a copy marked to evoting@nsdl.co.in.
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 “Forget User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to Ms. Pallavi Mhatre at pallavid@nsdl.co.in/evoting@nsdl.co.in.

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@sunflagsteel.com.
In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investor@sunflagsteel.com.
2. Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (1) as the case may be.

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. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholders/members 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. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. 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.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more

shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

5. 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.
6. The Board of Directors has appointed M/s. Mukesh Parakh & Associates, Company Secretaries, Nagpur, (ICSI Membership No. FCS - 4343 & Certificate of Practice No. 13693), as a Scrutinizer to process the e-voting of the Thirty-fourth (34th) Annual General Meeting in a fair and transparent manner.
7. CS Ashutosh Mishra (ICSI Membership No. ACS - 23011) of the Company shall be responsible for addressing all the grievances in relation to this Thirty-fourth (34th) Annual General Meeting of the Company.
8. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before Monday, September 14th, 2020 through email on investor@sunflagsteel.com. The same will be replied by the Company suitably.
9. The results of voting shall be declared within forty-eight (48) hours of the conclusion of the Thirty-fourth (34th) Annual General Meeting. The results of voting so declared along with the Scrutinizer's Report shall be placed on the Company's Website (www.sunflagsteel.com), NSDL Website and shall also be communicated to the Stock Exchanges (BSE & NSE).

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

Item No. 4 :

The Board of Directors, on the recommendation of Nomination and Remuneration Committee of the Board, at its meeting held on 12th November, 2019, has approved and appointed, Mr. Anand Sadashiv Kapre (DIN: 00019530), as an Additional Director [Category: Non-executive, Independent] of the Company, effective 12th November, 2019. 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. Anand Sadashiv Kapre, shall hold office up to the date of this Thirty-fourth (34th) Annual General Meeting of the Company, and is eligible to be appointed as a Director of the Company. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from a Member of the Company, proposing his candidature for the office of a Director of the Company.

Further, Mr. Anand Sadashiv Kapre, aged about 71 years, is a graduate from IIT Madras as B. Tech. (Electrical). He initiated 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. He is L.L.B from Mumbai University. The additional information, related to Mr. Anand Sadashiv Kapre, has been given in the Corporate Governance Report and Board Report which forms an integral part of this Annual Report, as per the provisions of Regulations 26 (4) and 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ["Listing Regulations"] and Clause 1.2.5 of the Secretarial Standards-2.

The Company has also received a self-declaration from Mr. Anand Sadashiv Kapre, to the effect that he was or is not disqualified from being appointed as a Director of the Company in terms of the provisions of Section 164 of the Act and has submitted his consent to act as a Director of the Company.

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

The Company has also received a self-declaration from Mr. Anand Sadashiv Kapre, to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 (1) (b) of the Listing Regulations and that he has complied with the provisions of rule 6 (1) (b) of the Companies (Appointment and Qualification of Directors) Rules, 2014 of the Act, by registering his name in the Independent Director's Data Bank bearing registration no. IDDB-DI-202001-005387 having validity up to 15.01.2021 maintained by the Indian Institute of Corporate Affairs at Manesar.

In the opinion of Nomination and Remuneration Committee and Board of Directors of the Company, Mr. Anand Sadashiv Kapre, fulfills the conditions specified in the Act and Listing Regulations, for appointment as a Director and also, as an Independent Director of the Company. Mr. Anand Sadashiv Kapre is independent of the Management and Promoters of the Company.

As such, it is proposed to appoint Mr. Anand Sadashiv Kapre as a Director [Category – Non-executive, Independent], of the Company, not liable to retire by rotation, and also, as an Independent Director of the Company, to hold the office for a fixed first term of three (3) consecutive years, from 21st September, 2020 till 20th September, 2023.

The terms and conditions of his appointment (draft appointment letter) shall be open for inspection by the Members of the Company, at the Registered Office of the Company during the normal business hours on any working day till the date of Thirty-fourth (34th) Annual General Meeting of the Company.

Mr. Anand Sadashiv Kapre, 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. Anand Sadashiv Kapre, none of the other Director/s, Key Managerial Personnel of the Company, and their relatives are, in any way, concerned or interested, financially or otherwise, in this Resolution.

Keeping in view the vast experience and knowledge of Mr. Anand Sadashiv Kapre, the Board of Directors of the Company, recommends the Ordinary Resolution at Item No. 4 of the Notice for approval of the Members in the interest of the Company.

ITEM NO. 5:

The Board of Directors, on the recommendation of Nomination and Remuneration Committee of the Board, on 13th March, 2020, has

approved and appointed, CA Vinita Bahri (DIN – 03109454), as an Additional Director [Category: Non-executive, Independent], of the Company, effective 13th March, 2020. 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, CA Vinita Bahri, shall hold office up to the date of this Thirty-fourth (34th) Annual General Meeting of the Company, and is eligible to be appointed as a Director of the Company. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from a Member of the Company, proposing her candidature for the office of a Director of the Company.

CA Vinita Bahri, aged about 50 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. The additional information related to CA Vinita Bahri, has been given in the Corporate Governance Report and Board Report which form an integral part of this Annual Report, as per the provisions of Regulations 26 (4) and 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) [“Listing Regulations”] and Clause 1.2.5 of the Secretarial Standards-2.

The Company has also received a self-declaration from CA Vinita Bahri, to the effect that she was or is not disqualified from being appointed as a Director of the Company in terms of the provisions of Section 164 of the Act and has submitted her consent to act as a Director of the Company.

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

The Company has also received a self-declaration from CA Vinita Bahri, to the effect that she meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 (1) (b) of the Listing Regulations and that she has complied with the provisions of the rule 6 (1) (b) of the Companies (Appointment and Qualification of Directors) Rules, 2014 of the Act, by registering her name in the Independent Director's Data Bank bearing registration no. IDDB-NR-202003-020865 having validity up to 12.03.2021 maintained by the Indian Institute of Corporate Affairs at Manesar.

In the opinion of Nomination and Remuneration Committee and Board of Directors of the Company, CA Vinita Bahri, fulfills the conditions specified in the Act and Listing Regulations, for appointment as a Director and also, as an Independent Director of the Company. CA Vinita Bahri is independent of the Management and Promoters of the Company.

As such, it is proposed to appoint CA Vinita Bahri as a Director [Category – Non-executive, Independent], of the Company, not liable to retire by rotation, and also, as an Independent Director of the Company, to hold the office for a fixed first term of five (5) consecutive years, i.e. from 21st September, 2020 till 20th September, 2025.

The terms and conditions of her appointment (draft appointment letter) shall be open for inspection by the Members of the Company, at the Registered Office of the Company during the normal business hours on any working day till the date of Thirty-fourth (34th) Annual General Meeting of the Company.

CA Vinita Bahri, may be deemed to be interested or concerned in the Resolution set out at Item No. 5 of the Notice with regard to her appointment. Except CA Vinita Bahri, none of the other Director/s, Key Managerial Personnel of the Company, and their relatives are, in any way, concerned or interested, financially or otherwise, in this Resolution.

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

ITEM NO. 6:

The Members are apprised that CA Neelam Kothari (DIN : 06709241) was appointed as a Non-executive, Independent Director of the Company at the Twenty-ninth (29th) Annual General Meeting held on 25th September, 2015 for a fixed first term of consecutive five (5) years i. e. from the conclusion of 29th Annual General Meeting up to the conclusion of 34th Annual General Meeting of the Company to be held in the calendar year 2020.

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

The Board taking into account the recommendation of the Nomination and Remuneration Committee based on the report of performance evaluation of Directors, has recommended the re-appointment of CA Neelam Kothari as a Director of the Company in the category of Independent Director, not liable to retire by rotation, for a second term of 5 (five) years i. e. from 21st September, 2020 till 20th September, 2025.

Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) inter alia prescribes that an independent director of a Company shall meet the criteria of independence as provided in Section 149(6) of the Act. The Company has received a self-declaration from CA Neelam Kothari that she meets the criteria of independence as prescribed under Sub-section (6) of Section 149 of the Companies Act, 2013 and the provisions of the Listing Regulations and that she has complied with the provisions of rule 6 (1) (b) of the Companies (Appointment and Qualification of Directors) Rules, 2014 of the Act, by registering her name in the Independent Director's Data Bank bearing registration no. IDDB-DI-202006-027912 having validity up to 07.06.2021 maintained by the Indian Institute of Corporate Affairs at Manesar. .

The Company has also received a self-declaration from CA Neelam Kothari to the effect that she was or is not disqualified from being appointed as the Director in terms of Section 164 of the Companies Act, 2013 and she has given her consent to act as the Director of the Company.

The Company has also received a self-declaration from CA Neelam Kothari, to the effect that she was or is not debarred from holding the office of a Director pursuant to any order of the SEBI or such other authority in terms of SEBI's Circular No. LIST/COMP/14/2018-19 dated 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 Companies Act, 2013 proposing the candidature of CA Neelam Kothari for the office of Independent Director of the Company, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The aforesaid Independent Director is an eminent personality in her field. Your Board considers that her continued association with the Company would be of immense benefit to the Company. In the opinion of the Board, CA Neelam Kothari fulfils the conditions for re-appointment as the Non-executive, Independent Director of the Company as per the applicable provisions of the Act and the Listing Regulation/s. She is also independent of the Management and Promoters of the Company

A Brief profile of CA Neelam Kothari, nature of her expertise in specific functional areas and names of Companies in which she holds directorships and memberships / chairmanships of Board Committees etc., required to be given pursuant to Regulations 26 (4) and 36(3) of the Listing Regulations and Clause 1.2.5 of the Secretarial Standard-2 in respect of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting, has been given in the Corporate Governance Report and Board Report which forms an integral part of this Annual Report.

CA Neelam Kothari, may be deemed to be interested or concerned in the Resolution set out at Agenda Item No. 6 of the Notice with regard to her appointment. Except CA Neelam Kothari, 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.

The terms and conditions of her appointment (draft appointment letter) shall be open for inspection by the Members of the Company, at the Registered Office of the Company during the normal business hours on any working day till the date of Thirty-fourth (34th) Annual General Meeting of the Company.

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

ITEM NO. 7:

Mr. Pranav Bhardwaj (DIN - 00054805), aged about 46 years hails from a renowned family of industrialists and an industrial entrepreneur himself. He is a dynamic new generation industrialist. He has graduated as B.Sc. majoring in Chemistry and Business Management (Joint Honors Degree) from the world renowned Imperial College of London. He has over twenty (25) years of experience in Steel and Textile industry and he is associated with the Company since year 1995.

Mr. Pranav Bhardwaj was appointed as the Joint Managing Director of the Company for three (3) terms of five (5) years effective from 17th January, 2001; 17th January, 2006 & 17th January, 2011 and subsequently, re-designated as the Managing Director of the Company effective 12th August, 2015. He was reappointed by the Members of the Company at the 29th Annual General Meeting held on 25th September, 2015 in terms of recommendations of the Nomination and Remuneration Committee and the Board of Directors vide their meetings held on 12th August, 2015, as the Managing Director of the Company for a period of Five (5) Years effective from 17th January, 2016, accordingly, his existing term expires on 16th January, 2021.

Based on the report of the performance evaluation of the Managing Director, considering his knowledge of various aspects relating to the Company's affairs and long business experience, contribution made by him during his tenure for smooth and efficient running of the business and keeping in view his unstinted efforts and wide contributions which resulted in increase in the Company's overall performance and financial results and on the recommendation of the Nomination and Remuneration Committee of the Board at its 46th meeting held on 13th August, 2020, the Board considers that the continued association of Mr. Pranav Bhardwaj would be beneficial to the Company and it is desirable to continue to avail his services as the Managing Director.

Accordingly the Board of Directors at its 179th meeting held on 13th August, 2020, considered and approved the re-appointment of Mr. Pranav Bhardwaj, as the Managing Director, designated Key Managerial Personnel of the Company not liable to retire by rotation, for a further period of 5 (five) years effective 17th January, 2021 till 16th January, 2026, subject to approval of the Members at the ensuing Thirty-fourth (34th) Annual General Meeting of the Company by way of Ordinary Resolution, on the remuneration, allowances and perquisites as stated below:

- a) Remuneration** : Basic Salary: ₹ 6,72,500/- (Rupees Six Lakh Seventy-Two Thousand Five 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) Commission** : 2% of Net Profit as computed in accordance with the provision of the Companies Act, 2013 ('Act').
- c) Allowances & Perquisites**: Rent free furnished accommodation with all facilities and amenities or House Rent Allowance @ 40% of Basic Salary per month, reimbursement of all medical expenses / medical allowance, subscription to two clubs, personal insurance, use of car with driver, telephone at residence, contributions to the provident fund, superannuation and annuity fund, leave travel concessions, leave encashment, gratuity and other retirement benefits, 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 of the Company will be applicable.

d) Minimum Remuneration : In the event of loss or inadequacy of profits in any Financial Year during the currency of tenure of service of Mr. Pranav Bhardwaj (DIN - 00054805) as the Managing Director of the Company, the payment of remuneration comprising of salary, perquisites and commission shall be governed by the limits prescribed under Section II of Part II of Schedule V to the Act and be paid as the minimum remuneration;

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

The terms and conditions of appointment including the remuneration payable to Mr. Pranav Bhardwaj are in accordance with and well within the ceiling as laid down under Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Act, 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).

Mr. Pranav Bhardwaj is not disqualified from being re-appointed as a Managing Director of the Company in terms of Section 164 of the Act and has submitted his consent to act as a Director of the Company.

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

The Company has received notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Pranav Bhardwaj, as the Managing Director of the Company.

The Board having considered his qualifications, experience and responsibilities recommends, the resolution at Item No. 7 of the Notice related to the re-appointment of Mr. Pranav Bhardwaj (DIN - 00054805) as the Managing Director of the Company for a further period of five (5) years effective from 17th January, 2021 for the approval of Shareholders in the interest of the Company.

A brief profile of Mr. Pranav Bhardwaj and other requisite details pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India have been given in the Corporate Governance Report and Board Report which forms an integral part of this Annual Report.

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

Since Mr. Ravi Bhushan Bhardwaj (DIN - 00054700), Non- Executive Chairman and Mr. Suhrit Ravi Bhushan Bhardwaj (DIN – 02318190), Non- Executive Director are related to Mr. Pranav Bhardwaj (DIN - 00054805) they are deemed to be interested or concerned in the Resolution set out at Item No. 7 of the Notice with regard to his appointment. Except Mr. Pranav Bhardwaj for himself, Mr. Ravi Bhushan Bhardwaj and Mr. Suhrit Ravi Bhushan Bhardwaj, no other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in this Resolution.

ITEM NO. 8:

Mr. Surendra Kumar Gupta (DIN: 00054836), aged about 71 years, qualified as B.E. (Mechanical) & holding Diploma in Business Management, working with the Company since 1992, is having overall experience of about 40 years in Steel & Steel making industry.

He was reappointed by the Members of the Company at the 31st Annual General Meeting held on 28th September, 2017 in terms of recommendation of the Nomination and Remuneration Committee and the Board of Directors vide their meetings held on 26th May, 2017, as the Deputy Managing Director of the Company for a period of Three (3) Years effective from 30th July 2017, accordingly, his existing term expires on 29th July, 2020.

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

Based on the performance evaluation of the Deputy Managing Director, his unstinted efforts and wide contributions made in the progress of the Company and considering his knowledge of various aspects relating to the Company's affairs and long experience and as per the recommendation of the Nomination and Remuneration Committee of the Board at its 45th meeting held on 26th June, 2020, the Board considers that the continued association of Mr. Surendra Kumar Gupta would be beneficial to the Company and it is desirable to continue to avail his services as the Deputy Managing Director.

Further as per Section 196(3) of the Companies Act, 2013 ('Act'), no Company shall appoint or continue the employment of any person as 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 shareholders by way of Special Resolution. As Mr. Surendra Kumar Gupta is 16.08.1948 born and has attained the age of Seventy (70) years, his appointment requires the approval of shareholders by way of Special Resolution in the General Meeting.

The Board of Directors at its 178th meeting held on 26th June, 2020, considered and approved his re-appointment as the Deputy Managing Director, designated Key Managerial Personnel of the Company liable to retire by rotation, for a further period of 3 (three) years effective 30th July, 2020, subject to approval of the Members at the ensuing Thirty-fourth (34th) Annual General Meeting of the Company by way of Special Resolution, on the remuneration, allowances and perquisites as stated below:

a) Remuneration : Basic Salary: ₹ 4,00,000/- (Rupees Four Lakh Only) per month, with suitable annual increase as may be decided by the Committee and/or Board of Directors from time to time;

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

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

c) Minimum Remuneration : In the event of loss or inadequacy of profits in any Financial Year during the currency of tenure of service of Mr. Surendra Kumar Gupta (DIN : 00054836) as the Deputy Managing Director of the Company, the payment of remuneration comprising of salary and perquisites shall be governed by the limits prescribed under Section II of Part II of Schedule V to the Act and be paid as the minimum remuneration;

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

The terms and conditions of appointment including the remuneration payable to Mr. Surendra Kumar Gupta are in accordance with and well within the ceiling as laid down under Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Act, 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).

Mr. Surendra Kumar Gupta is not disqualified from being re-appointed as a Deputy Managing Director of the Company in terms of Section 164 of the Act and has submitted his consent to act as a Director of the Company.

The Company has also received a self-declaration from Mr. Surendra Kumar Gupta, to the effect that he was or is not debarred from holding the office of 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 notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Surendra Kumar Gupta, as the Deputy Managing Director of the Company.

The Board having considered his qualifications, experience and responsibilities recommends, the resolution at Item No. 8 of the Notice related to the re-appointment Mr. Surendra Kumar Gupta as the Deputy Managing Director of the Company for a further period of three (3) years effective from 30th July, 2020, for approval of the Shareholders by way of Special Resolution in the interest of the Company.

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

A brief profile of Mr. Surendra Kumar Gupta and other requisite details, pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India have been given in the Corporate Governance Report and Board Report which forms an integral part of this Annual Report.

Mr. Surendra Kumar Gupta, may be deemed to be interested or concerned in the Resolution set out at Item No. 8 of the Notice with regard to his appointment. Except Mr. Surendra Kumar Gupta, 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. 9:

CA Ramhatla Muralidhar (DIN : 00982212), aged about 65 years, a Fellow Member of the Institute of Chartered Accountants of India (the ICAI) (Membership No. 24725), having overall experience of about 40 years in Steel, Aluminium, Cement and other manufacturing Companies. He is working with the Company since year 1993, wherein, has started his career as Manager (Finance) posted at the Company's Works and gradually elevated to various positions and ultimately to the Executive Director (Finance) of the Company.

CA Ramhatla Muralidhar is presently looking after and responsible for the overall Accounts, Finance and Banking activities of the Company.

Over a period of time, CA Ramhatla Muralidhar is recognised as a good administrator, team leader and contributed in the overall growth of the Company through prudent and strict financial management. He was reappointed by the Members of the Company at the 31st Annual General Meeting held on 28th September, 2017 in terms of recommendations of the Nomination and Remuneration Committee and the Board of Directors at their meetings held on 14th August, 2017, as the Whole-time Director, designated as the Executive Director (Finance) & CFO of the Company for a period of Three (3) Years effective from 14th August, 2017, accordingly, his existing term expires on 13th August, 2020.

Based on the performance evaluation of the Executive Director (Finance), his unstinted efforts and wide contributions made in the progress of the Company and considering his knowledge of various aspects relating to the Financial, Accounting and Banking affairs of the Company and long experience and as per the recommendation of the Nomination and Remuneration Committee of the Board at its 45th meeting held on 26th June, 2020, the Board considers that the continued association of CA Ramhatla Muralidhar would be beneficial to the Company and it is desirable to continue to avail his services as the Executive Director (Finance).

The Board of Directors at its 178th meeting held on 26th June, 2020, considered and approved his re-appointment as the Executive Director (Finance) designated Key Managerial Personnel of the Company liable to retire by rotation, for a further period of 3 (three) years effective 14th August, 2020, subject to approval of the Members at the ensuing Thirty-fourth (34th) Annual General Meeting of the Company by way of Ordinary Resolution, on the remuneration, allowances and perquisites as stated below:

a) Remuneration : Basic Salary: ₹ 2,70,000/- (Rupees Two Lakh Seventy Thousand Only) per month, with suitable annual increase as may be decided by the Committee and/or Board of Directors from time to time.

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

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

c) Minimum Remuneration : In the event of loss or inadequacy of profits in any Financial Year during the currency of tenure of service of CA Rambhatla Muralidhar (DIN : 00982212) as the Executive Director (Finance) of the Company, the payment of remuneration comprising of salary, perquisites and commission shall be governed by the limits prescribed under Section II of Part II of Schedule V to the Act and be paid as the minimum remuneration,

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

The terms and conditions of appointment including the remuneration payable to CA Rambhatla Muralidhar are in accordance with and well within the ceiling as laid down under Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Act, 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).

CA Rambhatla Muralidhar is not disqualified from being re-appointed as an Executive Director (Finance) of the Company in terms of Section 164 of the Act and has submitted his consent to act as a Director of the Company.

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

The Company has received notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing the candidature of CA Rambhatla Muralidhar, as the Executive Director (Finance) of the Company.

The Board having considered his qualifications, experience and responsibilities recommends, the resolution at Item No. 9 of the Notice related to the re-appointment of CA Rambhatla Muralidhar as the Executive Director (Finance) of the Company for a further period of three (3) years effective from 14th August, 2020 for approval of the Shareholders by way of Ordinary 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 CA Rambhatla Muralidhar, as the Executive Director (Finance) of the Company under Section 190 of the Act.

A brief profile of CA Rambhatla Muralidhar and other requisite details, pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India have been given in the Corporate Governance Report and Board Report which forms an integral part of this Annual Report.

CA Rambhatla Muralidhar, may be deemed to be interested or concerned in the Resolution set out at item No. 9 of the Notice with regard to his appointment. Except CA Rambhatla Muralidhar, 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. 10:

Mr. Ramchandra Vasant Dalvi (DIN: 00012065), aged about 69 years, graduated as B. Tech (Hons) in Metallurgical Engineering from the IIT, Mumbai. Thereafter, he joined various Steel Industries such as Mukand Limited (1972-2001), Facor Steel (2001-2004) and Vidarbha Iron and Steel Corporation Limited (2004-2011) and gained rich & varied experience in steel and steel making. He has held various positions from Graduate Engineer Trainee to Chief Executive. He was Director (Technical) on the Board of Facor Steel Limited during 2004-2011. He joined Sunflag in the year 2015 as the Executive Director (Works), and is in-charge of the Company's Steel Plant at Warthi, Bhandara Road in the State of Maharashtra.

Mr. Ramchandra Vasant Dalvi proved himself to be an able administrator with good technical capabilities, team leader and contributed in the overall growth of the Company through prudent technical knowledge. He was appointed by the Members of the Company at the 31st Annual General Meeting held on 28th September, 2017 in terms of recommendations of the Nomination and Remuneration Committee and the Board of Directors at their meetings held on 14th August, 2017, as the Whole-time Director, designated as the Executive Director (Works) of the Company for a period of Three (3) Years effective from 14th August, 2017, accordingly, his existing term expires on 13th August, 2020.

Based on the performance evaluation of the Executive Director (Works), his unstinted efforts and wide contributions made in the progress of the Company and considering his knowledge of various aspects relating to the operations and technical affairs of the Company and long experience and as per the recommendation of the Nomination and Remuneration Committee of the Board at its 45th meeting held on 26th June, 2020, the Board considers 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 the Executive Director (Works).

Further as per Section 196(3) of the Companies Act, 2013 ('Act'), no Company shall appoint or continue the employment of any person as 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 shareholders by way of Special Resolution. As Mr. Ramchandra Vasant Dalvi is 07-12-1950 born and will attain the age of Seventy (70) years on 07-12-2020 i.e. during his proposed new tenure, the Board has considered and recommend for the approval of his proposed re-appointment by the shareholders by way of Special Resolution in the General Meeting.

The Board of Directors at its 178th meeting held on 26th June, 2020, considered and approved his re-appointment as the Executive Director

(Works) designated Key Managerial Personnel, of the Company for a further period of 3 (three) years effective 14th August, 2020, subject to approval of the Members at the ensuing Thirty-fourth (34th) Annual General Meeting of the Company by way of Special Resolution, on the remuneration, allowances and perquisites as stated below:

a) Remuneration : Basic Salary: ₹ 2,00,000/- (Rupees Two Lakh Only) per month, with suitable annual increase as may be decided by the Committee and/or Board of Directors from time to time.

b) Allowances & Perquisites: As per the rules of the Company as applicable from time to time. HRA- Nil;

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

c) Minimum Remuneration : In the event of loss or inadequacy of profits in any Financial Year during the currency of tenure of service of Mr. Ramchandra Vasant Dalvi (DIN : 00012065) as the Executive Director (Works) 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 Companies Act, 2013 and be paid as the minimum remuneration,

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

The terms and conditions of appointment including the remuneration payable to Mr. Ramchandra Vasant Dalvi are in accordance with and well within the ceiling as laid down under Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Act, 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).

Mr. Ramchandra Vasant Dalvi is not disqualified from being re-appointed as an Executive Director (Works) of the Company in terms of Section 164 of the Act and has submitted his consent to act as a Director 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 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 notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Ramchandra Vasant Dalvi, as the Executive Director (Works) of the Company.

The Board having considered his qualifications, experience and responsibilities recommends, the resolution at Item No. 10 of the Notice related to the re-appointment of Mr. Ramchandra Vasant Dalvi as the Executive Director (Works) of the Company for a further period of three (3) years effective from 14th August, 2020, for approval of the Shareholders 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 the Executive Director (Works) of the Company under Section 190 of the Act.

A brief profile of Mr. Ramchandra Vasant Dalvi and other requisite details, pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India have been given in the Corporate Governance Report and Board Report which forms an integral part of this Annual Report.

Mr. Ramchandra Vasant Dalvi, may be deemed to be interested or concerned in the Resolution set out at Item No. 10 of the Notice with regard to his appointment. Except Mr. Ramchandra Vasant Dalvi, 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. 11:

On recommendation of the Audit Committee, the Board of Directors of the Company, at its meeting held on 26th June, 2020 has approved and appointed M/s. G. R. Paliwal & Company, Cost Accountants, Nagpur (Membership No. 7815), as the Cost Auditors of the Company, for the Financial Year 2020-21 ending 31st March, 2021, to audit the cost records of the Company at a remuneration of ₹ 2,40,000/- (Rupees Two Lakh Forty Thousand Only) plus applicable taxes (GST) and reimbursement of actual out of pocket expenses, if any.

Pursuant to Section 148(3) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (as amended), the remuneration as recommended by the Board of Directors, is subject to ratification by the Members of the Company at the ensuing Thirty-fourth (34th) Annual General Meeting of the Company.

None of the Director/s, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in this Resolution. The Board of Directors of the Company recommends the Ordinary Resolution at Item No. 11 of the Notice for approval of the Members in the interest of the Company.

BOARD'S REPORT

To,
The Members,

Your Directors take pleasure in presenting the Thirty-fourth (34th) Annual Report along with the Audited Financial Statements of the Company for the Financial Year 2019-20 ended 31st March, 2020.

Indian Steel industry has been driven by availability of raw material viz. iron ore, coal etc. and cost of labour. Consequently the Financial Year under review remained volatile during the year and could not see any sustained demand. Further, your Company with continuous development of new grades of steel and upgradation of plant and equipment, could maintain its presence in the market particularly in automobile industry. Also during the Financial Year under review export of auto grade steel was not remunerative and Indian Auto and Auto Component Industry got impacted due to shifting from BS-IV to BS-VI emission norms by April, 2020. As a result, there was a decline in the sales and profit before tax. EBIDTA as a percentage to total income for the year was 10.34% as against 11.33% for the previous year.

1. FINANCIAL RESULTS

The summarised financial results for the year are as follows :-

(₹ in Lakh except EPS)

Sr. No.	Particulars	For the Financial Year ended	
		2019-20	2018-19
1	Total Income	177,065	219,712
2	Total Expenditure	158,749	194,822
3	Gross Profit	18,316	24,890
4	Finance Cost	4,263	3,874
5	Profit before Depreciation	14,053	21,016
6	Depreciation	4,620	3,787
7	Profit before exceptional and extraordinary items and Tax	9,433	17,229
8	Tax Expenses and Provisions	177	6,170
9	Net profit from ordinary activities after tax	9,256	11,059
10	Other comprehensive Income (net of taxes) #	36,443	382
11	Profit After Tax	45,699	11,441
12	Earnings Per Share (EPS) [Basic and Diluted] in (₹)	5.21	6.14

Other Comprehensive income for the year under review includes an amount of ₹ 36,302 Lakh towards revaluation surplus net of taxes (i.e. Revaluation surplus of ₹ 48,512 Lakh Less deferred tax of ₹ 12,210).

2. FINANCE

The Total Income of your Company for the Financial Year 2019-20 stood at ₹ 177,065 Lakh as compared to ₹ 219,712 Lakh of the previous Financial Year. Your Company has ended the Financial Year 2019-20 with a profit after tax from the ordinary activities of ₹ 9,256 Lakh as against the previous Financial Year's ₹ 11,059 Lakh. After taking into account the brought forward profit of ₹ 71,600 Lakh, your Company has carried forward an amount of ₹ 79,770 Lakh to the Balance Sheet.

The Company has revalued its Plant and Machinery and Building as at 31st March, 2020 through an independent and approved valuer and accordingly changed its accounting policy from cost model to fair value model. All other assets such as Land, Furniture, Fixture etc. are valued at cost. The revaluation gain of ₹ 48,512 Lakh has been accounted for in the gross block and credited to other equity under the head revaluation surplus. The WDV of these assets before such revaluation was ₹ 58,468 Lakh (WDV of Plant & Machinery ₹ 45,674 Lakh and Building ₹ 12,794 Lakh).

3. DIVIDEND

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

Due to the spread of COVID-19 pandemic and recessionary trend in the economy, your directors took a prudent decision to plough back the profits into the business and not to recommend any dividend for the Financial Year 2019-20.

4. SHARE CAPITAL

During the Financial Year 2019-20 ended 31st March, 2020 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 ₹ 1,802,194,480/- divided into 180,219,448 equity shares of face value of ₹ 10/- each, as on 31st March, 2020.

5. MARKET SCENARIO

Growth in the steel industry largely depends on availability of raw material and funds for operation coupled with overall improvement in the economy. During the Financial Year under review the Indian steel industry could not see consistency in the demand owing to lack of raw material availability. Further with the increased level of NPAs in banking system has resulted in non-availability or delay in disbursal of funds for operation to many small and medium size auto ancillary units. This has adversely impacted your Company's sales and consequently end up with marginal decrease in the bottom line.

In view of outbreak of COVID-19 followed by Nationwide lock down announced by Government of India, the manufacturing facilities and other commercial activities of the Company were closed w.e.f. 24th March, 2020. The Company has resumed its operations from 23rd May, 2020 in a phased manner after obtaining necessary permission and has established all safety measures maintaining high standard of hygiene for the employees.

Further, based on the initial assessment by the management and considering various internal and external information upto the date of approval of financial results for the year under review, the company does not have any material impact in the recoverability of carrying amount of its loans and advances, inventory, trade receivables etc. Further Reserve Bank of India granted relief to the borrowers by way of moratorium in repayment and servicing of interest due to bank. The Company has availed such moratorium up to August, 2020. However, these evaluations are subject to impact of uncertainties that COVID-19 outbreak may ultimately pose on economic recovery and consequential effect on Company's performance.

6. COMPANY'S OPERATIONS OR OVERALL WORKING PERFORMANCE

During the Financial Year 2019-20 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 2019-20	Financial Year 2018-19
1	Direct Reduction Plant (I + II)	51,582	148,355
2	Steel Melt Shop	308,335	382,597
3	Rolled products	301,194	381,997
4	Mini Blast Furnace (Hot Metal)/Pig Iron	304,266	297,763
5	Coal (Belgaon Coal Block)	270,000	270,000
6	Power Plant (Lakh kWh)	1745.71	1971.99

7. PROJECTS

Steel Plant:-

During the year under review the Company has received major machineries for commissioning its Super Alloy Project. But due to COVID-19 pandemic followed by nation wide lock down, the engineers from Germany at the Company's project site have been called back by their Government. Similarly, expansion at Blooming mill is also under review in consultation with the main equipment supplier and these project activities shall be restored once the situation become normal. The Company has applied to bank for extension of project completion date and waiting for formal approval for the same.

Subsidiary Companies:-

Sunflag Power Limited [CIN – U 31200 UR 2003 PLC 027802]

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

Khappa Coal Company Private Limited [CIN – U 10100 MH 2009 PTC 191907]

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, stands 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 – U 74999 MH 2017 NPL 289961]

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

Associate / Joint Venture (JV) Companies:-

Madanpur (North) Coal Company Private Limited [CIN – U 10101 CT 2007 PTC 020161] and C T Mining Private Limited [CIN – U 10100 JH 2008 PTC 013329]

In view of order of the Hon'ble Supreme Court of India dated 24th September, 2014, the Coal Block(s) which were allocated to Madanpur (North) Coal Company Private Limited in the State of Chhattisgarh and to C T Mining Private Limited in the state of Jharkhand, stands 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.

Daido D.M.S. India Private Limited [CIN – U 28113 HR 2015 FTC 054839]

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

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

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

The plant commissioned on 6th May, 2019 and has started its manufacturing activities.

Present Status of Coal and Minerals Mines:-

S. N.	Name of Mine	Area in (Ha.)	Mineral	Present Status
1	Belgaon Coal Mine, at Village, Balgaon (Deshpande), Tah. Warora, Dist. Chandrapur, Maharashtra	383.56	Coal	Underground Coal mine having estimated reserves of 8 million tons (MT) with extractable balance of about 5.82 MT.
2	Navegaon Manganese Mine at Village Navegaon, Tah. Mohadi, Dist. Bhandara, Maharashtra	15.90	Manganese Ore	Open cast mine with reserves of about 30,000 tons.
		48.78	Manganese Ore	Application for conversion of Prospecting Licence into Mining Lease is under process.
3	Warpani Manganese Ore Block at Village Warpani, Tah. Saoner, Dist. Nagpur, Maharashtra	1419.65	Manganese Ore	Application for conversion of Prospecting Licence into Mining Lease over an area of 460 Ha is under process.
4	Bande Iron Ore Block, at Village Bande, Tah. Ettapalli, Dist. Gadchiroli, Maharashtra	236.75	Iron Ore	Application for conversion of Prospecting Licence into Mining Lease over an area of 205.75 Ha is under process.
5	Kodalibad Iron and Manganese Ore Mine at Village - Kodalibad, Tah - Noamundi, Dist. - Singhbhum / Jharkhand	120.00	Iron and Manganese Ore	Mining Lease is yet to be executed.
6	Lohardongri Iron Ore Mines at Village Lohardongri, Tah-Brahmapuri, District Chandrapur (Maharashtra)	35.73	Iron Ore	Declared successful bidder in auction. Letter of Intent (LOI) dated 13.09.2019 received from Government of Maharashtra.

8. NATURE OF BUSINESS ACTIVITIES AND CHANGES THEREOF

During the Financial Year 2019-20 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.

9. PUBLIC DEPOSITS

During the Financial Year 2019-20 under review, the Company has neither invited nor accepted any public deposits within the meaning of Section 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(1) of the Companies (Accounts) Rules, 2014 (as amended) have been given or provided.

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

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

II CHANGES RELATED TO THE EXECUTIVE DIRECTOR/S:-

Pursuant to the provisions of Section 152 of the Companies Act, 2013, the Members of the Company, on the recommendation of the Board of Directors and the Nomination and Remuneration Committee (NRC) of the Board, at their Thirty-third (33rd) Annual General Meeting held on 27th September, 2019, consented to the re-appointment of CA Rambhatla Muralidhar, (DIN-00982212), Executive Director (Finance) of the Company, who retired by rotation and being eligible offered himself for re-appointment.

III. CHANGES RELATED TO THE KEY MANAGERIAL PERSONNEL (KMP):-

- CA Rambhatla Muralidhar, Executive Director (Finance) & CFO of the Company expressed his desire, to discontinue from the position of Chief Financial Officer (CFO) of the Company.
- Pursuant to the provisions of Section 203 of the Companies Act, 2013 ("the Act") read with rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions (including any modification or re-enactment thereof) if any, of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors vide its 174th Meeting held on 27th September, 2019 on the recommendation of the Nomination and Remuneration Committee (NRC) of the Board appointed Mr. S. Mahadevan Iyer, General Manager (Finance) of the Company as the Chief Financial Officer (CFO), designated Key Managerial Personnel (KMP) of the Company w.e.f. 1st October, 2019 and relieved CA R Muralidhar from the responsibility of Chief Financial Officer of the Company with effect from the close of the business hours of 30th September, 2019, but he shall continue as the Executive Director (Finance), designated Whole-Time Key Managerial Personnel (KMP) of the Company.

IV. CHANGES RELATED TO THE INDEPENDENT DIRECTOR/S:-

- Pursuant to the provisions of Regulation 17(1A) incorporated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 - "No listed entity shall appoint a person or continue the directorship of any person as a Non-executive Director who has attained the age of Seventy-five (75) years unless a special resolution is passed to that effect.

Mr. S. Gajendran [DIN – 00250136], Non-executive, Independent Director of the Company [Date of Birth – 7th July, 1944], has attained the age of Seventy-five (75) years on 7th July, 2019, and since, no such Special Resolution has been passed by the Members, Mr. S. Gajendran, ceased as a Non-executive, Independent Director of the Company w.e.f. 7th July, 2019 on attaining the age of Seventy-five (75) years pursuant to aforesaid provisions.

Your Board places on record its appreciation for the valuable services rendered by Mr. S. Gajendran during the tenure of his directorship.

- The Members of the Company at their Thirty-third (33rd) Annual General Meeting held on 27th September, 2019, on the recommendation of the Board of Directors and the Nomination and Remuneration Committee (NRC) of the Board have appointed Mr. Sajiv Dhawan (DIN - 00160085), as a Director [Category – Non-executive, Independent] to hold the office for a fixed first term of consecutive three (3) years, i.e. from 27th September, 2019 till 26th September, 2022.
- The Board took note of cessation of CA Jayesh Parmar as a Non-executive, Independent Director of the Company w.e.f. 27th September, 2019 after the conclusion of 33rd Annual General Meeting of the Company held on 27th September, 2019, due to completion of his tenure.

Your Board places on record its deep appreciation for the valuable services rendered by CA Jayesh Parmar during his tenure as the Director of the Company.

- The Board of Directors vide its 175th Meeting held on 12th November, 2019 on the recommendation of the Nomination and Remuneration Committee (NRC) of the Board has appointed Mr. Anand Sadashiv Kapre (DIN - 00019530) as an Additional Director [Category - Non-executive, Independent] of the Company with effect from 12th November, 2019, to hold the office till the conclusion of 34th Annual General Meeting of the Company.
- Mr. Rooshad Russi Patel [DIN – 00473945], Non-executive, Independent Director of the Company, has ceased as director due to resignation w.e.f. 14th December, 2019 on the ground of health and personal issues and has also confirmed that there are no other material reasons for his resignation.

Your Board places on record its appreciation for the valuable services rendered by Mr. Rooshad Russi Patel during the tenure of his directorship.

- The Board of Directors vide Circular Resolution (Sr. No. 01/2019-20) passed on 13th March, 2020, on the recommendation of the Nomination and Remuneration Committee (NRC) has appointed CA Vinita Bahri (DIN - 03109454) as an Additional Director [Category - Non-executive, Independent] of the Company with effect from 13th March, 2020, to hold the office till the conclusion of 34th Annual General Meeting of the Company.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under Section 149 (6) of the Companies Act, 2013 and the SEBI Listing Regulations.

V. DIRECTOR - RETIREMENT BY ROTATION:-

Pursuant to Section 152 of Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (as amended), Mr. Suhrith Ravi Bhushan Bhardwaj (DIN – 02318190), Director [Category- Non-Executive & Non-Independent] of the Company, retires by rotation and being eligible, offers himself for re-appointment. The Board recommends his re-appointment as a Director (with existing category) of the Company for the approval of the Members at the ensuing Annual General Meeting in the interest of the Company.

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

- The term of Mr. Anand Sadashiv Kapre (DIN - 00019530), as an Additional Director [Category – Non-executive, Independent] of the Company, is expiring at the conclusion of the ensuing Thirty-fourth (34th) Annual General Meeting of the Company.

The Board recommends appointment of Mr. Anand Sadashiv Kapre (DIN - 00019530), as an Independent Director [Category – Non-executive, Independent] not liable to retire by rotation, to hold the office for a fixed first term of consecutive three (3) years, from the conclusion of ensuing Thirty-fourth (34th) Annual General Meeting, in the interest of the Company.

The Company has received a Notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Mr. Anand Sadashiv Kapre (DIN - 00019530), for the office of a Director of the Company.

The Company has also received the self-declaration/s from Mr. Anand Sadashiv Kapre (DIN - 00019530), inter-alia to the effect that, (i) he was/is not disqualified from being appointed as a Director of the Company in terms of the provisions of Section 164 of the Companies Act, 2013 and has submitted his consent to act as a Director of the Company; (ii) he was or is not debarred from holding the office of a Director pursuant to any order of the SEBI or such other authority in terms of SEBI's Circular No. LIST/COMP/14/2018-19 dated 20th June, 2018 on the subject "Enforcement of SEBI Orders regarding appointment of Directors by listed companies"; (iii) he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ["Listing Regulations"]; and (iv) he has complied with the provisions of the rule 6 (1) (b) of the Companies (Appointment and Qualification of Directors) Rules, 2014 of the Companies Act, 2013, by registering his name in the Independent Director's Data Bank bearing registration no. IDDB-DI-202001-005387 having validity up to 15.01.2021 maintained by the Indian Institute of Corporate Affairs at Manesar.

- The term of CA Vinita Bahri (DIN - 03109454), as an Additional Director [Category – Non-executive, Independent] of the Company, is expiring at the conclusion of the ensuing Thirty-fourth (34th) Annual General Meeting of the Company.

The Board recommends appointment of CA Vinita Bahri (DIN - 03109454), as an Independent Director [Category – Non-executive, Independent] not liable to retire by rotation, to hold the office for a fixed first term of consecutive Five (5) years, from the conclusion of ensuing Thirty-fourth (34th) Annual General Meeting, in the interest of the Company.

The Company has received a Notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing the candidature of CA Vinita Bahri (DIN - 03109454), for the office of a Director of the Company.

The Company has also received the self-declaration/s from CA Vinita Bahri (DIN - 03109454), inter-alia to the effect that, (i) She was/is not disqualified from being appointed as a Director of the Company in terms of the provisions of Section 164 of the Companies Act, 2013 and has submitted her consent to act as a Director of the Company; (ii) She was or is not debarred from holding the office of a Director pursuant to any order of the SEBI or such other authority in terms of SEBI's Circular No. LIST/COMP/14/2018-19 dated 20th June, 2018 on the subject "Enforcement of SEBI Orders regarding appointment of Directors by listed companies"; (iii) She meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ["Listing Regulations"]; and (iv) She has complied with the provisions of the rule 6 (1) (b) of the Companies (Appointment and Qualification of Directors) Rules, 2014 of the Companies Act, 2013, by registering her name in the Independent Director's Data Bank bearing registration no. IDDB-NR-202003-020865 having validity up to 12.03.2021 maintained by the Indian Institute of Corporate Affairs at Manesar.

3. The first term of CA Neelam Kothari, Director (DIN - 06709241) (Category - Non-executive, Independent) of the Company, is expiring on the conclusion of the ensuing Thirty-fourth (34th) Annual General Meeting of the Company. Pursuant to Section 149, 152 of the Companies Act, 2013 ('Act') and Schedule IV to the Act, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (as amended) and the SEBI (LODR) Regulations, the Board recommends appointment of CA Neelam Kothari (DIN - 06709241), as an Independent Director [Category – Non-executive, Independent] not liable to retire by rotation, to hold the office for a fixed second term of consecutive Five (5) years, from the conclusion of ensuing Thirty-fourth (34th) Annual General Meeting, in the interest of the Company.

The Company has received a Notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing the candidature of CA Neelam Kothari (DIN - 06709241), for the office of a Director of the Company.

The Company has also received the self-declaration/s from CA Neelam Kothari (DIN - 06709241), inter-alia to the effect that, (i) She was/is not disqualified from being appointed as a Director of the Company in terms of the provisions of Section 164 of the Companies Act, 2013 and has submitted her consent to act as a Director of the Company; (ii) She was or is not debarred from holding the office of a Director pursuant to any order of the SEBI or such other authority in terms of SEBI's Circular No. LIST/COMP/14/2018-19 dated 20th June, 2018 on the subject "Enforcement of SEBI Orders regarding appointment of Directors by listed companies"; (iii) She meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ["Listing Regulations"]; and (iv) She has complied with the provisions of the rule 6 (1) (b) of the Companies (Appointment and Qualification of Directors) Rules, 2014 of the Companies Act, 2013, by registering her name in the Independent Director's Data Bank bearing registration No. IDDB-DI-202006-027912 having validity up to 7th June, 2021 maintained by the Indian Institute of Corporate Affairs at Manesar.

4. Pursuant to provisions of Section 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013, Schedule V to the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications and/or re-enactment thereof for the time being in force), and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors vide its 179th Meeting held on 13th August, 2020, on the recommendation of the Nomination and Remuneration Committee (NRC) of the Board has approved and recommended the re-appointment 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 from 17th January, 2021, in the interest of the Company.
5. Pursuant to provisions of Section 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013, Schedule V to the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications and/or re-enactment thereof for the time being in force), and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors vide its 178th Meeting held on 26th June, 2020, on the recommendation of the Nomination and Remuneration Committee (NRC) of the Board has approved and recommended the re-appointment of Mr. Surendra Kumar Gupta (DIN : 00054836), as the Deputy Managing Director (Category - Non-Promoter, Executive), designated Key Managerial Personnel, of the Company liable to retire by rotation for a further period of three (3) years effective from 30th July, 2020, in the interest of the Company.
6. Pursuant to provisions of Section 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013, Schedule V to the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications and/or re-enactment thereof for the time being in force), and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors vide its 178th Meeting held on 26th June, 2020, on the recommendation of the Nomination and Remuneration Committee (NRC) of the Board has approved and recommended the re-appointment of CA Rambhatla Muralidhar (DIN: 00982212), as the Executive Director (Finance), designated Key Managerial Personnel, of the Company liable to retire by rotation for a further period of three (3) years effective 14th August 2020, in the interest of the Company.
7. Pursuant to provisions of Section 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013, Schedule V to the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications and/or re-enactment thereof for the time being in force), and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors vide its 178th Meeting held on 26th June, 2020, on the recommendation of the Nomination and Remuneration Committee (NRC) of the Board has approved and recommended the re-

appointment of Mr. Ramchandra Vasant Dalvi (DIN : 00012065), as the Executive Director (Works), designated Key Managerial Personnel, of the Company liable to retire by rotation for a further period of three (3) years effective 14th August, 2020, in the interest of the Company.

[Brief profile of all the Director/s, including those seeking appointment and re-appointment, is given in the Corporate Governance Report annexed to the Board Report].

11. NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2019-20 under review Six (6) meetings of the Board of Directors of the Company held on (i) 21st May, 2019, (ii) 12th August, 2019, (iii) 27th September, 2019, (iv) 12th November, 2019, (v) 23rd December, 2019 and (vi) 13th February, 2020.

12. 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 system to ensure compliance with the provisions of all applicable laws and regulations and that such systems were adequate and operating effectively.

13. COST RECORDS

Pursuant to the amendment to the Companies (Accounts) Rules, 2014 vide MCA's Notification dated 31st July, 2018, the Board of Directors do confirm that the maintenance of cost records as specified by the Central Government under Sub-section (1) of Section 148 of the Companies Act, 2013, is required by the Company and accordingly, such accounts and records are made and maintained by the Company for the Financial Year 2019-20.

14. BUSINESS RESPONSIBILITY REPORT

The Securities Exchange Board of India's (SEBI) Listing Regulations mandate the inclusion of the Business Responsibility Report as part of the Annual Report for the top 1000 listed entities based on market capitalisation. The Business Responsibility Report (BRR), as mandated by the Securities and Exchange Board of India (SEBI), for the year under review is part of the Annual Report 2019-20 of the Company. The BRR maps the sustainability performance of your Company against the reporting framework suggested by SEBI. It describes the initiatives taken by your Company from an environmental, social and governance perspective.

15. COMMITTEE(S) OF THE BOARD

The Company has constituted all the requisite Committee(s) of the Board, namely Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility (CSR) Committee, Share Transfer Committee, Risk Management Committee and Project Monitoring Committee, pursuant to the provisions of the Companies Act, 2013 read with the rules made there under and Listing Regulations. The details of its constitution, objective or terms of reference and other related information have been provided in the Corporate Governance Report, which forms part and parcel of the Board's Report.

16. AUDITORS

I. STATUTORY AUDITORS AND THEIR REPORT:-

M/s. S. S. Kothari Mehta & Co., Chartered Accountants, New Delhi (ICAI Firm Registration No. 000756N, Peer Review Certificate No. 008927) were appointed as the Statutory Auditors of the Company by the shareholders in the Thirty-second (32nd) Annual General Meeting (AGM) of the Company held on 25th September, 2018 for a fixed second term of two (2) years from the conclusion of Thirty-second (32nd) Annual General Meeting until the conclusion of Thirty-fourth (34th) Annual General Meeting of the Members of the Company to be held for the Financial Year 2019-20.

On completion of their existing tenure till the ensuing AGM, pursuant to the provisions of Section 139 of the Companies Act, 2013 they are not eligible for re-appointment and in their place new auditors are to be appointed.

The Board of Directors on the recommendation of the Audit Committee has approved and recommended for the approval of the Members at the ensuing 34th Annual General Meeting of the Company, the appointment of M/s. N S B P & Co., Chartered Accountants, New Delhi (ICAI Firm Registration No. 001075N, Peer Review Certificate No. 009284), as the Statutory Auditors in place of M/s. S. S. Kothari Mehta & Co., Chartered Accountants, New Delhi for a period of 5 (Five) years, to hold such office from the conclusion of ensuing Annual General Meeting till the conclusion of the Annual General Meeting to be held for the Financial Year 2024-2025.

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

The Auditors' Report submitted by M/s. S. S. Kothari Mehta & Co., Chartered Accountants, New Delhi (ICAI Firm Registration No. 000756N, Peer Review Certificate No. 008927), the Statutory Auditors to the Members of the Company for the Financial Year 2019-20 ended 31st March, 2020 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 2019-20 under review:

- a) there has been no fraud occurred, noticed and/or reported by the Statutory Auditors under Section 143(12) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (as amended);
- b) the observations made by the Statutory Auditors on the financial statements for the Financial Year 2019-20 ended 31st March, 2020 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 required to be given or provided by the Board of Directors of the Company.

II. COST AUDITORS AND THEIR REPORT

Pursuant to Section 148 of the Companies Act, 2013, the Board of Directors, on the recommendation of the Audit Committee of the Company, has appointed M/s. G. R. Paliwal & Company, Cost Accountants, Nagpur (Membership No. 7815), as the Cost Auditors of the Company, for the Financial Year 2020-21 and has also recommended their remuneration to the Members of the Company for their ratification at the ensuing Thirty-fourth (34th) Annual General Meeting of the Company.

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

Pursuant to the applicable provisions of the Act read with the rules made there under, the Statements, Annexures, Proforma, annexed to the Cost Audit Report in Form No. CRA-3, required to be submitted by the said Cost Auditors with the Central Government in e-Form No. CRA-4, for the Financial Year 2018-19 was filed vide SRN H-87953998 dated 09th September, 2019.

Moreover, the Statements, Annexures, Proforma, annexed to the Cost Audit Report in Form No. CRA-3, to be submitted by the said Cost Auditors with the Central Government in e-Form No. CRA-4, for the Financial Year 2019-20, 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 [ICSI Membership No. FCS-4343 & Certificate of Practice No. 13693], were appointed as the Secretarial Auditors of the Company, for the Financial Year 2019-20.

The Secretarial Audit Report in Form No. MR-3 submitted by the said Secretarial Auditors is attached herewith as an **Annex – B**, 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 explanation/s by the Company.

Further, the Board of Directors of the Company at its 179th meeting held on 13th August, 2020, has approved the re-appointed, M/s. Mukesh Parakh & Associates, Company Secretaries, Nagpur [ICSI Membership No. FCS-4343 & Certificate of Practice No. 13693], as the Secretarial Auditors of the Company for the Financial Year 2020-21.

IV. INTERNAL AUDITORS AND THEIR REPORT

M/s. AKMK & Associates, Chartered Accountants, Surat [ICAI Firm Registration No. 136206W] and M/s. Nitin Alshi & Associates, Chartered Accountants, Nagpur [ICAI Firm Registration No. 116875W], were appointed as the Internal Auditors and Joint Internal Auditors, respectively, of the Company, for the Financial Year 2019-20, pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014 and relevant SEBI Regulations including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

The Internal Audit finding/s and report/s submitted by the said Internal Auditor/s, from time to time, during the Financial Year 2019-20 to the Audit Committee and Board of Directors of the Company, do not contain any adverse remarks and qualifications, is/are self-explanatory and do not call for any further explanation/s by the Company.

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

Further, the Board of Directors of the Company at its 177th meeting held on 13th February, 2020, on the recommendation of the Audit Committee, has approved and appointed, M/s. Nitin Alshi & Associates, Chartered Accountants, Nagpur (ICAI Firm Registration No. 116875W) as the Joint Internal Auditors of the Company, for the period of Two (2) years from the Financial Year 2020-21 to the Financial Year 2021-22

17. PERSONNEL / PARTICULARS OF EMPLOYEES

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

- a) The ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company for the Financial Year 2019-20 ended 31st March, 2020:

Executive Director(s)	Ratio to Median remuneration of employees
Mr. Pranav Bhardwaj - Managing Director	26.59:1
Mr. Surendra Kumar Gupta - Deputy Managing Director	18.09:1
CA Rambhatla Muralidhar - Director (Finance)	15.62:1
Mr. Ramchandra Vasant Dalvi - Executive Director (Works)	12.74:1

- b) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the Financial Year 2019-20 ended 31st March, 2020:-

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration over previous Financial Year
Mr. Pranav Bhardwaj - Managing Director	- 0.97
Mr. Surendra Kumar Gupta - Deputy Managing Director	- 1.04
CA Rambhatla Muralidhar - Executive Director (Finance) & (Chief Financial Officer upto 30 th September, 2019)	0.00
Mr. Ramchandra Vasant Dalvi - Executive Director (Works)	0.00
CS Ashutosh Mishra - Company Secretary #	NA
S. Mahadevan Iyer - Chief Financial Officer (w.e.f. 1 st October, 2019) (*)	NA

(*) - Not comparable, as he was in service as Chief Financial Officer for part of the year.

(#) - Not comparable, as he was in service for part of the previous year.

- c) The percentage decrease in the median remuneration of employees in the Financial Year 2019-20 ended 31st March, 2020 : **-3%**
- d) The number of permanent employees on the rolls of Company as on 31st March 2020 : **1,199**
- 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:
- There is no increase in the managerial remuneration for the Financial Year 2019-20 ended 31st March, 2020, other than commission based on net profits as per the terms of their appointment.
- f) Affirmation : Remuneration paid to Director/s, Key Managerial Personnel and Employees of the Company is as per the remuneration policy of the Company.
- g) Statement of Particulars of Employees as per Section 197 of the Companies Act, 2013 read with rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, and forming part of the Boards' Report for the year ended 31st March, 2020 is as below:

Sr. No.	Name of the Employee	Designation/ Nature of Employment	Age / Qualification	Experience (Years)	Remuneration (Rs. in Lakh)	Last Employment	Date of Appointment	Equity holding %
1.	Mr. Pranav Bhardwaj	Managing Director	46, B.Sc. (Chemistry & Business Management)	21.04	497.43	Not Applicable	01-12-1998	0.89
2.	Mr. S. K. Gupta	Dy. Managing Director	71, PGD (DBM), B.E. (M) D. Engg. (M)	52.07	108.67	Coventry Springs	05-09-1992	-
3.	CA R. Muralidhar	Executive Director (Finance)	65, C.A., M.Com.	40.02	92.77	BALCO	06-10-1993	-
4.	Mr. Ramchandra Dalvi	Executive Director (Works)	69, B.Tech (Metallurgy)	37.08	74.84	Sanika Hospitality Own Venture	03-08-2015	-
5.	Mr. Jitendra Singh	Head-Marketing	55, M.Tech (MET). B.E. (MET)	31.03	69.82	Punjab Concast Steels	21-12-1998	-
6.	Mr. D. D. Khonde	Deputy Head Plant	45, B.Tech (Mech), PGPBA, D. Engg(CHE)	24.04	61.10	PT. Gunung Garuda Indonesia	01-12-2012	-
7.	Mr. S. K. Chanda	Deputy Head-Marketing	51, MBA (MKT), BE. (MET)	27.07	59.67	Mukand Ltd.	04-09-2003	0.0001 (200 Shares)
8.	Mr. D.S. Kalne	VP (Finance & Store-Works)	64, C.A.	36.10	59.53	Orient Cordage Pvt. Ltd.	01-06-1989	-
9.	Mr. Y.S. Chaturvedi	GM (RM & Bright Bar)	49, D. Engg (Electrical) BSC (PCM)	29.04	53.17	JSW Steel Ltd.	10-12-2009	-
10.	Mr. D.D. Chowdhury	Associate Head-Project	57, D.Engg (MET), P. DIP (FT), BA.PGDMSM	34.09	44.50	Abhijeet Group	03.07-2009	-

Note:

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

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

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

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

The particulars of Loans, Guarantees or investments given or made by the Company under Section 186 of the Companies Act, 2013 are disclosed in the Notes to the Financial Statements of the Company for the Financial Year 2019-20.

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

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

There are no such transactions and hence not applicable.

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

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

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

Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient terms of the contracts / arrangements / transactions, including the value, if any	Dates of approval / ratification by the Board, if any	Consideration Amount for the FY 2019-20
Haryana Television Limited	Ordinary course of Business and at Arm's length	Continuing	Refundable Security Deposit	28.05.2018 and ratified on 26.06.2020	₹ 28,20,000/- (Continuing from Previous year)
Haryana Television Limited	Ordinary course of Business and at Arm's length	Continuing	Rent paid for Company's Godown at Faridabad	28.05.2018, and ratified on 26.06.2020	Rent ₹ 56,99,400/- Lakh for the FY 2019-20
Ramesh Sunwire Private Limited	Ordinary Course of Business and at Arm's length	--	Sale of Wire Rods	26.06.2020	₹ 12,45,01,328/- in the FY 2019-20
Ramesh Sunwire Private Limited	Ordinary Course of Business and at Arm's length	--	Purchase of scrap of Wire Rods	26.06.2020	₹ 31,85,451/- in the FY 2019-20

Note :Particulars of contracts or arrangements or transactions with related parties are not given in Form AOC-2, during the Financial Year 2019-20 under review as the Company has not entered into any contracts or arrangements which are material in nature or are not at arm's length.

21. 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 2020-21 ending 31st March, 2021 have been paid to both the Stock Exchanges (BSE & NSE) within the normal stipulated time.

22. DEMATERIALISATION OF SHARES

As on 31st March, 2020, there were approximately 11,11,75,197 Equity Shares dematerialised through depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited, which represents about 61.69% of the total issued, subscribed and paid-up capital of the Company.

23. ANNUAL RETURN

Pursuant to the provisions of Section 134 (3) (a) of the Companies Act, 2013, the Annual Return of the Company has been uploaded on the Company's website www.sunflagsteel.com and can be accessed at https://sunflagsteel.com/wp-content/uploads/2020/08/Form_MGT-7-Sunflag-Steel-2018-19.pdf. Extract of Annual Return (Form MGT-9) for the Financial Year 2019-20 too has been uploaded on the Company's website and can be accessed at <https://sunflagsteel.com/investor-relations/#1597741491400-ccc68e23-d270>.

24. 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 Thirty-fourth (34th) 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.

25. 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 seven (7) consecutive years or more, in the name of 'IEPF Demat Account'. Accordingly, the Company has so far transferred 31,69,315 Equity Shares constituting about 1.759% of the total issued, subscribed and paid-up capital. The voting rights on these shares shall remain frozen till the rightful owner of such shares claim the Equity Shares from the IEPF Authority. The IEPF Authority has laid down the detailed procedure for claiming both Dividend as well as Equity Shares, by the Shareholders or Investors of the Company.

26. CORPORATE GOVERNANCE

The Company is committed to maintain 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 & 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 2019-20 ended and as of 31st March, 2020 relating to the Listing Regulations. Certificates from M/s. Mukesh Parakh & Associates, Company Secretaries, Nagpur (ICSI Membership No. FCS-4343, Certificate of Practice No. 13693) confirming compliance with conditions as stipulated under Listing Regulations and Non-disqualification of Directors are annexed to the Corporate Governance Report, which form an integral part of the Board's Report of the Company.

27. 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 seven (7) villages in the radius of 5 KMs. The Company is having its captive Coal Mines at Belgaon, Village Aathmuri, District Chandrapur in the State of Maharashtra. The Company's CSR activities as per its CSR Policy are strictly implemented in all the areas close to the manufacturing facilities (Steel Plant) and coal mines of the Company.

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

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

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

28. 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 transaction/s (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); and
- xi) Nomination and Remuneration Policy.

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

29. MATERIAL DEVELOPMENT IN HUMAN RESOURCES

HUMAN RESOURCES

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

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

Employees' competencies and skills were enhanced by imparting them internal and external training. Various measures were taken to improve motivation level of each employees. 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 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 Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013].

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

HEALTH AND SAFETY

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

Several initiatives were undertaken during the Financial Year to improve health & safety standards of the Company. Steps were taken to improve competency and capability for hazard identification and risk management. Further, departmental safety co-ordinator/s are at place for monitoring & training on safety related matters at shop-floor. The Safety Committee and Apex Committee are available for periodical review on health, safety & 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 Hand book on safety awareness are distributed to all employees of the Company as well as it is displayed at Notice Board/s 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.

30. 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) the accuracy and timing of financial reports and management information is maintained.

31. 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.

32. 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 2019-20, 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.

33. 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 2019-20.

34. OTHER DISCLOSURES

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

35. ENCLOSURES

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

36. ACKNOWLEDGEMENT

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

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

For and on behalf of the Board

Nagpur
13th August, 2020

Pranav Bhardwaj
Managing Director
DIN - 00054805

Surendra Kumar Gupta
Deputy Managing Director
DIN - 00054836

ANNEX 'A' TO BOARD'S REPORT**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs. : The Board of Directors of the Company has constituted the Corporate Social Responsibility (CSR) Committee to implement or monitor implementation of CSR activities as per the CSR Policy of the Company.
- The CSR activities are carried out and monitored mainly through in-house Departments of the Company. Moreover, 'Sunflag Foundation, a Section 8 Company (Not for Profits), was incorporated, as a Wholly-owned Subsidiary of Sunflag Steel, appointed as an Implementing Agency to carry out the CSR activities as per CSR Policy of the Company.
- The CSR Committee has formulated a comprehensive Corporate Social Responsibility (CSR) Policy to cover various activities like Promotion of Education and Health Care, Rural Development, Water Conservation, Protection of Flora and Fauna, Environment Sustainability and other activities or project/s, which are in accordance with the provisions of Section 135 and Schedule VII to the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.
- The Members are requested to refer the CSR Policy of the Company for more specific details, the same together with details of activities, expenditure, etc. are placed on the Company's Website www.sunflagsteel.com
2. The Composition of the CSR Committee : **Chairman of the Committee:-**
Mr. Ravi Bhushan Bhardwaj - Non-executive Chairman
- Members of the Committee:-**
1. Dr. E.R.C. Shekar - Non-executive, Independent Director
 2. CA Jayesh M. Parmar - Non-executive, Independent Director (upto 27.09.2019)
 3. Mr. Kumar Jitendra Singh - Non-executive, Independent Director (w.e.f 12.08.2019)
 4. Mr. Surendra Kumar Gupta - Deputy Managing Director
3. Average net profit of the Company for last three Financial Years : ₹ 1,52,02,76,280/-
4. Prescribed CSR Expenditure [two percent (2%) of the amount as in item 3 above] : ₹ 3,04,05,526/-
5. Details of amount spent during the Financial Year on CSR activities
1. Total amount to be spent for the Financial Year : ₹ 3,04,05,526/-
 2. Amount unspent, if any; : Out of the total sum of ₹ 3,04,05,526/-, the Company has incurred, a sum of ₹ 1,48,37,673/- on the CSR activities and the balance sum of ₹ 1,55,67,853/- have been allocated for capital expenditure of various approved CSR activities, against the total mandated sum of ₹ 3,04,05,526/- to be spent during the Financial Year 2019-20 ended 31st March, 2020.
3. Manner in which the amount spent during the Financial Year : The manner in which the amount spent is detailed in the Annex I

CORPORATE SOCIAL RESPONSIBILITY - EXPENDITURE : FY 2019 -20

(Amount in ₹)

CSR project or activity identified	Sector in which the Project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs 2) Overhead	Cumulative expenditure upto the reporting period	Amount spent : Direct or through implementing agency
Integrated Rural Developments close to the manufacturing facilities (Steel Plant) of the Company at Warthi, Bhandara as well as Coal Block (Mine) of the Company at Belgaon, both in the State of Maharashtra	Health Care	Villages namely Warthi, Sirsi, Eklari, etc. in Bhandara District and villages Atmuri,	34,52,000	39,33,570	39,33,570	During the Financial Year 2019-20 ended 31 st March, 2020 the Company has allocated a total sum of ₹ 3,04,05,526/- for spending towards various CSR activities as per CSR Policy of the Company. Out of which, a total sum of ₹ 1,48,37,673/- has already been spent and a sum of ₹ 1,55,67,853/- has been allocated towards capital expenditure for the various ongoing approved CSR activities of the Company. The total allocated sum of ₹ 2,04,05,526/- has been transferred by the Company to Sunflag Foundation, an Implementing Agency for the needful.
	Education - Training & Skill Development		88,00,000	31,32,006	70,65,576	
	Rural Development		71,40,000	35,52,807	1,06,18,383	
	i) Drinking water and Sanitation	Dongargaon, Yensa, etc. in Chandrapur District, all in the State of Maharashtra close to the Company's Manufacturing facilities (Steel Plant) and Belgaon Coal Block (Mine)	28,75,000	17,09,516	1,23,27,899	
	ii) Environment Sustainability & protection of Flora and Fauna		-	8,62,029	1,31,89,928	
	iii) Construction of Rural Roads		-	16,47,745	1,48,37,673	
	iv) Participation in Swachha Bharat Abhiyan etc.		5,75,000	-	-	
	v) Energy Saving Measures		81,30,000	-	-	
	vi) Social Welfare Activities					
			Total	3,09,72,000	1,48,37,673	

The amount of ₹ 1,55,67,853/- which remained unspent during the financial year 2019-20, has been allocated towards capital expenditure for the various ongoing approved CSR activities of the Company and has been transferred by the Company to the Implementing Agency. The Implementing Agency is taking all the possible steps to spend this amount during Financial Year 2020-21.

The CSR Committee confirms that the implementation of CSR Policy is in compliance with the CSR Objectives and Policy of the Company.

Place : Nagpur
Date : 13th August, 2020

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

ANNEX 'B' TO BOARD'S REPORT**Form No. MR – 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR 2019-2020 ENDED 31ST MARCH, 2020**

[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 Shareholders (Members)
Sunflag Iron and Steel Company Limited
CIN - L27100 MH1984 PLC 034003
33, Mount Road, Sadar, Nagpur - 440001

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information and explanation/s provided by the Company, its officers, agents and authorised representatives, during the conduct of Secretarial Audit, review of management representation letter along with quarterly compliance report/s by respective department head/s, Company Secretary, Chief Financial Officer, Deputy Managing Director, noted and taken on record by the Board of Directors of the Company, at their meeting/s, and considering the relaxation/s granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID - 19 Pandemic and also, the limitation for verification of physical record/s of the Company, which were obtained through electronic mode, we do hereby report that, in our opinion, the Company has, during the audit period covering the financial year 2019-2020 ended 31 March, 2020, 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 2019-2020 ended 31 March 2020 according to the provisions of :-

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

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

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

During the audit period [financial year 2019-2020 ended 31 March, 2020] under review, the Company has duly complied with the provisions of the Act, Rules, Regulations, Circulars, Guidelines, Standards, etc. mentioned above.

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

- i) The Mines Act, 1952 read with the Rules made there under;

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

We further report that :-

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

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

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

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

We further report that during the audit period [financial year 2019-2020 ended 31 March 2020], the Company has following specific events or actions having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Circulars, Guidelines, Standards, etc.:-

- i) Mrs. Veena Ravi Bhushan Bhardwaj [Person Acting in Concert (PAC)] has acquired 2528231 Equity Shares constituting 1.40% [1593657 Equity Shares constituting 0.88% on 18 November 2019 and 934574 Equity Shares constituting 0.52% on 23 March 2020] of Issued, Subscribed & Paid-up Share Capital of the Company. This has resulted into, an increase in an Aggregate Shareholding of Promoters & Promoters Group from 88604545 [49.17%] Equity Shares to 91132776 [50.57%] Equity Shares in the Capital of the Company.
- ii) The Board of Directors, based on recommendation/s of Audit Committee and Nomination & Remuneration Committee, of the Company, at their respective meeting/s, has approved the followings:-
 - a) Cessation of CA Rambhatla Muralidhar, [IT PAN – AAMPR4451N], as the Chief Financial Officer (CFO), designated Whole-time Key Managerial Personnel (KMP), of the Company, on account of resignation, effective 30 September 2019. However, this is with continuation of CA Rambhatla Muralidhar, [DIN – 00982212], as the Whole-time Director, designated as Executive Director [Finance], designated Whole-time Key Managerial Personnel (KMP), of the Company.
 - b) Appointment of Mr. Srinivasan Mahadevan Iyer, [IT PAN – AACPI7334M], as Chief Financial Officer (CFO), designated Whole-time Key Managerial Personnel (KMP), of the Company, effective 1 October 2019.
- iii) The Board of Directors, based on recommendation/s of Nomination & Remuneration Committee, of the Company, at their respective meeting/s, has approved the appointment of Mr. Anand Sadashiv Kapre, [DIN – 00019530], as an Additional Director, [Category – Non-executive & Independent], of the Company, effective 12 November 2019, to hold office till the conclusion of the ensuing Thirty-fourth (34) Annual General Meeting of the Company.
- iv) The Board of Directors, through Circular Resolution, based on recommendation/s of Nomination & Remuneration Committee, of the Company, has approved the appointment of Mrs. Vinita Bahri, [DIN – 03109454], as an Additional Director, [Category – Non-executive & Independent], of the Company, effective 13 March 2020, to hold office till the conclusion of the ensuing Thirty-fourth (34) Annual General Meeting of the Company.
- v) The Shareholders (Members) of the Company, at their Thirty-third (33) Annual General Meeting held on 27 September 2019, has approved the Appointment of Mr. Sajiv Dhawan, [DIN – 00160085], who was appointed, as an Additional Director, [Category – Non-executive & Independent], of the Company, effective 12 August 2019, as a Director, [Category - Non-executive & Independent], of the Company, not liable to retire by rotation, for a fixed first term of three (3) consecutive years i. e. from 27 September 2019 up to 26 September 2022.
- vi) The Board of Directors of the Company, at their respective meeting/s, has duly noted, ratified and/or confirmed the followings:-
 - (a) Cessation of Mr. S Gajendran, [DIN – 00250136], as a Director [Category – Non-executive & Independent], of the Company, effective 7 July 2019, on attaining the age of Seventy-five (75) Years, in terms of Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 [as amended].
 - (b) Cessation of CA Jayesh M Parmar, [DIN – 00802843], as a Director [Category – Non-executive & Independent], of the Company, on conclusion of Thirty-third (33) Annual General Meeting held on 27 September 2019, due to completion of his tenure as a Director [Category – Non-executive & Independent], of the Company.

- c) Cessation of Mr. Rooshad Russi Patel, [DIN – 00473945], as a Director [Category – Non-executive & Independent], of the Company, effective 14 December 2019, due to resignation on account of personal and health issues.

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

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

Signed and Issued on this Thursday, the 13 August 2020 at Nagpur.

For **M/s. Mukesh Parakh & Associates**
Company Secretaries

CS Mukesh Dulichandji Parakh
Proprietor
Company Secretary in Practice
M. No. FCS - 4343, CoP No. 13693

Unique Document Identification Number (UDIN) : F00434B000578367 Dated 13 August 2020.

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

Annex A

To
The Shareholders (Members)
Sunflag Iron and Steel Company Limited
C I N - L27100 MH 1984 PLC 034003
33, Mount Road, Sadar, Nagpur - 440001

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

1. Management's Responsibility

- It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.
- The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

2. Auditor's Responsibility

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

3. Disclaimer

The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Signed and Issued on this Thursday, the 13 August 2020 at Nagpur.

For **M/s. Mukesh Parakh & Associates**
Company Secretaries

CS Mukesh Dulichandji Parakh
Proprietor
Company Secretary in Practice
M. No. FCS - 4343, CoP No. 13693

Unique Document Identification Number (UDIN) : F00434B000578367 Dated 13 August 2020.

ANNEX 'C' 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 2019-2020 ended 31st March, 2020 under review for conservation of energy :-

- i) Installation of 1250 kW MV VFD for Head ESP ID Fan-1 of Sinter Plant to save power.
- ii) Installation of 18.5 kW VFD for Ignition Air Blower of Sinter Plant to save power.
- iii) Reduction in consumption of Furnace Oil by increased usage of Blast furnace gas in Alloy Steel Mill (ASM) to save fuel.
- iv) Provision of existing VFD for standby Combustion Fan in Blooming Mill to save power.
- v) Installation of 45 kW VFD for Condensed Extraction Pump- 1 & 2 of Captive Power Plant (CPP) to save power.
- vi) Installation of 45 kW VFD for Cooling Tower Fan – 1 of Captive Power Plant (CPP) to save power.
- vii) Reduced idle operation of AC units and Chiller Units, to save power
- viii) Fine tuning of start / stop operations of cooling tower fan of Wire Road Block (WRB) and Pump House (PH) -6 to save power.

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

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

III) The capital investment on energy conservation equipment:

There was no capital investment on energy conservation equipment during the reporting financial year 2019-2020.

B) RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

New grade developed. New Sections developed.

BENEFITS

New market development for critical auto components

FUTURE PLAN :

- i) Installation of Super Alloy Steel Making.
- ii) Downstream of Blooming Mill.
- iii) Installation of Ingot Annealing Mill.
- iv) Installation of new Pickling Plant & IVD.

Expenditure on Research and Development:-

Sr. No.	Particulars	2019-2020	2018 - 2019
1	Capital (₹ in Lakh)	-	24.03
2	Recurring (₹ in Lakh)	159.50	142.91
3	Total (₹ in Lakh)	159.50	166.94
4	Total R&D Expenditure as a percentage of net turnover	0.0907%	0.0764%

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in Lakh)

Particulars	2019 - 2020	2018 - 2019
i) Earnings : Export of Goods	2,802	4,743
ii) Out Go		
a) CIF Value of imports	8,037	20,649
b) Others including Technical Services	203	541

For and on behalf of the Board

Place : Nagpur
Date : 13 August, 2020

Pranav Bhardwaj
Managing Director
DIN - 00054805

Surendra Kumar Gupta
Deputy Managing Director
DIN - 00054836

ANNEX 'D' 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 2019-20 ended 31st March, 2020 under review :-

Number of Complaints received	NIL
Number of Complaints disposed off	NIL

For and on behalf of the Board

**Nagpur
13th August, 2020**

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

**Surendra Kumar Gupta
Deputy Managing Director
DIN - 00054836**

MANAGEMENT DISCUSSION AND ANALYSIS

Sunflag Iron and Steel Company Limited (**SUNFLAG STEEL**) had set up a 'state of the art' Integrated Steel Plant at Warthi, Bhandara Road in the State of Maharashtra, to produce high quality Special Steels with manufacturing facilities like Sponge Iron Plant, Mini Blast Furnace, Sinter Plant, Captive Power Plant, Steel Melt Shop, Continuous Casting Machine with EMS facility, Ingot Casting and Rolling Mills. Modern annealing facilities include Bell annealing furnace, hardening & 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 & testing facilities which include Phased Assay Auto Ultrasonic testing machine, Magna flux leakage test, Eddy current test, MPI & mobile / XRF Spectrometer, Anti mix testing for assuring best quality

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

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

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

GLOBAL ECONOMIC SCENARIO & OUTLOOK

A) MACRO-ECONOMIC CONDITIONS

In India, growth slowed down to 4.2% in 2019. This economic slowdown can be attributed to weak investments and declining consumer demand. Further, several sectors such as real estate, aviation, automobile, and construction sectors suffered a consistent decline in demand. The banking sector and financial services also witnessed significant pressure of non-performing assets. Overall, increasing trade tensions, worsening financial market sentiments, intense social unrest across many countries, and sluggish economic growth led to slowdown in global economy. Downside risks to GDP growth include a further escalation of trade and cross-border investment policy restrictions, the effects of Brexit, the potential for a sharp slowdown in China, and financial vulnerabilities stemming from slowing economic growth and high corporate indebtedness of deteriorating credit quality.

With continued weakness in global trade and investment, global growth slumped to 2.9% in 2019, leading to varying degrees of deceleration in economies around the globe. Rising geopolitical tensions, worsening trade relations among some nations, trade policy uncertainties, and stress in key emerging market economies continued to impact global economic activity. Intensifying social unrest in several countries and weather-related disasters also contributed to declining global economic activity.

Growth in the advanced economies slowed down to 1.7% in 2019 as compared to 2.2% in 2018. The US economy slowed to 2.3% in 2019 on account of rising geopolitical tensions and policy uncertainty.

Growth in the European region also slowed to 1.2% in 2019. The industrial sector in Germany struggled with lower demand from Asia and disruptions to car production. Uncertainty related to Brexit also weighed on growth in the European region. Growth in Japan was at 0.7% owing to the impact of Typhoon Hagibis, increase in value-added tax, and overall slowdown in manufacturing and exports – particularly those to China. Growth in China dropped to 6.1% in 2019 owing to lower investor sentiment and cooling domestic demand.

B) ECONOMIC OUTLOOK

Just as Current Year 2020 started on a good note with the US and China reaching phase-1 agreement and uncertainty around Brexit waning, the world was hit hard by the COVID-19 pandemic. The COVID-19 pandemic is inflicting high and rising human costs worldwide. Protecting lives and allowing health care systems to cope have required isolation, lockdowns, and widespread closures to break the chain of transmission of virus. The health crisis is therefore having a severe impact on economic activity. As a result of the pandemic, the global economy is projected to contract sharply by 3 percent in 2020, much worse than during the 2008–09 financial crisis.

In view of the COVID-19 pandemic, there remains considerable uncertainty around the global economic forecast for 2020. According to the International Monetary Fund ('IMF'), global economy is projected to contract sharply by 4.9% in 2020, surpassing the decline seen during the global financial crisis a decade ago. Stark differences will be observed between impact of the pandemic on advanced economies, and emerging markets and developing economies owing to differences in governance capacity, health care systems, strength of financial institutions, and currency strength.

Growth is expected to be slower in most advanced economies. Countries in the emerging market and developing economies will also witness a slump in growth due to external demand shock, tightening in global financial conditions, and a plunge in commodity prices. In China, where recovery from the sharp contraction in the first quarter is underway, growth is projected at 1% in 2020, supported in part by policy stimulus. The IMF projects a partial recovery in 2021, however, the level of GDP growth is expected to remain below the pre-COVID-19 trend, with uncertainty about strength of the rebound.

India's economy in the Financial Year 2020-21 is projected to grow at a slower pace following a longer period of lockdown and slower rate of recovery than anticipated. Effective policies and fiscal measures by the Government will be essential to forestall contraction of growth.

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

1. GLOBAL AND INDIAN STEEL INDUSTRY

According to the World Steel Association ('WSA'), Global crude steel production reached 1869.69 MnT in 2019 saw a growth of 3.4% over 2018. This increase was primarily due to the growth in steel consumption in infrastructure, manufacturing, and equipment sectors. The automotive production trended down across most countries over the second half of 2019 which had an impact on the steel demand towards the end of the year. China remained world's largest crude steel producer in same period (996 mt) followed by India (111mt), Japan (99mt) and the USA (88mt).

Steel industry was de-licensed and de-controlled in 1991 & 1992 respectively.

- * India was the 2nd largest producer of crude steel in the world in 2019.
- * In 2019-20, production of total finished steel (alloy/stainless + non alloy) was 102.059 million tonnes (mt).
- * Production of Pig Iron in 2019-20 was 5.507 mt, a decline of 14.1% over last year.
- * India was the largest producer of Sponge Iron in the world in 2019. The coal based route accounted for 86% of total Sponge Iron production (37.143 mt) in the country in 2019-20.

While steel demand remained relatively strong, the country faced significant downside risks due to broader global uncertainty and tighter environmental regulations.

In 2019, India became the second largest crude steel producing country in the world, with a crude steel production of 111 MnT, an increase of 1.8% over the previous year. However, the growth rate was much lower compared to the previous year. Growth in the construction sector weakened due to falling investments in fixed asset formation. Sharp fall in the private consumption led to weaker growth in automotive and consumer durables. The tighter liquidity conditions due to defaults in NBFC sector impacted credit availability.

The automotive sector was also impacted by factors such as regulatory changes including shifting of emission norms from BS-IV to BS-VI by April, 2020, rise in ownership cost and shared economy while, the capital goods sector continued to remain weak due to the decreasing output and stagnant investment in the manufacturing sector.

2. Outlook for Steel Industry- Opportunities and Threats

The COVID-19 pandemic has severely affected economies and industries globally and the steel industry is no exception. Therefore, outlook for the steel industry includes scenarios regarding the pandemic's speed of propagation, possible recurrence, near-term impact of measures being taken to contain the outbreak, and the effectiveness of the stimulus announced by the Governments of various nations.

The World Steel Association (WSA) released its Short-Range Outlook (SRO) for 2020 and 2021. In 2020 WSA forecasts that steel demand will contract by 6.4%, dropping to 1,654 Mt due to the COVID-19 crisis. In 2021 steel demand is expected to recover to 1,717 Mt, an increase of 3.8 % over 2020. This year's reduction in global steel demand will be mitigated by an expected faster recovery in China than in the rest of the world. In comparison with other sectors, the manufacturing sector is expected to rebound quicker though supply chain disruptions are likely to continue.

Most of the steel producing regions are expected to witness a decline in crude steel output due to production cuts amidst ongoing lockdowns. Governments of different nations have announced sizeable stimulus packages which are expected to favour steel consumption through investment in infrastructure and other incentives for the steel industry.

In India, muted demand and oversupply is likely to result in suppressed steel prices and capacity utilisation in the near term. Since India depends largely on migrant labour, restarting construction and infrastructure projects will be a challenge.

The demand from infrastructure, construction, and real estate sectors is likely to be subdued in the first half of the Financial Year 2020-21 due to the lockdown during the first quarter followed by the monsoons during the second quarter. Further, the demand from automobile, white goods, and capital goods sectors is likely to reduce significantly with consumers deferring discretionary spends in the near term. Effective government stimulus and return of consumer confidence are likely to be the key drivers for a gradual recovery over the second half of the Financial Year 2020-21.

OPPORTUNITIES

SUNFLAG STEEL is venturing into manufacturing of Super Alloy, which is alloy for high performance application which involves high load [stress] at high temperature [above 540 degree]; resistance to operation at high temperature; and resistance to environment attack at high temperature. This is used in Aircraft Parts, Armaments, Submarine Parts, Space Vehicle and Rocket Engines, Nuclear Reactor, Super-critical Power Plants, Industrial and Vehicle Gas Turbines, Petro-Chemical Plants and other High Temp and Corrosive Applications.

Defence Minister said the government of India is planning to ban the imports of 101 items of military equipment in an effort to boost local production and improve self-reliance in weapons manufacturing. The government is planning to progressively implement the embargo on select military imports between 2020 to 2024.

The military equipment includes some high technology weapon systems and range from assault rifles and artillery to transport aircraft and light combat helicopters. The aim is to apprise the Indian defence industry about the anticipated requirements of the Armed Forces so that they are better prepared to realise the goal of indigenisation. This is a big step towards self-reliance in defence.

Since as of date most of the raw material being imported and sooner or later, this facility will help us to sustain the changed market scenario, **SUNFLAG STEEL** is seeing the opportunities to meet:

- the growing demand of our population and protect our border, growth NOF technology is inevitable.
- the growth of technology in relevant sectors like defence, armament, aerospace, marine, nuclear, thermal, petrochemical & transport etc.
- to attain high level of technical perfection in these sectors.

India's growing urban infrastructure and manufacturing sectors indicate that demand for steel is likely to remain robust in the coming years. Several government initiatives, such as providing affordable housing, expanding road and railway networks, developing the domestic shipbuilding industry, opening up the defence sector to private participation, and growth in the automobile sector are expected to create significant demand for steel in the country.

In the Union Budget 2020-21, the government announced its plan to invest ₹ 100 trillion in infrastructure over the next five years. The government is also targeting to attract ₹ 50 trillion investments in the railways sector via public-private partnerships by F.Y. 2029-30.

Blueprints are also being prepared for the development of gas-grids, water-grids, i-ways (communication networks) and regional airports, on the lines of 'One Nation-One Grid' for power.

CURRENT CHALLENGES / THREATS

The developing economies are less well equipped to tackle COVID-19 than the developed economies, with inadequate health capacity leading to stricter lockdown measures in some countries.

India has implemented the most stringent nationwide lockdown measures in the world, bringing industrial operations to a standstill. Construction activity was halted entirely at the end of March, and recovery is expected to remain slow due to the slow return of labour. Even though all steel-using sectors are affected by the lockdown measures, the mechanical machinery and automotive sectors are highly exposed to a prolonged demand shock, as well as to disruption in global supply chains. Changes in working procedures in the steel-using sectors to fulfil the requirements of social distancing have been carried out. This change in the working environment will potentially lead to lower productivity and an extended production cycle. Supply chain disruption coupled with slower demand recovery will hit the automotive sector hard. The machinery sector is expected to see a continued decline, with weak private investment and supply chain disruption.

As demand plummets due to lockdown restrictions and other headwinds, major measures are required to resuscitate the domestic steel industry.

The phased easing of restrictions in India also augurs well for the economic revival. Further, India unleashed policy stimulus equivalent to 10% of GDP or ₹ 20 trillion to revive the economy. Workforce remobilisation will be a key challenge for the core sectors of the economy.

Limited fiscal space to support the economy, a fall in commodity prices, capital flight and currency depreciation render the decline of steel demand in some developing countries as severe as that in developed economies. Steel demand in the developing economies excluding China is expected to fall by 11.6% in 2020, but will see a substantial recovery of 9.2% in 2021.

Supported by government stimulus, recovery in construction will be led by infrastructure investment such as railways. The government's support to rural income, as well as expected consumption related to the upcoming festive season, will help a substantial recovery of demand for consumption-driven manufacturing goods in the second half. As a result, India is likely to face an 18.0% decline in steel demand in 2020, which will rebound by 15.0% in 2021.

The COVID-19 has disrupted operations globally is well-known. Moreover, the new normal that will emerge is likely to witness a realignment of power centres in different domains. The coronavirus crisis has impacted almost all supply chains dependent on China, which includes the steel sector.

As most countries have been gradually reopening from their lockdowns since mid-May, recovery of economic activities is expected in the third quarter.

SUSTAINABILITY

Sunflag 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 wire rod. Further, venturing into the self-dependency of raw materials will help in reduction in the cost of production and enhancing the profitability. This has even proved advantageous during the recessionary period which is a very good sign for the Company.

MATERIAL DEVELOPMENT

During the year under review, Sunflag could not see any material change in the top line or in profitability or significant improvement in demand, amid sluggish markets. Indian Steel industry has been driven by availability of raw material viz. iron ore, coal etc. and cost of labour. Consequently, the financial year under review remained volatile during the year and could not see any sustained demand. Further, your Company with continuous development of new grades of steel and upgradation of plant and equipment, could maintain its presence in the market particularly in automobile industry. Also, during the financial year under review export of auto grade steel was not remunerative. As a result, there was a decline in the sales and profit before tax. EBIDTA as a percentage to total income for the year was 10.34% as against 11.33% for the previous year.

In order to achieve effective cost reduction and improvement in productivity, activity of Total Productive Maintenance (TPM) continued to be implemented by the Company during the Financial Year 2019-20 ended 31st March, 2020 under review.

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 & performance, leadership and governance of the Company.

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

CAUTIONARY STATEMENT

The Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning applicable to securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand / supply and price conditions in the domestic and overseas markets, changes in the Government regulations, tax laws, other statutes and other incidental factors.

BUSINESS RESPONSIBILITY REPORT - 2019-20

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

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

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

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

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY:

1	Corporate Identity Number (CIN) of the Company	L27100MH1984PLC034003
2	Name of the Company	Sunflag Iron and Steel Company Limited
3	Registered Office address	33, Mount Road, Sadar, Nagpur – 440001, MH, IN Tel. No.: +91 0712-2524661; Fax No.: +91 0712-2520360
4	Website	www.sunflagsteel.com
5	e-mail id	investor@sunflagsteel.com
6	Financial Year reported	2019-20
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacture of Steel and Steel products National Industrial Classification (NIC) Code: 2410
8	List three key products/services that the Company manufactures/provides (as in Balance Sheet)	Flat Bar, Round Bar, Bright bar in Carbon, Alloy and Stainless Steels
9	Total number of locations where business activity is undertaken by the Company: a) Number of International Locations b) Number of National Locations	Nil Manufacturing facilities are situated at Warthi, Bhandara Road, Bhandara -441905, Maharashtra, India. Coal Mines at Belgaon, Maharashtra. Registered Office at Nagpur, Maharashtra and it has branch offices mainly at Delhi, Faridabad, Thane, Chennai, Pune and Bangaluru.
10	Markets served by the Company – Local/State/National/International	National & International

SECTION B: FINANCIAL DETAILS OF THE COMPANY:

₹ in Lakh

		F.Y. 2019- 20 Standalone	F.Y. 2019- 20 Consolidated
1.	Paid up Capital	18022	18022
2.	Total Turnover		
	a) Revenue from operations (Gross)	175812	175812
	b) Other income	1253	1259
3.	Total profit after taxes and Minority Interest	9256	9207

4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) : ₹ 1,48,37,673/- spent on CSR activities by the Company during Financial Year 2019-20, which is 1.60% of the profit after tax for the Financial Year 2019-20.

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

- i) Promotion of Healthcare
- ii) Promotion of Education, Training & Skill Development
- iii) Rural Development
- iv) Drinking Water facilities and Sanitation
- v) Environmental Sustainability
- vi) Protection of Flora and Fauna
- vii) Construction of Rural Roads
- viii) Participation in Swachh Bharat Abhiyan etc.
- xi) Energy Saving Measures
- x) Social Welfare, Sports & Cultural Activities

SECTION C: OTHER DETAILS:1. Does the Company have any Subsidiary Company/ Companies? : **Yes**

S. N.	Name and address of the Company	CIN/GLN	Subsidiary	% of shares held
1	Sunflag Power Limited B-203, Mount View Apartment, Near Ansal Green Valley, Bhagirathipuram, Jakhan, Rajpur Road, Dehradun – 248001,UR, IN	U31200UR2003PLC027802	Wholly- Owned Subsidiary	100.00
2	Khappa Coal Company Private Limited 33, Mount Road, Sadar, Nagpur – 440001, MH, IN	U10100MH2009PTC191907	Subsidiary & Joint Venture Company	63.27
3	Sunflag Foundation 33, Mount Road, Sadar, Nagpur – 440001, MH, IN	U74999MH2017NPL289961	Wholly- Owned Subsidiary (Section 8 Company)	100.00

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the Parent Company? If yes, then indicate the number of such Subsidiary Company(s):

Subsidiary Companies in their usual business activities and issues related to business responsibilities adopt and practice the Parent Company's principles and policies, though there are no such formal agreement therefor.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:

The Company has no such arrangements with other business entities, being its suppliers, distributors etc., however they are encouraged to adopt such practices and follow the principle of being a responsible business entity.

SECTION D: BR INFORMATION:

1. Details of Director/Directors responsible for BR

a) Details of the Director(s) responsible for implementation of the BR Policy/Policies:

- DIN :00054836
- Name : Mr. Surendra Kumar Gupta
- Designation : Deputy Managing Director

b) Details of the BR Head:

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

2. Principle-wise (as per NVGs) BR Policy/policies

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

P1	Businesses should conduct and govern themselves with integrity in a manner that is Ethical, Transparent and Accountable.
P2	Businesses should provide goods and services in a manner that is sustainable and safe.
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains.
P4	Businesses should respect the interests of and be responsive to all their stakeholders.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect and make efforts to protect and restore the environment.
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
P8	Businesses should promote inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their consumers in a responsible manner.

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

S N	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a Policy/ Policies for BR	Yes. The Company has policy for Business Responsibility. Besides this, the Company has formulated policies and Standard Operating Procedure (SOP) to provide clarity to its personnel at various operating level.								
2.	Has the policy being formulated in consultation with the relevant stakeholders?	The Company has formulated the policies, SOPs and adopted best practices by considering inputs, feedback and sensitivities of the stakeholders, wherever practicable.								
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes, the policies/practices broadly conform to the National Voluntary Guidelines (NVGs) issued by the Ministry of Corporate Affairs, Government of India, July 2011.								

S N	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Policies have been approved by the Board wherever it is mandatorily required and signed by the Executive Director of the Company.								
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The BR initiatives are informally led by the Executive Director under guidance of CSR Committee and overall supervision of the Board of Directors.								
6.	Indicate the link for the policy to be viewed online?	The BR initiatives of the Company are presently governed by its BR Policy and various other Policies including Code of conduct, Whistle Blower Policy, Corporate Social Responsibility Policy, Code of Fair Disclosure) and SOPs (Environmental, Occupational Health and Safety, Policy for Prevention of Sexual Harassment, Quality Policy etc.). These policies can be viewed at the Company's website at www.sunflagsteel.com .								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	It has been tried best to make the internal stakeholders aware of the policies. SOPs are distributed through the HODs to the concerned stakeholders. External Stakeholders are communicated to the extent applicable and relevant. To the extent it is mandatory, policies are also updated on the website of the Company.								
8.	Does the Company have in-house structure to implement the policy/ policies?	Yes								
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	The Company has an effective grievance redressal mechanism related to the policy/policies and a system to address the stakeholders grievances related to the policy/policies in a time bound and fair manner.								
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Apart from self-certification, discussions in meetings of cross functional teams, certain areas related to EHS, customer satisfaction and quality are subject to internal audit by independent third-party agencies and domain expert consultants. The compliance is also evaluated during the process of certification of various international quality standards. The spending and controls of corporate social responsibility are verified by statutory auditors. External EHS Audit by TUV India Ltd. conducted on 11-15 th March, 2019, 15-17 th June, 2020.								

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

S N	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles.	NOT APPLICABLE								
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles.									
3.	The Company does not have financial or manpower resources available for the task.									
4.	It is planned to be done within next 6 months.									
5.	It is planned to be done within the next 1 year.									
6.	Any other reason (please specify).									

3. Governance related to BR:

a.	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.	The Executive Director and the Board of Directors reviews/assess on Quarterly and Annual basis respectively, the BR performance of the Company.								
b.	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	This is the first report and forms an integral part of the Annual Report 2019-20 of the Company. The Annual Report along with the BR Report will be uploaded every year on the web site of the Company at www.sunflagsteel.com .								

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

1.	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?	Yes. The Policy relating to ethics, bribery and corruption covers the Company and the values and principles of the Company are normally practiced in the conduct of the business by its wholly owned subsidiaries. All suppliers, partners and others are expected to adopt the policy.
2.	How many stakeholder complaints have been received in the past Financial Year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	During the year under review, 35 queries/grievances were received from the shareholders of the Company and had been duly replied/addressed. All the queries received from the other stakeholders were duly replied no such major complaint has been received under the investigation mechanism from any stakeholder.

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

1.	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	a) Stainless Steels : Stainless Steels are 100% recyclable, environment friendly and with long life. b) Steel for Turbine Blades : Turbine Blade steel is used in manufacture of steam turbines for Power Plants. c) Steel for Defence : Sunflag is one of the major manufacturers of Steel for Bombshells for Defence.
2.	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional). a) Reduction during sourcing/ production /distribution achieved since the previous year throughout the value chain? b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	<p>Company is certified for ISO 14001 (Environmental Management System) and ISO 45001 (Occupational Health and Safety Management System). Company is continuously engaged in environment friendly initiatives like Energy conservation, Water conservation, reduction in emissions, waste minization, waste recycling. (please refer principle 6 for details).</p> <p>There was a significant reduction to the tune of nearly 6% throughout the value chain in sourcing costs during the year 2019-20.</p> <p>The Company is persistently engaged in taking measures to conserve the energy (please refer to Annex C to the Board's Report).</p>
3.	Does the Company have procedures in place for sustainable sourcing (including transportation)? a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	<p>Yes, Company ensures sustainable sourcing through responsible supply chain procurement practices & selection criteria focused on Quality, Environment, Health & Safety compliances as per SOPs defined in IATF 16949, ISO 14001 and ISO 45001.</p> <p>As already explained, Company is giving utmost importance to sustainable sourcing based on systems, however, it is difficult to quantify exactly in terms of percentage.</p>
4.	Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? a) If yes, what steps have been taken to improve their capacity and capability of local & small vendors?	<p>Yes</p> <p>As a part of vendor development programme defined in IATF 16949, SISCO develops local and small vendors in the proximity of the plant every year. Technical assistance is given wherever required and audits are conducted to ascertain capability.</p>
5.	Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)? Also, provide details thereof, in about 50 words or so.	As per last year Environment Audit Report 2018-19 -Solid waste recycle/reuse in plant is @ 84% and landfill is @16%.

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

1.	Please indicate the Total number of employees.	1199 as on 31 st March, 2020 (Permanent Employees).
2.	Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.	1463

3.	Please indicate the Number of permanent women employees.	08																
4.	Please indicate the Number of permanent employees with disabilities.	01																
5.	Do you have an employee association that is recognized by management?	Yes																
6.	What percentage of your permanent employees is members of this recognized employee association?	40.57%																
7.	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last Financial Year and pending, as on the end of the Financial Year.	<table border="1"> <thead> <tr> <th>S. N.</th> <th>Category</th> <th>No. of complaints filed during the FY 2019-20</th> <th>No. of complaints pending as on end of the FY 2019-20.</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Child Labour/Forced Labour/involuntary Labour</td> <td>0</td> <td>0</td> </tr> <tr> <td>2.</td> <td>Sexual Harassment</td> <td>0</td> <td>0</td> </tr> <tr> <td>3.</td> <td>Discriminatory Employment</td> <td>0</td> <td>0</td> </tr> </tbody> </table>	S. N.	Category	No. of complaints filed during the FY 2019-20	No. of complaints pending as on end of the FY 2019-20.	1.	Child Labour/Forced Labour/involuntary Labour	0	0	2.	Sexual Harassment	0	0	3.	Discriminatory Employment	0	0
S. N.	Category	No. of complaints filed during the FY 2019-20	No. of complaints pending as on end of the FY 2019-20.															
1.	Child Labour/Forced Labour/involuntary Labour	0	0															
2.	Sexual Harassment	0	0															
3.	Discriminatory Employment	0	0															
8.	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? a) Permanent Employees: b) Permanent Women Employees: c) Casual / Temporary / Contractual Employees: d) Employees with Disabilities:	<p>Safety Training Provided during 2019 - 20: 78.5% & Skill up-gradation: 83.1%.</p> <p>Safety Training Provided during 2019 - 20: 37.5%.</p> <p>Safety Training Provided during 2019 - 20: 67.7% & skill up - gradation: 52.3%.</p> <p>Safety Training provided during 2019 - 20: 100%.</p>																

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

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

Principle 5 - Businesses should respect and promote human rights.

1.	Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers /Contractors/NGOs/Others?	Although Company or its Subsidiaries / Joint Ventures do not have any separate policy on human rights, it has been practicing to respect human rights as a responsible corporate citizen, without any gender discrimination and exploitation.
2.	How many stakeholder(s) complaints have been received in the past Financial Year and what percent was satisfactorily resolved by the management?	Company has not received any complaints from any stakeholder relating to human rights during the Financial Year 2019-20.

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

1.	Does the policy related to Principle 6 cover only the Company or extends to the Group Joint Ventures/ Suppliers/ Contractors/NGOs/others ?	Only the Company. Other stakeholders are expected to adopt the policy.
2.	Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Yes, the Company is conscious of the global environment issues. Company ensures emissions like SOx and NOx to be within acceptable limits. Company is also committed to water conservation, energy conservation and tree plantation. Refer to Annex C to the Board's Report 2019-20 at the www.sunflagsteel.com

3.	Does the Company identify and assess potential environmental risks? Y/N	Yes
4.	Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	<p>Clean Development Mechanism --- Company's Sinter Plant which utilizes Solid waste, Hazardous waste and Effluents.</p> <p>Sinter Plant Process:</p> <p>Sinter used in Mini Blast Furnace (MBF) upto 80% of total iron ore requirement. Sinter Plant has ability to reuse all solid waste & Hazardous waste /under size material generated in iron & steel making process containing oxides, carbon, and flux material. Usually, these materials are land filled at the plant site or are hauled away for disposal, they must be recycled or disposed of properly. The recycling of waste materials via the sintering process has helped to achieve a saving in the cost of the raw materials (for example, fuels and ore) and reduction in pollution.</p> <p>To control the Air Pollution, Secondary Fume Extraction System (FES) is installed at Steel Melt Shop, ESP used at DRP, CPP and Sinter Plant.</p> <p>Half yearly Environment compliances report is submitted to Mo EFCC.</p>
5.	Has the Company undertaken any other initiatives on – Clean Technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	Yes -(1) Mini Blast Furnace (MBF) gas is used as a fuel, to replaced partly Furnace oil, Coal etc. of Rolling Mills, CPP, Sinter Plant, Hardening & Annealing furnaces etc. (2) LPG is used for Annealing furnaces. (3) Replaced all lights of Plant, Guest House & Colony with LED lights. (4) Solar Water Heaters installed at Guest House.
6.	Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the Financial Year being reported?	Yes, already available in Environment Audit Report submitted to Maharashtra Pollution Control Board.
7.	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	No show cause/ legal notices were received from CPCB/SPCB during the Financial Year 2019-20.

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

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

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

1.	Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	<p>Yes, under its CSR activities such programmes and projects are undertaken by the Company. The details of the projects undertaken and expenditure made are given in Annex A to the Board's Report 2019-20. Some of the key areas under which the projects/programmes/initiatives are undertaken are as follows:</p> <ol style="list-style-type: none"> Promotion of Health Care. Education and Skill Development Facilitating Upgradation of Qualification of Local Youths. Rural Development Drinking Water Environment Sustainability & Protection of Flora Fauna Construction of Rural Roads Participation in Swachh Bharat, Promoting Sports & Cultural Activities.
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2.	Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/ any other organization?	The Company's Social Projects are carried on under the Company's CSR Policy by M/s. Sunflag Foundation, a Section 8 Company which is the wholly owned subsidiary of the Company and operates as an Implementing Agency for the Company.																								
3.	Have you done any impact assessment of your initiative?	Yes. Representatives of the Company regularly visits places where CSR activities were carried out. The impact and benefits to society are reviewed on regular basis.																								
4.	What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken	Under its CSR activities during the Financial Year 2019-20, Company has contributed to various community development areas and projects as detailed below: <table border="1" data-bbox="686 504 1401 922"> <thead> <tr> <th>Sr.</th> <th>Particular</th> <th>Amt. Spent(₹)</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Promotion of Health Care</td> <td>39,33,570</td> </tr> <tr> <td>2.</td> <td>Education and Skill Development Facilitating Upgradation of Qualification of Local Youths</td> <td>31,32,006</td> </tr> <tr> <td>3.</td> <td>Drinking Water</td> <td>35,52,807</td> </tr> <tr> <td>4.</td> <td>Environment Sustainability & Protection of Flora Fauna</td> <td>17,09,516</td> </tr> <tr> <td>5.</td> <td>Construction of Rural Roads</td> <td>8,62,029</td> </tr> <tr> <td>6.</td> <td>Participation in Swach Bharat, Promoting Sports & Cultural Activities</td> <td>16,47,745</td> </tr> <tr> <td colspan="2">Total</td> <td>1,48,37,673</td> </tr> </tbody> </table>	Sr.	Particular	Amt. Spent(₹)	1.	Promotion of Health Care	39,33,570	2.	Education and Skill Development Facilitating Upgradation of Qualification of Local Youths	31,32,006	3.	Drinking Water	35,52,807	4.	Environment Sustainability & Protection of Flora Fauna	17,09,516	5.	Construction of Rural Roads	8,62,029	6.	Participation in Swach Bharat, Promoting Sports & Cultural Activities	16,47,745	Total		1,48,37,673
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Total		1,48,37,673																								
5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Yes, the CSR activities were carried out as per Company's Policy. The Procedure for identification of activities includes requests from concerned Gram-Panchayats, approach to elected body of villages / senior citizens, old age home, District Collector Office. Assessment of need is done by CSR sub-committee and thereafter approval is obtained. The Company continuously monitors the progress of activities and its impact for the betterment of community.																								

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

1.	What percentage of customer complaints/consumer cases are pending as on the end of Financial Year?	0% (None of the complaints are pending as on 31 st March, 2020).
2.	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)	All Company's despatches are accompanied by Test Certificates and detailed information on the product.
3.	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of Financial Year. If so, provide details thereof, in about 50 words or so.	Nil, so not applicable
4.	Did your Company carry out any consumer survey/ consumer satisfaction trends?	Company regularly carries out consumer satisfaction surveys.

CORPORATE GOVERNANCE REPORT

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

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

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

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

MANDATORY REQUIREMENTS

(1) SUNFLAG PHILOSOPHY ON CORPORATE GOVERNANCE

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

- i) Strive hard towards enhancement of shareholders' value through:-
 - ▲ sound business decisions;
 - ▲ prudent financial management; and,
 - ▲ high standards of ethics throughout the organisation.
- 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 & improve quality continuously with the aim of achieving "**Zero Failure, Zero Defect and Zero Accident Objective**".
- vi) The Vision and Mission of the Company:-



2) BOARD OF DIRECTORS

a) **Composition:** The Board of Directors of the Company as on 31st March, 2020 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 Dr. E.R.C. Shekar (DIN - 00013670) Mr. Kumar Jitendra Singh (DIN - 00626836) CA Neelam Kothari (DIN - 06709241) Mr. Sajiv Dhawan (DIN - 00160085) Mr. Anand S. Kapre (DIN - 00019530) CA Vinita Bahri (DIN - 03109454)	Non-Promoter Group - Non - Independent Mr. Surendra Kumar Gupta (DIN - 00054836), Deputy Managing Director CA Rambhatla Muralidhar (DIN - 00982212), Executive Director (Finance) Mr. Ramchandra V. Dalvi (DIN - 00012065) Executive Director (Works)

Note: During the Financial Year under review i.e. 2019-20 :

- i. Mr. Sajiv Dhawan (DIN – 00160085), has been appointed as an Additional Director [Category – Non-executive & Independent] on the Board effective 12th August, 2019 to hold office up to the date of the Thirty-third (33rd) Annual General Meeting of the Company pursuant to the provisions of Section 161(1) and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification/s and/or re-enactment for the time being in force) and Article 128 of the Articles of Association of the Company and has been regularized as an Independent Director of the Company at the Thirty-third (33rd) Annual General Meeting held on 27th September, 2019 for a first fixed term of three (3) consecutive years.
- ii. Mr. Anand Sadashiv Kapre (DIN – 00019530) has been appointed as an Additional Director [Category – Non-executive, Independent] on the Board of the Company, with effect from 12th November, 2019, to hold office upto the date of the Thirty-fourth (34th) Annual General Meeting of the Company, pursuant to the provisions of Section 161 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification/s and/or re-enactment for the time being in force) and Article 128 of the Articles of Association of the Company.
- iii. CA Vinita Bahri (DIN – 03109454) has been appointed as an Additional Director [Category – Non-executive, Independent] on the Board of the Company, with effect from 13th March, 2020 by way of resolution by circulation, to hold office upto the date of the Thirty-fourth (34th) Annual General Meeting of the Company, pursuant to the provisions of Section 161, 175 and all other applicable provisions, if any, of the Companies Act, 2013 read with the applicable rules thereof (including any statutory modification/s and/or re-enactment for the time being in force) and Article 128 and 164 of the Articles of Association of the Company.
- iv. Pursuant to Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, Mr. S. Gajendran (DIN : 00250136) (Category – Non-executive, Independent) has ceased to be a Non-executive, Independent Director of the Company with effect from 7th July, 2019, as he attained the age of 75 years on 7th July, 2019.
- v. CA Jayesh M. Parmar (DIN – 00802843) ceased to be a Non-executive, Independent Director of the Company w.e.f. 27th September, 2019 i.e. after the conclusion of 33rd Annual General Meeting of the Company held on 27th September, 2019 due to completion of his tenure.
- vi. Mr. Rooshad Russi Patel (DIN - 00473945), who was appointed as an Additional Director [Category- Non-executive & Independent] and was regularized as an Independent Director of the Company, not liable to retire by rotation, for the fixed term of Five (5) consecutive years, by the Shareholders at the Thirty-second (32nd) Annual General Meeting held on 25th September, 2018, has resigned from the Directorship of the Company w.e.f. 14th December, 2019.
Mr. Rooshad Russi Patel in his resignation itself has confirmed that he has resigned due to personal and health issues and there were no other material reasons for his resignation.

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

The attendance of the Director/s at the Board Meeting/s and Thirty-third (33rd) 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 2020 :

- Six (6) meeting/s of the Board were held on 21st May, 2019, 12th August, 2019, 27th September, 2019, 12th November, 2019, 23rd December, 2019 and 13th February, 2020 during the Financial Year 2019-20 under review.
- Thirty-third (33rd) Annual General Meeting (AGM) was held on 27th September, 2019.

Sr. No.	Name of Director	No. of Board Meetings Attended	Whether Attended last AGM	Directorship in other Companies##	Partnership in Firm or LLP	Committee Membership of Sunflag and of other Listed Companies
1	Mr. Ravi Bhushan Bhardwaj	6	Yes	3	-	4
2	Mr. Pranav Bhardwaj	5	Yes	6	-	3
3	Dr. E. R. C. Shekar	6	-	2	-	8
4	Mr. Kumar Jitendra Singh	6	Yes	1	-	5
5	CA Neelam Kothari	5	Yes	-	1	3
6	Mr. Surendra Kumar Gupta	6	Yes	7	-	6
7	Mr. Suhrit Ravi Bhushan Bhardwaj	2	-	1	-	-
8	CA Rambhatla Muralidhar	5	Yes	4	-	3
9	Mr. Ramchandra Vasant Dalvi	5	Yes	2	1	-
10	Mr. Sajiv Dhawan (#)	2	-	2	-	-
11	Mr. Anand Sadashiv Kapre (\$)	3	NA	3	-	2
12	CA Vinita Bahri (%)	-	NA	-	-	-
13	Mr. S. Gajendran (*)	1	NA	NA	NA	NA
14	CA Jayesh M. Parmar (**)	2	Yes	NA	NA	NA
15	Mr. Rooshad Russi Patel @	3	-	NA	NA	NA

(*) Mr. S. Gajendran ceased to be Non-executive, Independent Director w.e.f. 7th July, 2019

(**) Mr. Jayesh M. Parmar ceased to be Non-executive, Independent Director w.e.f. 27th September, 2019

@ Mr. Rooshad Russi Patel ceased to be Non-executive, Independent Director w.e.f. 14th December, 2019

Mr. Sajiv Dhawan was appointed as an Additional Director (Category- Non-executive, Independent) w.e.f. 12th August, 2019

\$ Mr. Anand Sadashiv Kapre was appointed as an Additional Director (Category – Non-executive, Independent) w.e.f. 12th November, 2019

% CA Vinita Bahri was appointed as an Additional Director (Category – Non-executive, Independent) w.e.f. 13th March, 2020

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	Ferro Alloys Limited L27101AP2004PLCD43252	Non-Executive, Independent Director
		Facor Steels Limited L27100MH2004PLC146283 (under liquidation)	Non-Executive, Independent Director

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

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

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

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

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

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 2019-20 ended 31st March, 2020, 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 2019-20 ended 31st March, 2020. The Annual Report contains a declaration to this effect signed by the Managing Director of the Company.

c) Woman Director:-

As per the provisions of the Companies Act, 2013 read with the rules made there under and Listing Regulations, CA Neelam Kothari (DIN - 06709241), Director [Category - Non-executive & Independent], of the Company, a qualified Chartered Accountant and Cost Accountant, from Mumbai, continues as a Woman Director on the Board of the Company. In furtherance of woman empowerment, the Company has appointed CA Vinita Bahri (DIN - 03109454) as an Additional Director (Category - Non-executive, Independent) on the Board of Directors of the Company with effect from 13th March, 2020, to hold the office till the conclusion of the 34th Annual General Meeting 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 27th March, 2020 to review inter-alia the performance of Non-independent Directors (including the Non-executive Chairman) of the Company and the Board as a whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board & its Committees, which is necessary to effectively and reasonably perform and discharge their duties.

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

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

The induction for Director/s includes interactive sessions 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 specialised 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 familiarise 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 familiarisation program are available on the Company's Website at - <http://www.sunflagsteel.com>

f) Evaluation of the Board's Performance:-

During the Financial Year 2019-20 ended 31st March, 2020, 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 & competencies, performance of specific duties & 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, independent judgment, safeguarding of minority shareholders interest etc.

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

g) Agenda:-

All the meetings are conducted as per well designed and structured agenda. All the agenda items are backed by necessary supporting information, notes and documents (except for the critical or unpublished price sensitive information, which is circulated 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 Committee/s 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 Meeting/s through video conferencing or other audio-visual mode. Accordingly, the option to participate in the meeting through video conferencing (subject to technical aspects) was made available for the Director/s except in respect of such meeting/s and item/s which are not permitted to be transacted through video conferencing pursuant to the provisions of the Companies Act read with the relevant rules made there under.

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

h) Invitees and Proceedings:-

Apart from the Board Member/s, the Company Secretary is a Secretary to the Board and all its Committee/s, while the Executive Director (Finance) also attend the Board Meeting/s as a Member of Board as well as its Committee Meeting/s where ever he is a member and 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 item/s being discussed by the Board and its Committee/s. The CFO gives presentation on the quarterly and annual operating - financial performance and capital expenditure budget. The Managing Director/s, Executive Director (Finance), Chief Financial Officer (CFO) and other senior management executives give presentations on capital expenditure proposals and progress, operations, and other business issues. The Chairman of various Board Committee/s brief the Board on all the important matters discussed and decided at their respective Committee meeting/s, which are generally held prior to the Board meeting.

i) Post Meeting Action:-

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

j) Support and Role of Company Secretary:-

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

k) Brief Profile of Directors:-

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

Mr. Ravi Bhushan Bhardwaj, age 76 years, Chairman [Category – Non-executive & Promoter) of the Company, hails from a renowned family of industrialists and an industrial entrepreneur himself. He has vast experience in various industries, particularly, Steel and Textile industry. He is associated with the Company since its inception as part of the Promoter and Promoter Group, working as the Vice-Chairman and Managing Director of the Company since 1st October, 1998. Subsequently, on ceasing as the Managing Director of the Company, effective 12th August, 2015, continued as the Non-executive Vice Chairman and then, as a Non-executive Chairman of the Company, effective 12th December, 2016.

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

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

Mr. Pranav Bhardwaj, age 46 years, is a British National and Person of Indian Origin. He has graduated as B.Sc. majoring in Chemistry and Business Management (Joint Honors Degree) from the world renowned Imperial College of London. Subject to the superintendence, control and direction of the Board of Directors, Mr. Pranav Bhardwaj is overall in-charge of running the business affairs of the Company. As a Managing Director, he has successfully led the Company by his unstinted efforts and wide contributions, which resulted into a better overall performance. The Company has made remarkable growth under his leadership.

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

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

Dr. E. R. C. Shekar, age 88 years, has graduated in the Metallurgical Engineering and awarded Doctorate in that field. He was the Managing Director of Steel Authority of India Limited (SAIL). He has nearly six decades of experience in steel making and marketing. He has been associated with Sunflag Steel effective 5th September, 1991 as a Non-executive, Independent Director.

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

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

Mr. Surendra Kumar Gupta, age 71 years, graduated in Mechanical Engineering (B.E.) and thereafter pursued Diploma in Business Management. He has wide experience of over 40 years in Steel & Steel making industry. He was appointed as a Director and also the Whole-time Director of the Company in July, 2007, continued on the Board thereafter and presently, the Deputy Managing Director of the Company, looking after overall affairs of the Steel Plant and Coal Mine of the Company.

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

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

Mr. Suhrit Bhardwaj, age 45 years, a Kenyan National and Person of Indian Origin. He graduated as B. Sc. majoring in Chemistry and Business Management (Joint Honors Degree) from the renowned Kings College of London University.

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

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

CA Rambhatla Muralidhar, age 65 years, is a Fellow Member of the Institute of Chartered Accountants of India (ICAI). He joined Sunflag in the year 1993 as a Manager (Finance) posted at Works and thereafter rose to the position of Executive Director (Finance) in the year 2010, one level below the Board of Directors of the Company. He also held the position of Chief Financial Officer (CFO) of the Company from the year 2001 till 30th September, 2019. Further, he was re-designated / re-classified as a Key Managerial Personnel (KMP) of the Company from 1st April, 2014. Prior to joining Sunflag, he was associated with various organisations viz. Cement Corporation of India Limited, Priyadarshani Cements Limited, Hindustan Fluorocarbons Limited and Bharat Aluminum Company Limited and has a rich and varied experience of about 39 years in all the fields of Finance.

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

Mr. Ramchandra Vasant Dalvi (DIN - 00012065) - Executive Director (Works)

Mr. Ramchandra Vasant Dalvi, age 70 years, graduated as B. Tech (Hons) in Metallurgical Engineering from Indian Institute of Technology (IIT), Mumbai. Thereafter, he joined various Steel Industries viz Mukand Limited (Year 1972-2001), Facor Steels Limited (Year 2001-2004) and Vidarbha Iron and Steel Corporation Limited (Year 2004-2011) and gained rich and varied experience in steel and steel making. He has held various positions from Graduate Engineer Trainee to Chief Executive. He was a Director (Technical) on the Board of Directors of Facor Steels Limited during the year 2004-2011. He joined Sunflag in the year 2015 as the Executive Director (Works), one level below the Board of Directors of the Company and was in-charge of Company's Steel Plant at Warthi, Bhandara. Later on, he was elevated and inducted in the Board as the Whole-Time Director, designated as Executive Director (Works) of the Company w.e.f. 14th August, 2017.

Presently, he is also Director of Sunflag Foundation (Section 8 Company); Sanika Hospitality (India) Private Limited, Pune and Partner in Saidham Schemes, Pune. He does not hold any equity shares in the capital of the Company.

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

Mr. Kumar Jitendra Singh, age 68 years, is B. Sc. Engineering (Mechanical) from Bihar College of Engineering and Bachelor of Law from Ranchi University. He was awarded fellowship in research from CSIR in the year 1976. His last position held was Chairman cum Managing Director (CMD) of MOIL Limited from 16th March, 2009 to 31st October, 2012 before retiring. He has more than 32 years of experience in varied industries such as maintenance of steel plant, project management and equipment procurement for steel plant, refractory industry, refractory application and management in steel plants, metal and mining industry etc.

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

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

CA Neelam Kothari, age 49 years, is a qualified Chartered Accountant and Cost Accountant, a rank holder in both the professional

course examinations. She worked with IDBI Bank Limited from the year 1993 to 2009 in various capacities. During her career spanning across 15 years, she rose from a management trainee to one of the youngest Deputy General Manager in the IDBI Bank Limited.

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

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

Mr. Sajiv Dhawan, age 50 years, is a graduate in Classics – Latin from the Leeds University, UK. He has been involved in the Indian Equity Markets for the last 20 years and has successfully managed a well-known and highly regarded Broking House and Managing Investor's Portfolios. He has been a regular Securities Market Analyst and Expert appearing on CNBC (India and Singapore), Bloomberg TV, NDTV/ET NOW channels as well as on BBC World. He is Member of India's largest Angel Investment Network (AIN). He holds Directorship in JV Capital Securities Limited and Redbell.com Online Store Private Limited. He is member of Audit Committee of the Board of the Company. Further, he does not hold any equity shares in the Capital of the Company.

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

Mr. Anand Sadashiv Kapre (DIN: 00019530) an Indian National, age 71 years, is a graduate from IIT Madras as B. Tech. (Electrical). He initiated 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 a Director of Facor Alloys Limited, Facor Steels Limited (Listed Companies) and Ferro Alloys Corporation Limited. Presently, he is not a member of any Committee of the Board of the Company. Further, he holds 8500 (0.0047%) equity shares in the Capital of the Company.

CA Vinita Bahri (DIN – 03109454) – Additional Director [Category – Non-executive, Independent]

CA Vinita Bahri (DIN – 03109454), age 50 years, is a qualified Chartered Accountant and further pursued her Master of Business Administration (MBA) in Marketing. She is into the profession of Financial Consultancy and is the founder of Samarth Wealth Management. She has been one of the pioneers in the financial advisory services for more than twenty years. She is a regular speaker on various forums and institutions such as National Academy of Direct Tax (NADT), Nagpur Institute of Technology (NIT), Ramdeobaba Kamla Nehru Engineering College (RKNEC), Rotary Club etc. and has been featured in Times of India Investment columns. She is also on the advisory panel of CNBC-18, specially to advise women investors on retirement planning. Presently, she is not a member of any Committee of the Board of the Company. Further, she does not hold any equity shares in the Capital of the Company.

3) AUDIT COMMITTEE

a) Constitution:-

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

b) Terms of Reference, Roles 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, roles and responsibilities of the Audit Committee shall include, amongst others, the following :-

1. oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. approval of payment to statutory auditors for any other permissible services rendered by the statutory auditors;
4. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to :-
 - a) matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b) changes, if any, in accounting policies and practices and reasons for the same;
 - c) major accounting entries involving estimates based on the exercise of judgment by management;
 - d) significant adjustments made in the financial statements arising out of audit findings;
 - e) compliance with listing and other legal requirements relating to financial statements;
 - f) disclosure of any related party transactions;
 - g) modified opinion(s) in the draft audit report;
5. reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. reviewing, with the management, the statement of uses or application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document, prospectus, or notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the Company with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the Company, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. discussion with internal auditors of any significant findings and follow up thereon;

15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. to review the functioning of the Whistle Blower Mechanism;
19. approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
20. carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

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

1. management discussion and analysis of financial condition and results of operations;
2. statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. management letters or letters of internal control weaknesses issued by the statutory auditors;
4. internal audit reports relating to internal control weaknesses; and
5. the appointment, removal and terms of remuneration of the Internal Auditors shall be subject to review by the Audit Committee.
6. 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 utilised for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7).

In addition to above:-

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

c) Composition:-

- Chairman** : Dr. E.R.C. Shekar - Non-executive, Independent Director
- Members** : Mr. Kumar Jitendra Singh, CA Neelam Kothari, Mr. S. Gajendran (up to 7th July, 2019), CA Jayesh M. Parmar (up to 27th September, 2019), Mr. Roosad Russi Patel (w.e.f. 12th August, 2019 & up to 14th December, 2019) and Mr. Sajiv Dhawan (w.e.f. 26th June, 2020), Non-executive, Independent Director/s of the Company.
- Secretary** : CS Ashutosh Mishra, Company Secretary

Invitees / Participants:-

- i) Mr. Ravi Bhushan Bhardwaj, Non-executive Chairman
- ii) Mr. Surendra Kumar Gupta, Deputy Managing Director
- iii) CA R. Muralidhar, Executive Director (Finance)
- iv) Statutory Auditors
- v) Secretarial Auditors
- vi) Internal Auditors
- vii) Cost Auditors

d) Meetings and Attendance:-

During the Financial Year 2019-20 ended 31st March, 2020, Five (5) meetings of the Audit Committee were held on 21st May, 2019, 12th August, 2019, 27th September, 2019, 12th November, 2019 and 13th February, 2020.

Attendance:-

Name of Director	Dr. E.R.C. Shekar	Mr. S. Gajendran	CA Jayesh M. Parmar	Mr. Kumar Jitendra Singh	CA Neelam Kothari	Mr. Rooshad Russi Patel
No. of Meetings Attended	5	1	2	5	5	1

4) NOMINATION & REMUNERATION COMMITTEE:-

a) Composition:-

Nomination & Remuneration Committee consists of the following Directors viz.

- Chairman** : Dr. E.R.C. Shekar, Non-executive, Independent Director
- Members** : CA Neelam Kothari and Mr. Kumar Jitendra Singh (w.e.f. 23rd December, 2019), Mr. S Gajendran (up to 7th July, 2019), CA Jayesh M. Parmar (up to 27th September, 2019), Mr. Roosad Russi Patel (w.e.f. 12th August, 2019 & up to 14th December, 2019) Non-executive, Independent Directors and Mr. Ravi Bhushan Bhardwaj, Non-executive Chairman of the Company.
- Secretary** : CS Ashutosh Mishra, Company Secretary

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

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

- I) identify persons who are qualified to become Director/s and who may be appointed in Senior Management, in accordance with the criteria laid down, recommend to the Board, their appointment and removal and shall carry out evaluation of performance of every Director/s of the Company;
- II) formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board, a policy, relating to the remuneration of the Director/s, Key Managerial Personnel and other employees of the Company;
- III) while formulating the policy under (II) above, ensure that:-
 - i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Director/s of the quality required to run the Company successfully;
 - ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - iii) remuneration to Directors, Key Managerial Personnel and Senior Management, involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals or objectives.
- IV) devising a policy on diversity of Board of Directors;
- V) 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;
- VI) recommend to the Board, all remuneration, in whatever form, payable to Senior Management;
- VII) 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 2019-20 ended 31st March, 2020, Six (6) meetings of the Nomination & Remuneration Committee were held on 21st May, 2019, 12th August, 2019, 27th September, 2019, 12th November, 2019, 13th February, 2020 and 13th March, 2020.

Attendance:-

Name of Director	Dr. E.R.C. Shekar	Mr. S. Gajendran	CA Jayesh M. Parmar	Mr. Rooshad Patel	CA Neelam Kothari	Mr. Kumar Jitendra Singh	Mr. Ravi Bhushan Bhardwaj
No. of Meetings Attended	6	1	2	1	1	2	5

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

i) For Executive Director/s:-

The total remuneration of Executive Directors consists of:-

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

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

ii) For Non-executive Director/s:-

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

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

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

Subsequent to this, the Board of Directors of the Company vide its meeting dated 13th February, 2020 finalised 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 2019-20, in the manner as below:

- i. All the Non-executive Directors of the Company except Mr. Suhrit Ravi Bhushan Bharadwaj and Mr. Ravi Bhushan Bhardwaj be paid Rs. 2,20,000/- each on pro-rata basis;

- ii. Mr. Ravi Bhushan Bhardwaj : 49% of the 1% of the Net Profits of the Company for the Financial Year 2019-20.
(Non-executive Chairman)

Accordingly, a provision for a sum of ₹ 63,16,782/- equivalent to 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 2019-20 ended 31st March, 2020 has been made as follows:

Dr. E.R.C. Shekar	: ₹ 2,20,000
Mr. Kumar Jitendra Singh	: ₹ 2,20,000
CA Neelam Kothari	: ₹ 2,20,000
Mr. S. Gajendran	: ₹ 58,306
CA Jayesh M. Parmar	: ₹ 1,08,197
Mr. Rooshad Russi Patel	: ₹ 1,54,481
Mr. Sajiv Dhawan	: ₹ 1,40,055
Mr. Anand S. Kapre	: ₹ 84,754
CA Vinita Bahri	: ₹ 11,421

and the sum of ₹ 50,99,568/- to Mr. Ravi Bhushan Bhardwaj, Non-executive Chairman of the Company.

- e) **The details of Remuneration and Sitting fees, for the Financial Year 2019- 20 ended 31st March, 2020 and Commission for the Financial Year 2018-19 ended 31st March, 2019 paid to all the Director/s during the Financial Year 2019-20 ended 31st March, 2020 are as under:-**

Name	Designation	Sitting Fees (₹)	Remuneration perquisites and Benefits (₹)	Commission for the FY 2018 - 19 (₹)	Total Amount (₹)
Mr. Ravi Bhushan Bhardwaj	Non-executive Chairman	-	-	92,03,817	92,03,817
Mr. Pranav Bhardwaj	Managing Director	-	1,59,71,867	3,37,71,194	4,97,43,061
Dr. E.R.C. Shekar	Non-executive, Independent Director	2,52,000	-	2,00,000	4,52,000
Mr. S. Gajendran	Non-executive, Independent Director	29,000	-	2,00,000	2,29,000
CA Jayesh M. Parmar	Non-executive, Independent Director	65,000	-	2,00,000	2,65,000
Mr. Kumar Jitendra Singh	Non-executive, Independent Director	2,03,000	-	2,00,000	4,03,000
CA Neelam Kothari	Non-executive, Independent Director	1,32,000	-	2,00,000	3,32,000
Mr. Rooshad Russi Patel	Non-executive, Independent Director	66,000	-	2,00,000	2,66,000
Mr. Sajiv Dhawan	Non-executive, Independent Director	45,000	-	-	45,000
Mr. Anand Sadashiv Kapre	Additional Director (Category-Non-executive, Independent)	60,000	-	-	60,000
CA Vinita Bahri	Additional Director (Category-Non-executive, Independent)	15,000	-	-	15,000
Mr. Suhrit Bhardwaj	Non-executive Director	-	-	-	-
Mr. Surendra Kumar Gupta	Deputy Managing Director	-	1,08,67,674	-	1,08,67,674
CA Rambhatla Muralidhar	Executive Director (Finance)	-	92,77,000	-	92,77,000
Mr. Ramchandra Vasant Dalvi	Executive Director (Works)	-	74,84,600	-	74,84,600

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 2019 - 20 ended 31st March, 2020 are as under:-**

Name	Designation	Proposed Commission for the Financial Year 2019-20 (₹)
Mr. Ravi Bhushan Bhardwaj	Non-executive Chairman	50,99,568
Mr. Pranav Bhardwaj	Managing Director	2,08,14,562
Dr. E. R. C. Shekar	Non-executive, Independent Director	2,20,000
Mr. S. Gajendran (*)	Non-executive, Independent Director	58,306
CA Jayesh M. Parmar (*)	Non-executive, Independent Director	1,08,197
Mr. Kumar Jitendra Singh	Non-executive, Independent Director	2,20,000
CA Neelam Kothari	Non-executive, Independent Director	2,20,000
Mr. Rooshad Russi Patel (*)	Non-executive, Independent Director	1,54,481
Mr. Sajiv Dhawan (*)	Non-executive, Independent Director	1,40,055
Mr. Anand Sadashiv Kapre (*)	Additional Director (Category-Non-executive, Independent)	84,754
CA Vinita Bahri (*)	Additional Director (Category-Non-executive, Independent)	11,421
Mr. Suhrit Bhardwaj	Non-Executive, Director	-
Mr. Surendra Kumar Gupta	Deputy Managing Director	-
CA Rambhatla Muralidhar	Executive Director (Finance)	-
Mr. Ramchandra Vasant Dalvi	Executive Director (Works)	-

* For part of the year

5) STAKEHOLDERS' RELATIONSHIP COMMITTEE :-
Objective:-

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

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

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

Composition:-

The Stakeholders' Relationship Committee consists of Dr. E. R. C. Shekar, Non-executive, Independent Director as its Chairman and Mr. Ravi Bhushan Bhardwaj, Mr. Pranav Bhardwaj, Mr. Surendra Kumar Gupta, Mr. S. Gajendran (up to 7th July, 2019) and CA Neelam Kothari (w.e.f. 12th August, 2019), as the Committee Members while CS Ashutosh Mishra, Company Secretary & Compliance Officer is Secretary to the Committee.

Meetings:-

During the Financial Year 2019-20 ended 31st March, 2020, the Committee had Four (4) meetings on 21st May, 2019, 12th August, 2019, 12th November, 2019 and 13th February, 2020 and it reviewed:

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

At the beginning of the year	Received during the year	Resolved during the year	At the end of the year
NIL	35	35	NIL

6) SHARE TRANSFER COMMITTEE:-

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

Composition:-

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

The Securities and Exchange Board of India (SEBI) vide its Circular bearing reference No. CIR/MIRSD/8/2012 dated 5th July, 2012, in view to expedite the share transfer process in the interest of investors and in consultation with Stock Exchanges, has reduced the timeline for registration of transfer of equity shares by the listed companies to fifteen (15) days. Besides this proviso to Regulation 40(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) specifies that the Board of Directors and/or the delegated authority of the Listed Entity shall attend to the formalities pertaining to the transfer of securities at least once in a fortnight.

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

Other Information:-

- a) The Company has already created a designated e-mail id for the Investor Grievances or Complaints as investor@sunflagsteel.com. The required information had already been sent to the concerned Stock Exchanges and also displayed at the Company's website www.sunflagsteel.com.
- b) The Securities and Exchange Board of India (SEBI) vide its Circular reference CIR/MRD/DP/10/2013 dated 21st March, 2013 has directed the listed companies for the usage of electronic modes for making cash payments to the investors and further asked to maintain the proper Bank Mandate or ECS Records of the investors.

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

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

Further, the Ministry of Corporate Affairs has notified "Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016" (**the Rules**) which have come into force from 7th September, 2016. The said Rules, amongst other matters, contain provisions for transfer of all shares in respect of which dividend has not been claimed for seven (7) consecutive years or more, in the name of '**IEPF Demat Account**'. Accordingly, during the Financial Year 2017-18, the Company has transferred total 30,91,699 equity shares constituting about 1.716% of the total issued, subscribed and paid-up share capital, including 28,050 equity shares of "**Unclaimed Suspense Account**", which was created pursuant to Regulation 39 of the SEBI (LODR) Regulations, 2015 effective 3rd August, 2015. Further to this, 77,616 equity shares have been transferred to the IEPF Demat Account related to those shareholders whose unclaimed dividend has been transferred to the IEPF Authority during the Financial Year 2018-19. The voting rights on these shares shall remain frozen till the rightful owner of such shares claim the shares from the IEPF Authority. The IEPF Authority has laid down the detailed procedure for claiming both Dividend as well as Shares. The detailed list of shares transferred to this IEPF Authority account as well as detailed procedure to claim is available on the Company's website www.sunflagsteel.com. Further, the procedure to claim is also available on the website of IEPF authority at www.iepf.gov.in. During the Financial Year 2019-20 ended 31st March, 2020 under review, many rightful shareholders have claimed shares from this account by complying with the prescribed formalities.

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

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

7) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR):-

The Company is an eligible Company qualifying under Section 135(1) of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended) for undertaking the Corporate Social Responsibility (CSR) activities as per the Company's CSR Policy during the Financial Year 2019-20 ended 31st March, 2020.

Accordingly, the Company has constituted a Corporate Social Responsibility (**CSR**) Committee as required under Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended). The Committee is headed by Mr. Ravi Bhushan Bhardwaj and consists of Dr. E. R. C. Shekar, CA Jayesh M. Parmar (up to 27th September, 2019), Mr. Surendra Kumar Gupta and Mr. Kumar Jitendra Singh (w.e.f. 12th August, 2019), as its Members.

During the Financial Year 2019-20 ended on 31st March, 2020, the CSR Committee had Five (5) meetings held on 21st May, 2019, 12th August, 2019, 12th November, 2019, 13th February, 2020 and 27th March, 2020, which were attended by the Members as under:-

S N	Name of Director	Category of Director	No. of meetings held / Attended
1	Mr. Ravi Bhushan Bhardwaj	Non-executive Chairman	5 / 4
2	Dr. E. R. C. Shekar	Non-executive, Independent Director	5 / 5
3	CA Jayesh M. Parmar (up to 27 th September, 2019)	Non-executive, Independent Director	2 / 1
4	Mr. Surendra Kumar Gupta	Deputy Managing Director	5 / 5
5	Mr. Kumar Jitendra Singh (w.e.f. 12 th August, 2019)	Non-executive, Independent Director	3 / 3

Secretary : CS Ashutosh Mishra, Company Secretary.

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

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

Disclosures:-

S N	Headings	Particulars
1	Average net profits of the Company for last three (3) Financial Years	₹ 152,02,76,280/-
2	Prescribed CSR Expenditure [two percent (2%) of the amount as in item 1 above]	₹ 3,04,05,526/-
3	Details of CSR expenditure during the FY 2019-20:-	
	a) Total amount to be spent for the FY 2019-20	₹ 3,04,05,526/-
	b) Amount unspent, if any;	Out of the total sum of ₹ 3,04,05,526/-, the Company has incurred, a sum of ₹ 1,48,37,673/- on the CSR activities and the balance sum of ₹ 1,55,67,853/- have been allocated for capital expenditure of various approved CSR activities, against the total mandated sum of ₹ 3,04,05,526/- to be spent during the Financial Year 2019-20 ended 31 st March, 2020.
	c) Manner in which the amount spent during the FY 2019-20	The manner in which the amount spent & allocated is detailed in the Annex A to Board's Report.

Further, the CSR Committee of the Company has already constituted its sub-committee comprising of the executives of the Company in order to look after the day to day CSR activities, recommendations for payments, certifying the completion of CSR activities, etc. and 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** (U 74999 MH 2017 NPL 289961) – a Section 8 Company & wholly owned subsidiary of SISCO, as implementing agency of SISCO regarding its CSR activities. Sunflag Foundation will implement & monitor all CSR activities and keep budget and accounts for the same, 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 will furnish its report to SISCO. During the Financial Year 2019-20, the entire mandated amount of ₹ 3,04,05,526/- to be spent by the Company during the Financial Year 2019-20 on the approved CSR activities has been transferred to Sunflag Foundation for implementation of CSR activities.

The amount of ₹ 1,55,67,853/- which remained unspent during the Financial Year 2019-20, has been allocated towards capital expenditure for the various ongoing approved CSR activities of the Company and has been transferred by the Company to the Implementing Agency for the needful. The implementing Agency is taking all the possible steps to spend this amount during Financial Year 2020-21.

As required, the details pertaining to the Corporate Social Responsibility (CSR) activities together with details of expenditure done during Financial Year 2019-20 is enclosed herewith as an **Annex – A** to Boards' Report.

8) RISK MANAGEMENT COMMITTEE (RMC):-

The Risk Management Committee (**RMC**) is required to lay down the procedures for risk assessment, risk minimisation 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 organisation. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities. The objectives and scope of the Risk Management Committee broadly comprises:-

- Oversight of risk management performed by the executive management; Reviewing the BREM policy and framework in line with local & legal requirements and SEBI guidelines;
- Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle; and
- Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.

Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, potential impact analysis and mitigation plan.

The Committee reviewed the risk trend, exposure and potential impact analysis carried out by the management. It was specifically confirmed by the Managing Director, Deputy Managing Director and the CFO that the mitigation plans are finalised up to date, owners are identified and the progress of mitigation actions are monitored and such other related information to the Committee.

The details of Committee Membership together with the attendance at a meeting held on 27th March, 2020 is as below :-

Members and Attendance:-

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

Note : Mr. Roosad Russi Patel, Non-executive, Independent Director, had been inducted as a member of the Risk Management Committee w.e.f. 12th August, 2019 by the Board of Directors of the Company. However, he ceased to be Director of the Company effective 14th December, 2019 and accordingly ceased to be a member of Risk Management Committee effective 14th December, 2019.

9) PROJECT MONITORING COMMITTEE (PMC):-

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

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

Members : Mr. Kumar Jitendra Singh, Non-executive, Independent Director and Mr. Surendra Kumar Gupta, Deputy Managing Director
CA R. Muralidhar, Executive Director (Finance) (w.e.f. 12th August, 2019)
Mr. Rooshad Russi Patel, Non-executive, Independent Director (w.e.f. 12th August, 2019 and upto 14th December, 2019)

Secretary : CS Ashutosh Mishra, Company Secretary

Invitee / participant : Mr. S. Mahadevan, CFO (w.e.f. 12th August, 2019)

Meeting and Attendance:-

During the Financial Year 2019-20 ended 31st March, 2020, Four (4) meeting/s of the Project Monitoring Committee (PMC) were held on 27th September, 2019, 12th November, 2019, 13th February, 2020 and 27th March, 2020.

S N	Name of Director	Category of Director	No. of meetings held / Attended
1	Dr. E.R.C. Shekar	Non-executive, Independent Director	4/4
2	Mr. Kumar Jitendra Singh	Non-executive, Independent Director	4/4
3	Mr. Surendra Kumar Gupta	Deputy Managing Director	4/4
4	Mr. Rooshad Russi Patel (w.e.f. 12 th August, 2019 & up to 14 th December, 2019)	Non-executive, Independent Director	2/1
5	CAR. Muralidhar (w.e.f. 12 th August, 2019)	Executive Director (Finance)	4/3

10) VIGIL MECHANISM / WHISTLE BLOWER POLICY:-

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

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

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

The main objectives of the policy are as under:

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

11) GENERAL BODY MEETINGS:-

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

S. N.	Number & Year	Venue	Day, Date & Time
1	33 rd AGM - 2019	Indian Medical Association's Dr. Dinkar Hardas CME Hall, Dr. Hardas IMA Annex, N. A. Road, Nagpur - 440010, MH, IN.	Friday, the 27 th September, 2019 at 3:00 P.M.
2	32 nd AGM - 2018	Indian Medical Association's Dr. Dinkar Hardas CME Hall, Dr. Hardas IMA Annex, N. A. Road, Nagpur - 440010, MH, IN.	Tuesday, the 25 th September, 2018 at 3:00 P.M.
3	31 st AGM - 2017	Indian Medical Association's J. R. Shaw Auditorium North Ambazari Road, Nagpur - 440010, MH, IN.	Thursday, the 28 th September, 2017 at 3:00 P.M.

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

c) The Company has provided e-voting platform to the shareholders during all the previous three (3) general meeting/s including the Thirty-third (33rd) Annual General Meeting held for the Financial Year 2018-19.

12) DISCLOSURES
a) Related Party Disclosures:-

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

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

b) Transactions with the related parties:-

Sr. No.	Particulars	Amount (₹)
a)	Subsidiary Companies - Unsecured Loans or Advances	14,64,867
b)	Associate Enterprise - Rent paid	56,99,400
c)	Key Managerial Personnel, Promoter & Promoter Group - Remuneration and Commission (including Commission to Non- Executive Chairman)	9,15,76,214
e)	Joint Venture - Ramesh Sunwire Private Limited - i. Sale of Goods (Wire Rods) ii. Purchase of Wire Rods Scrap	12,45,01,328 31,85,451

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

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

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

The following is the summary of sexual harassment complaints received and disposed-off during the Financial Year 2019-20 ended 31st March, 2020:-

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

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

e) Other Disclosures:-

- i. Transactions with related parties, as per requirements of INDAS 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 INDAS 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 Independent Director/s vis-à-vis the Company which has potential conflict with the interests of the Company at large.
- v. During the Financial Year 2019-20 ended 31st March, 2020, the Company does not have any material listed and unlisted Subsidiary Company(ies) as defined in Regulation 16(1)(c) of the Listing Regulations (as amended). Pursuant to Regulation 24 of the Listing Regulations, at least one Independent Director is to be on the Board of Directors of all Material Unlisted Subsidiary Company. At least one of the Independent Directors of the Sunflag Iron and Steel Company Limited is on the Board of all its Unlisted Subsidiary Company. The Audit Committee had reviewed the annual audited financial statements and Minutes of the Meetings of Board of Directors and Shareholders of all the Unlisted Subsidiary Companies from time to time and that the same were placed at the Meeting (s) of Board of Directors of the Company. The Board has approved a policy for determining 'material' subsidiaries which has been uploaded on the Company's website. www.sunflagsteel.com.
- vi. The Independent Director/s of the Company have confirmed that they meet the criteria of 'Independence' as stipulated under Section 149 of the Companies Act, 2013 read with the rules made thereunder and Regulation/s 16(1)(b) and 25 of the Listing Regulations, 2015 (as amended), as the case may be.

13) MEANS OF COMMUNICATION:-

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

14) GENERAL SHAREHOLDER INFORMATION:-

- a) Thirty-fourth (34th) Annual General Meeting
 - Monday, the 21st September, 2020 at 3.00 P.M. through Video Conferencing Mode/Other Audio Video Mode (OAVM)
- b) Book Closure Dates
 - Saturday, the 12th September, 2020 to Monday the 21st September, 2020 (both days inclusive)
- c) Record Date for Dividend Payment
 - Not applicable since no dividend proposed
- d) Cut-off date for e-Voting
 - Monday, the 14th September, 2020
- e) **Financial Year - 01st April, 2020 to 31st March, 2021 (Calendar)**
 - i) Unaudited Results for First Quarter (Q-1) ending 30th June, 2020
 - On or before 14th August, 2020 or such extended permissible timeline
 - ii) Unaudited Results for Second Quarter (Q-2) and Half Year (H-1) ending 30th September, 2020
 - On or before 14th November, 2020 or such extended permissible timeline
 - iii) Unaudited Financial Results for Third Quarter (Q-3) ending 31st December, 2020
 - On or before 14th February, 2021 or such extended permissible timeline
 - iv) Audited Results for the Fourth Quarter (Q-4) and Financial Year ending 31st March, 2021
 - On or before 30th May, 2021 or such extended permissible timeline
- f) **Listing of Equity Shares**
For the Financial Year 2020-21, the Equity Shares of the Company were listed with (1) BSE Limited and (2) National Stock Exchange of India Limited
Listing fees for the Financial Year 2020-21 has already been paid to both these Stock Exchanges
 - **BSE Limited (BSE)**
Phiroze Jeejeebhoy Towers, Dalal Street
Mumbai - 400001, MH, IN.
 - **National Stock Exchange of India Limited (NSE)**
"Exchange Plaza", Bandra-Kurla Complex
Bandra (East), Mumbai - 400051, MH, IN.
- g) **Equity Shares - Stock Codes**
Trading Symbol at Stock Exchanges
Demat ISI Number in NSDL & CDSL
 - 500404 (BSE) & SUNFLAG (NSE)
 - INE947A01014 - Sunflag Iron - Equity

h) Stock Market Data

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

Month	Share Price of Sunflag Steel				S&P BSE SENSEX		S & P CNX NIFTY	
	BSE		NSE		High	Low	High	Low
	High (₹)	Low (₹)	High (₹)	Low (₹)				
April 2019	50.40	45.65	50.70	45.55	39487	38460	11856	11549
May 2019	46.85	38.90	47.00	38.75	40125	36956	12041	11108
June 2019	42.50	33.05	42.50	33.10	40312	38871	12103	11625
July 2019	38.00	27.60	37.70	27.30	40032	37128	11982	10999
August 2019	29.25	22.55	29.20	22.60	37808	36102	11181	10637
September 2019	33.75	24.70	33.15	24.75	39441	35988	11695	10670
October 2019	29.50	23.95	29.00	23.80	40392	37416	11945	11090
November 2019	35.00	25.35	35.00	25.40	41164	40014	12159	11803
December 2019	40.25	27.15	40.50	27.10	41810	40135	12294	11832
January 2020	48.30	35.00	48.60	35.00	42274	40477	12431	11930
February 2020	43.80	35.10	44.00	34.80	41709	38220	12247	11175
March 2020	37.25	21.15	37.50	20.05	39083	25639	11433	7511

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

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

Effective 31st March, 2003, **M/s Bigshare Services Private Limited, 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apartments (Next to Keys Hotel), Marol-Maroshi Road, Andheri (East), Mumbai - 400059, MH, IN**, have been acting as the Registrar & Share Transfer Agent. All the Shareholders and Investors related Services, subject to the approval of the Company either through Board or Committee of the Board, are done by the said Registrar and Share Transfer Agent for and on behalf of the Company.

j) a) Distribution of Shareholding as on 31st March, 2020:-

Shareholding of nominal value of		Shareholders		Value of Shares	
₹	₹	Number	%	Amount (₹)	%
Upto 5000		45,598	81.61	8,26,16,100	4.59
5001	10000	5,384	9.64	4,41,51,180	2.45
10001	20000	2,445	4.38	3,76,13,450	2.09
20001	30000	877	1.57	2,27,30,820	1.26
30001	40000	361	0.65	1,30,52,370	0.72
40001	50000	337	0.60	1,61,14,600	0.89
50001	100000	464	0.83	3,48,00,660	1.93
100001	1802194480	403	0.72	155,11,15,300	86.07
Total		55,869	100.00	180,21,94,480	100.00

j) b(i) Pattern of Shareholdings as on 31st March, 2020:-

SN	Category	No. of Holders	No. of Shares	%
1	Promoter and Promotor Group (Foreign)	3	8,09,99,211	44.95
2	Promoter and Promotor Group (Indian)	2	1,01,33,565	5.62
3	Foreign Portfolio Investors	2	38,625	0.02
4	Non Resident Indians	425	13,78,439	0.77
5	Financial Institutions	4	1,46,830	0.08
6	Bodies Corporate (Indian)	357	24,71,044	1.37
7	Banks (Nationalised and Others)	7	35,272	0.02
8	Mutual Funds / UTI / Trust	10	46,200	0.03
9	Bodies Corporate (Foreign)	1	1,80,21,945	10.00
10	Indian Public including the Directors, KMP's and their Relatives	54,892	6,26,54,320	34.77
11	Clearing Members and Corporations	165	11,45,262	0.63
12	IEPF Authority (MCA)	1	31,48,735	1.74
Total		55,869*	18,02,19,448	100.00

j) b(ii) Pattern of Shareholdings as on 31st March, 2020:-

SN	Category	No. of Holders	No. of Shares	%
1	Promoters and Promotor Group (Foreign)	3	8,09,99,211	44.95
2	Promoters and Promotor Group (Indian)	2	1,01,33,565	5.62
3	Foreign Portfolio Investors	2	38,625	0.02
4	Non Resident Indians and FIIs	421	13,78,439	0.77
5	Financial Institutions	4	1,46,830	0.08
6	Bodies Corporate (Indian)	346	24,71,044	1.37
7	Banks (Nationalised and Others)	7	35,272	0.02
8	Mutual Funds/UTI/Trust	10	46,200	0.03
9	Bodies Corporate (Foreign)	1	1,80,21,945	10.00
10	Indian Public including the Directors, KMP's and their Relatives	53,971	6,26,54,320	34.77
11	Clearing Members and Corporations	102	11,45,262	0.63
12	IEPF Authority (MCA)	1	31,48,735	1.74
	Total	54,869*	18,02,19,448	100.00

* The difference of 1000 (55869 less 54869) Shareholders in the total number of Shareholders, is due to elimination of number of Shareholders holding equity shares in the capital of the Company, having multiple folio/s or demat account with same IT PAN. The SEBI directed the RTA's to provide the pattern of shareholding to listed entity, after clubbing and eliminating the Shareholders having multiple folios or demat account with same IT PAN while filing shareholding pattern on quarterly basis with the Stock Exchanges.

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

k) Dematerialisation of Shares and Liquidity :-

The equity shares of the Company are compulsorily traded in electronic form only. As on 31st March, 2019, there were 11,11,75,197 equity shares dematerialised through depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited, which represents about 61.69% of the total paid-up share capital of the Company.

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

l) Risk Management and Hedging policy

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

Market Risk :

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

Risk mitigation measures

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

Mitigation measures of Financial Risk/ Liquidity Risk

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

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

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

m) ADDRESS FOR CORRESPONDENCE OF SHAREHOLDERS	
For all matters relating to Shares and Dematerialisation of shares be sent to :	For all matters relating to Annual Reports / Dividend / Grievances :-
M/s. Bigshare Services Private Limited 1 st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apts, (Next to Keys Hotel), Marol-Maroshi Road, Andheri (East), Mumbai - 400059, MH, IN Phone : +91 22 62638200 (100 Lines) Fax : +91 22-2847 5207 E-mail : investor@bigshareonline.com Website : http://www.bigshareonline.com	Company Secretary & Compliance Officer Sunflag Iron and Steel Company Limited 33, Mount Road, Sadar, Nagpur - 440001, MH, IN Phone : +91 712 2524 661/ 2520 356-358 Fax : +91 712 2520 360 E-Mail : investor@sunflagsteel.com Website : http://www.sunflagsteel.com

- n) **Plant Location** :- Sunflag Iron and Steel Company Limited
Works: Warthi, P.O.: Bhandara Road, Bhandara - 441905, MH, IN
Phone Nos : +91 7184 285551 to 285555

15) CEO/CFO Compliance Certificate :-

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

16) Certificate on Corporate Governance:-

The Company has obtained a Certificate from M/s. Mukesh Parakh & Associates, Company Secretaries, Nagpur (ICSI Membership No. FCS-4343 & Certificate of Practice No. 13693), regarding compliance stipulation of Corporate Governance as stipulated in the Listing Regulations and the same is reproduced hereunder.

The Company has also obtained a Certificate from M/s. Mukesh Parakh & Associates, Company Secretaries, Nagpur (ICSI Membership No. FCS-4343 & Certificate of Practice No. 13693), regarding Non-disqualification of Directors as stipulated in the Listing Regulations and the same is reproduced hereunder.

17) Confirmation of Compliance

- i) The Company has duly complied with submission of Annual Secretarial Compliance Report obtained from M/s. Mukesh Parakh & Associates, Company Secretaries, Nagpur [ICSI Membership No. FCS-4343, Certificate of Practice No. 13693], for the Financial Year 2019-20 ended 31st March, 2020 pursuant to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) read with the SEBI Circular bearing No. CIR/CFD/CMD1/27/2019 dated 08th February, 2019, with the Stock Exchanges – BSE & NSE on 25th June, 2020.
- 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 para C of Schedule V of the Regulations applicable to the Corporate Governance Report.
- iii) The Company has duly informed and/or submitted the change in Credit Rating allocated by CRISIL Limited to the Company for its Long-term and Short-term Borrowing/s to the Stock Exchanges – BSE & NSE vide its communication of 10th September, 2019, the details of which are as follows:

S.N.	Particulars	Credit Rating (Existing)	Credit Rating (New)
1.	Long-term Borrowings	CRISIL A/ Stable	CRISIL A- / Stable
2.	Short-term Borrowings	CRISIL A1	CRISIL A2+

- 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 2019-20 is ₹ 17,25,000/-
- vi) Disclosures in relation to the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been given in the form of a Certificate as Annex E to the Board Report.

NON-MANDATORY REQUIREMENTS

i. Shareholder Rights:-

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

ii. The Board

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

iii. Reporting of Internal Auditors:-

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

iv. Modified Opinion (s) in Audit Report :

The Audit Report on the Company's financial statements for the Financial Year 2019-20 ended 31st March, 2020 does not contain any modified opinion.

For and on behalf of the Board

Pranav Bhardwaj
Managing Director
DIN - 00054805

Surendra Kumar Gupta
Deputy Managing Director
DIN - 00054836

Nagpur
13th August, 2020

Certificate on compliance with the conditions of Corporate Governance

To

The Shareholders (Members)
Sunflag Iron and Steel Company Limited
CIN - L27100 MH 1984 PLC 034003
33, Mount Road, Sadar, Nagpur - 440001

We have examined the compliance of conditions of Corporate Governance by **Sunflag Iron and Steel Company Limited** (hereinafter referred to as '**the Company**') for the financial year 2019-2020 ended 31 March 2020, as stipulated in Regulation 15(2) [Regulation 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V] of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [as amended], (hereinafter referred to as '**Listing Regulations**').

Managements' Responsibility

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

Auditor's Responsibility

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

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

Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us together with the representations provided by the Company Management, and considering the relaxation/s granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID - 19 Pandemic and also, the limitation for verification of physical record/s of the Company, which were obtained through electronic mode, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 15(2) [Regulation 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V] of the SEBI Listing Regulations for the financial year 2019-2020 ended 31 March 2020.

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

Signed and Issued on this Thursday, the 13 day of August 2020 at Nagpur.

For **M/s. Mukesh Parakh & Associates**
Company Secretaries

CS Mukesh Dulichandji Parakh
Proprietor
Company Secretary in Practice
M. No. FCS - 4343, CoP No. 13693

Unique Document Identification Number (UDIN): F004343B000578378 Dated 13 August 2020.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To

The Shareholders (Members)
Sunflag Iron and Steel Company Limited
CIN - L27100 MH 1984 PLC 034003
33, Mount Road, Sadar, Nagpur - 440001

We have examined the relevant registers, records, forms, returns and declarations or disclosures received from all the Director/s of **Sunflag Iron and Steel Company Limited**, [CIN - L 27100 MH 1984 PLC 034003], and having its registered office at 33, Mount Road, Sadar, Nagpur – 440001, MH, IN, (hereinafter referred to as '**the Company**'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V, Para C, Clause 10(i), of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [as amended].

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations together with representations furnished to us by the Company, its officers, agents and authorised representatives, and considering the relaxation/s granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID - 19 Pandemic and also, the limitation for verification of physical record/s of the Company, which were obtained through electronic mode, We do hereby certify that None of the Director/s on the Board of the Company as stated below for the financial year 2019-2020 ended 31 March 2020 have been debarred or disqualified from being appointed or continuing as the Director/s of Company or Companies by the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA), or any such other Statutory Authority:-

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

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

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

Signed and Issued on this Thursday, the 13 day of August 2020 at Nagpur.

**For M/s. Mukesh Parakh & Associates
Company Secretaries**

**CS Mukesh Dulichandji Parakh
Proprietor
Company Secretary in Practice
M. No. FCS - 4343, CoP No. 13693**

Unique Document Identification Number (UDIN): F004343B000578389 Dated 13 August 2020.

**Declaration from 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 - L27100 MH1984 PLC 034003
33, Mount Road, Sadar, Nagpur - 440001

On the basis of the written declaration received from the Members of the Board and Senior Management Personnel of the Company in terms of part D of Schedule V read with Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), I do hereby certify that the Members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Business Principles and Conduct of the Company during the Financial Year 2019-20 ended 31st March, 2020.

For and on behalf of the Board

**Nagpur
13th August, 2020**

**Pranav Bhardwaj
Managing Director
DIN - 00054805**

INDEPENDENT AUDITORS' REPORT

To
The Members
Sunflag Iron and Steel Company Limited

Report on the Standalone Ind AS Financial Statements
Opinion

We have audited the accompanying standalone financial statements of **Sunflag Iron & Steel Company Limited** ("the Company"), which comprise the balance sheet as at 31st March 2020, the statement of profit and loss (including other comprehensive income), cash flow statement and the statement of changes in equity for the year then ended, and notes to the standalone financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act and the Rules issued thereunder and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) 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.

Emphasis of Matter

We draw attention to Note No. 48 to the standalone financial statements, which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and financial results as assessed by the management. The impact of these uncertainties on the Company's operations is dependent on future developments. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p>Recognition of revenue, measurement, presentation and disclosure as per Ind AS-115 "Revenue from Contracts with Customers". (Refer Sub-note No. XVI of Note 2 of Accounting Policy.</p>	<p>Our procedures included, but were not limited to the following :</p> <ul style="list-style-type: none"> ● We performed walkthroughs to understand the key processes and identify key controls related Ind AS 115 "Revenue from Contracts with Customers" ● On a sample basis we performed testing to verify physical deliveries of product in the year to ascertain transfer of control. ● We performed revenue cut-off testing, by reference to bill dates of sales recorded either side of the financial year end had legally completed; and ● Selected a sample of sales contracts and read, analysed and identified the distinct performance obligations in these contracts. <p>Based on our audit procedures we have concluded that revenue is appropriately recognized, and that there was no evidence of management bias.</p>
2.	<p>Evaluation of uncertain civil and indirect tax positions and recoverability of amount deposited under protest as recoverable. The Company has material uncertain civil and indirect tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p>	<p>Obtained details of completed tax assessments of earlier years and demands as on 31st March, 2019 from management of the Company. We have done assessment of the managements underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Based on management estimates, the liability against these matters are not yet certain, hence the same has been shown as contingent liability in the current standalone financial statements.</p>

Sr. No.	Key Audit Matter	Auditor's Response
	<p>The eventual outcome of these litigations is uncertain, and the positions taken by the management of the Company are based on the application of significant judgement and estimation. The review of these matters requires application and interpretation of tax laws and reference to applicable judicial pronouncements.</p> <p>Based on management judgement and the advice from legal and indirect tax Consultants and considering the merits of the case, the Company has recognized provisions wherever required and for the balance matters, where the management expects favourable outcome, these litigations have been disclosed as contingent liabilities in the standalone financial statements unless the possibility of out flow of resources is considered to be remote.</p> <p>Given the uncertainty and application of significant judgment in this area in terms of the eventual outcome of litigations, we determined this to be a key audit matter.</p>	<ul style="list-style-type: none"> ● Understanding and evaluating process and controls designed and implemented by the management including testing of relevant controls; ● Gaining an understanding of the civil and indirect tax related litigations through discussions with the management, including the significant developments, additions and settlements during the year and subsequent to 31st March, 2020; ● Verifying demand notices received from various indirect tax authorities and evaluating the Company's written responses to those matters; ● Evaluating the management's assessment on the likely outcome and potential magnitude by involving experts on complex or significant matters as considered necessary; and ● Assessing the adequacy of the Company's disclosures. <p>We did not identify any significant exceptions to the management's assessment of the ongoing civil and indirect tax litigations as a result of the above procedures.</p>

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report Business Responsibility Report, Corporate Governance and Shareholder's information, but does not include the standalone financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this Auditors' Report. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement therein, we are required to report the matter to those charged with Governance.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, cash flows and changes in equity of the Company in accordance with Ind AS and other accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant Rules issued thereunder.

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

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, risk, 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 Companies act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("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 the paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that :
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The balance sheet, the statement of profit and loss including other comprehensive income, statement of cash flow and statement of changes in equity dealt with by this Report are in agreement with the books of accounts;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder;
 - e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the Operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
 - g) In our opinion, and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31st March, 2020 on its financial position in its standalone financial statements refer Note 33;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
 - iii. There has been no delay in transferring amount, required to be transferred, to the investor Education and Protection Fund by the Company.

For S.S. Kothari Mehta & Company
Chartered Accountants
Firm Regn. No. 000756N

CA Sunil Wahal
Partner

Membership Number - 087294

New Delhi
26th June, 2020
UDIN : 20087294AAAAEF9482

“ANNEXURE - A” TO INDEPENDENT AUDITOR’S REPORT

“Annexure – A” to the Independent Auditor’s Report to the Members of Sunflag Iron & Steel Company Limited on its standalone financial statements dated 26th June, 2020.

Report on the matters specified in paragraph 3 of the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 (“the Act”) as referred to in paragraph 1 of ‘Report on Other Legal and Regulatory Requirements’ section.

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The fixed assets have been physically verified by the management during the year, the frequency of which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No discrepancies were noticed on such verification.
- c) In our opinion, and according to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.

The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at year-end and no material discrepancies were noticed in respect of such confirmations.

The Company has granted unsecured loans to companies covered in the register maintained under section 189 of the Act.

- a) In our opinion and according to the information and explanations given to us, the terms and conditions of the loans are not prejudicial to the interest of the Company.
- b) The aforesaid loan is repayable on demand as agreed. In respect of this loan, we are informed that the Company has not demanded repayment of such loan, thus there is no default on repayment of such loan. In respect of interest on such loan from these subsidiaries, the Company has charged interest for the period April 01, 2019 to March 31, 2020 and waived off as approved in its board meeting.
- c) Since there is no overdue amount of loan granted to Company listed in the register maintained under Section 189 of the Act, hence, reporting under this clause is not applicable to the Company.

In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, as applicable, in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given.

In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Act and the Rules framed thereunder.

We have broadly reviewed the Cost Accounting records maintained by the Company pursuant to the Rules prescribed by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We are, however, not required to make a detailed examination of such books and records.

- vii. a) According to the records of the Company examined by us and the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Employees’ Provident Fund, Employees’ State Insurance, Investor Education and Protection Fund, Income Tax, Goods & Service Tax, Custom Duty, Cess and any other material statutory dues, as applicable, with the appropriate authorities during the year and there are no such undisputed amounts payable which have remained outstanding as at March 31, 2020 for a period of more than six months from the date they became payable.
- b) According to the records of the Company, there are no dues in respect of Income-tax, Sales-tax, Service-tax, Customs Duty, Excise Duty and Value added tax which have not been deposited with the appropriate authorities on account of dispute and the forum where the dispute is pending are given below:

(₹ in Lakh)

Name of Statute	Nature of dues	Forum where the dispute is pending	Period to which the amount relates	Amount of Dispute	Amount Deposited
Central Excise Act, 1944	Excise duty	CESTAT, Mumbai	2012 - 2013 & 2013 - 2014	242	242
Income Tax Act, 1961	Income tax	Deputy Commissioner of Income Tax (CPC)	Assessment year 2016 - 2017	47	47
Income Tax Act, 1961	Income tax	Deputy Commissioner of Income Tax (CPC)	Assessment year 2017 - 2018	168	168
Income Tax Act, 1961	Income tax	DCIT/ACIT Circle 2	Assessment year 2017 - 2018	34	-

- viii) In our opinion and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The Company has not taken any loan from the financial institution or Government nor has any dues to debenture holders.

- ix) In our opinion, and according to the information and explanations given to us, the Company has not raised any money way of initial public offer / further public offer. Further, term loans taken during the year were applied for the purpose for which the loan were obtained.

- x) In our opinion, and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.
- xi) In our opinion, and according to the information and explanations given to us, the managerial remuneration has been paid / provided in accordance with the provisions of section 197 of the Act.
- xii) The Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of Act and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable Indian accounting standards.
- xiv) According to the information and explanations given to us and on an overall examination of the books of account, the Company has not made any preferential allotment and private placement of shares or fully & partly convertible debentures during the year under audit. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- xv) In our opinion, and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.S. Kothari Mehta & Company
Chartered Accountants
Firm Regn. No. 000756N

CA Sunil Wahal
Partner
Membership Number - 087294

New Delhi
26th June, 2020
UDIN : 20087294AAAAEF9482

“Annexure – B” to the Independent Auditor’s Report to the Members of Sunflag Iron & Steel Company Limited on its standalone financial statements dated 26st June, 2020.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act as referred to in paragraph 2(f) of ‘Report on Other Legal and Regulatory Requirements’ section.

We have audited the internal financial controls over financial reporting of **Sunflag Iron and Steel Company Limited** (“the Company”) as of 31st March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

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

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) 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
- c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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.

New Delhi
26th June, 2020
UDIN : 20087294AAAAEF9482

For S.S. Kothari Mehta & Company
Chartered Accountants
Firm Regn. No. 000756N
CA Sunil Wahal
Partner
Membership Number - 087294

**SUNFLAG IRON AND STEEL COMPANY LIMITED, NAGPUR
BALANCE SHEET AS AT 31st MARCH, 2020**

Particulars	Note No.	As at 31.03.2020 (₹ in Lakh)	As at 31.03.2019 (₹ in Lakh)
A. ASSETS			
1. Non-current Assets			
a) Property, plant and equipment	3	1,14,469	53,482
b) Capital work-in progress		20,980	17,897
c) Financial Assets			
i. Investments	4	1,450	1,450
ii. Bank Balances	5	94	73
iii. Non-Current Loans	6	3,197	2,773
Other non current asset	6A	6,090	3,174
Total non-current assets		1,46,280	78,849
2. Current Assets			
a) Inventories	7	56,277	55,217
b) Financial assets			
i. Trade Receivables	8	21,169	28,602
ii. Cash and cash equivalents	9	521	161
iii. Bank balances other than above	9A	4,676	5,633
iv. Others	10	230	257
c) Current tax assets (net)	11	319	1,401
d) Other current assets	12	9,982	6,218
Total current assets		93,174	97,489
TOTAL ASSETS		2,39,454	1,76,338
B. EQUITY AND LIABILITIES			
1. Shareholders' funds			
a) Share Capital	13	18,022	18,022
b) Other equity	14	1,20,636	76,023
Total Shareholders' Funds		1,38,658	94,045
2. Non-current Liabilities			
a) Financial liabilities			
i. Borrowings	15	11,930	5,040
ii. Other financial liabilities	16	8,351	2,001
b) Provisions	17	2,342	2,328
c) Deferred Tax Liabilities (Net)	18	18,244	8,202
d) Other non-current liabilities	19	173	333
Total non-current liabilities		41,040	17,904
3. Current Liabilities			
a) Financial liabilities			
i. Borrowings	20	14,348	26,380
ii. Trade payables	21		
- Total outstanding dues of Micro Enterprises and Small Enterprises		1,366	1,263
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		30,103	25,458
iii. Other financial liabilities	22	13,078	10,128
b) Other current liabilities	23	861	1,160
Total current liabilities		59,756	64,389
TOTAL EQUITY AND LIABILITIES		2,39,454	1,76,338

Significant accounting policies

1 & 2

The accompanying notes form an integral part of these Financial Statements

As per our report of even date as attached

For and on behalf of Sunflag Iron and Steel Company Limited

For S S KOTHARI MEHTA & CO.

Chartered Accountants

FRN : 000756N

SUNIL WAHAL

Partner

M. No. 087294

Nagpur

26th June, 2020**PRANAV BHARDWAJ**

MANAGING DIRECTOR

S. K. GUPTA

Dy. MANAGING DIRECTOR

CA R. MURALIDHAR

EXECUTIVE DIRECTOR (FINANCE)

S. MAHADEVAN

CHIEF FINANCIAL OFFICER

K. J. SINGH

DIRECTOR

VINITA BAHRI

DIRECTOR

ASHUTOSH MISHRA

COMPANY SECRETARY

**SUNFLAG IRON AND STEEL COMPANY LIMITED, NAGPUR
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020**

Particulars	Note No.	Year Ended 31.03.2020 (₹ in Lakh)	Year Ended 31.03.2019 (₹ in Lakh)
Income			
1. Revenue from Operations	24	175,812	218,600
2. Revenue from sales of traded goods		-	-
3. Other Income	25	1,253	1,112
Total Income		<u>177,065</u>	<u>219,712</u>
4. Expenses :			
Cost of Raw Materials & Components Consumed	26 (a)	106,713	147,347
Other Manufacturing Expenses	26 (b)	31,254	35,701
Purchase of stock-in-trade		-	-
Changes in inventories of finished goods and work-in-progress	27	1,182	(10,085)
Employee Benefits Expense	28	9,734	10,208
Finance Costs	29	4,263	3,874
Depreciation and Amortization Expenses	30	4,620	3,787
Other Expenses	31	9,866	11,651
Total Expenses		<u>167,632</u>	<u>202,483</u>
5. Profit before tax		<u>9,433</u>	<u>17,229</u>
6. Tax Expense :			
a) Current tax expense for the year	18	2,345	5,840
b) Deferred tax	18	(2,168)	330
7. Net Profit after tax		<u>9,256</u>	<u>11,059</u>
8. Other Comprehensive Income			
Items that will not be reclassified to profit or loss		48,653	382
Income tax relating to items that will not be reclassified to profit or loss		(12,210)	-
9. Total Comprehensive Income for the year (Net of Tax)		<u>45,699</u>	<u>11,441</u>
10. Earning per equity share (Amount in ₹)			
Basic	32	5.14	6.14
Diluted	32	5.14	6.14
Significant accounting policies	1 & 2		

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

As per our report of even date as attached

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Chartered Accountants
FRN : 000756N

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SUNFLAG IRON AND STEEL COMPANY LIMITED, NAGPUR
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020

Particulars	For the year ended 31.03.2020 (₹ in Lakh)		For the year ended 31.03.2019 (₹ in Lakh)	
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		9,433		17,229
Items that will not be reclassified to profit or loss		-		-
<i>Adjustments for :</i>				
Depreciation and amortisation		4,620	-	3,787
(Profit) / loss on sale / write off of assets		-	-	(2)
Finance costs		4,263	-	3,874
Interest income	-	-	-	-
Actuarial Gain	-	140	-	382
Provision for doubtful trade and other receivables, loans and advances	-	81	-	276
Operating profit / (loss) before working capital changes		18,537		25,546
<i>Changes in working capital :</i>				
<i>Adjustments for (increase) / decrease in operating assets :</i>				
Inventories	(1,059)		(11,934)	
Trade receivables	7,352		1,298	
Short-term loans and advances	1,109		9	
Long-term loans and advances	(445)		(49)	
Other current assets	(3,765)		(1,339)	
Other non-current assets	(2,919)	273	1,515	(10,500)
<i>Adjustments for increase / (decrease) in operating liabilities :</i>				
Trade payables	4,748		7,802	
Other current liabilities	51		259	
Short-term provisions	-		-	
Other long-term liabilities	350		1,048	
Long-term provisions	13	5,162	(638)	8,471
Cash generated from operations		23,972		23,517
Net income tax (paid) / refunds		(2,345)		(5,840)
Net cash flow from / (used in) operating activities (A)		21,627		17,677
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances		(14,175)		(13,130)
Proceeds from sale of fixed assets		1		-
Other Bank deposits not considered in Cash & Cash equivalent (Net)		957		(752)
Long-term investments in - Joint ventures		-		(278)
Net cash flow from / (used in) investing activities (B)		(13,217)		(14,160)
C. Cash flow from financing activities				
Proceeds from issue of equity shares		-		-
Proceeds from long-term borrowings		9,490		-
Repayment of long-term borrowings		-		(3,192)
Net (decrease) / increase in working capital borrowings		(12,031)		4,316
Proceeds from other short-term borrowings		-		-
Repayment of unsecured Deferred Sales Tax Loan		-		-
Finance cost		(3,838)		(3,874)
Dividends paid		(901)		(901)
Tax on dividend		(185)		(185)
Lease Repayment		(585)		-
Net cash flow (used in) / from financing activities (C)		(8,050)		(3,836)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		360		(319)
Cash and cash equivalents at the beginning of the year		161		480
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		-		-
Cash and cash equivalents at the end of the year		521		161
Component of cash and cash equivalents	As at 31.03.2020 (₹ in Lakh)		As at 31.03.2019 (₹ in Lakh)	
Cash and Cash Equivalents				
- Cash on hand		46		6
- Balances in current accounts		475		155
		521		161

**SUNFLAG IRON AND STEEL COMPANY LIMITED, NAGPUR
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020**

Cash Flow Continued....

Changes in liabilities arising from financing activities

Particulars	At the beginning	Cash flows	Fair value changes	Foreign exchange movement	As at the end 31 st March, 2020
Non-Current Borrowings	8,399	9,490	-	-	17,889
Current Borrowings	26,379	(12,031)	-	-	14,348

As per our report of even date as attached

For S S KOTHARI MEHTA & CO.
Chartered Accountants
FRN : 000756N

SUNIL WAHAL
Partner
M. No. 087294
Nagpur
26th June, 2020

For and on behalf of Sunflag Iron and Steel Company Limited

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MANAGING DIRECTOR

S. K. GUPTA
Dy. MANAGING DIRECTOR

CA R. MURALIDHAR
EXECUTIVE DIRECTOR (FINANCE)

S. MAHADEVAN
CHIEF FINANCIAL OFFICER

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VINITA BAHRI
DIRECTOR

ASHUTOSH MISHRA
COMPANY SECRETARY

Statement of changes in equity for the year ended 31st March, 2020**a) Equity Share Capital**

Particulars	No. of shares	Amount (₹ in Lakh)
As at 1st April, 2018	180,219,448	18,022
Issue of share capital	-	-
As at 31st March, 2019	180,219,448	18,022
Issue of share capital	-	-
As at 31st March, 2020	180,219,448	18,022

b) Other equity

(₹ in Lakh)

Particulars	Securities premium reserve	Reservs and Surplus			Other comprehensive Income		Total
		General reserve	Retained earnings	Retained earnings Account Remeasurements	Remeasurements of the defined benefit plans	Revaluation Surplus	
As at 1st April, 2018	3,785	256	61,627	-	-	-	65,668
Total comprehensive income for the year	-	-	-	-	-	-	-
Net Profit of the year	-	-	11,059	-	382	-	11,441
Dividend including Dividend Distribution tax (Pertaining to FY 2018)	-	-	(1,086)	-	-	-	(1,086)
As at 31st March, 2019	3,785	256	71,600	-	382	-	76,023
Total comprehensive income for the year	-	-	-	-	140	36,303	36,443
Net Profit of the year	-	-	9,256	-	-	-	9,256
Dividend including Dividend Distribution tax (Pertaining to FY 2019)	-	-	(1,086)	-	-	-	(1,086)
As at 31st March, 2020	3,785	256	79,770	-	522	36,303	1,20,636

Nature of reserves

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

As per our report of even date as attached

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Notes forming part of the Financial Statements for the year ended 31st March, 2020
1. Corporate information

Sunflag Iron and Steel Company Limited (the 'Company') was incorporated in 1984 and is engaged in the business of manufacturing and sale of Special Steel Rolled products. The Company is listed on the National Stock Exchange of India Limited (NSE). and BSE Limited (BSE).

The registered office of the Company is situated at 33, Mount Road, Sadar, Nagpur - 440001, Maharashtra, India.

These financial statements are presented in Indian Rupees (₹)

2. Significant accounting policies
I. Basis of preparation

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

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

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

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

The financial statements for the year ended 31st March, 2020 were authorized and approved for issue by the Board of Directors on 26th June, 2020.

II. Property, plant and equipment

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

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

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

Capital work in progress includes property plant & equipment under installation / under development as at the balance sheet date.

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

Property, plant and equipment eliminated from the financial statement, either on disposal or when retired from the active use. Losses arising in the case of retirement of property, plant and equipment are recognised in the statement of the profit and loss in the year.

III. 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.

IV. Depreciation and amortization

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

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

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

Asset Description (As shown in Financials)	Useful life (As per Financials)	Useful life as per schedule - II of the Companies Act, 2013
Freehold Land Freehold Land	20,90,95,100	
Lease Hold Land Lease Hold Land	30,95	

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

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

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

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

V. 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.

VI. Inventories

Inventories are valued as under :

a)	Raw materials & components	At lower of cost or net realisable value
b)	Consumables, store & spares	At depreciated cost
c)	Finished and semi-finished goods	At lower of cost or net realisable value produced and purchased by the Company
d)	Work in progress	At lower of cost of material, plus appropriate production overheads or net realisable value
e)	Any other saleable products of the manufacturing process are considered as finished goods	At the lower of the estimated net realisable value or cost
f)	Goods in transit	At cost

Cost represent, cost incurred in bringing the inventories to their present location and condition. Slow and non-moving material, obsolete, defective inventories are duly provided for and valued at net realisable value. Goods and materials in transit are valued at actual cost incurred up to the date of balance sheet.

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.

VII. Cash and cash equivalents

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

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

VIII. Leases

Policy with effect from April 1, 2019

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

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

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. 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. Right-of-use assets are depreciated on a straight-line basis from the commencement date over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

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

iii) Short-term leases and leases of low-value assets

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

Policy relating to leases till March 31, 2019

A lease is classified at the inception date either as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. When acquired, such assets are capitalized at fair value of the leased property or present value of minimum lease payments, at the inception of lease, whichever is lower.

Other leases are operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and amortised over the lease term on the straight line basis.

Where the Company is the lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease, costs including depreciation are recognized as an expense in the statement of profit and loss.

Where the Company as a lessee

Leases in which significant portions of risks and reward of ownership are not transferred to the Company as lessee are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

IX. Employee benefits

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

Employee Benefits**a) Long term benefit****i) Defined benefit plan**

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

ii) Defined contribution plan

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

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

b) Short term benefits

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

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

X. 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.

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

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

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

Mine restoration or assets retirement obligation

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

Contingent liability is disclosed in the case of :-

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

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

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

Onerous contract

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

XII. Segment accounting and reporting

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

XIII. Investment in Subsidiaries, Joint Ventures & Associates

Investment in Subsidiaries, Joint Ventures & Associates are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost.

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

XIV. 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 of life of assets. Government revenue grants relating to costs are deferred and recognized in the statement of profit and loss over the period necessary to match them with the costs that they intended to compensate.

XV. Taxes

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

Current income tax

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

Minimum alternate tax

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Deferred Tax

Deferred tax is recognised on timing differences, being the difference between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be future taxable income available to realise such assets.

Deferred tax assets are recognised timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realizability.

XVI. 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-18 issued by Ministry of Corporate Affairs and measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must be met before revenue is recognized :

a) Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

The Company provides cash in kind discounts at fair value to customers. These benefits are passed to customers on achievement of certain target of sales by respective customers.

Consideration received is allocated between the products sold and discount to be allowed to customers. Fair value of the in kind discount is determined by applying principle of Ind AS-113, i.e. at market rate. The fair value of the in kind discount is deferred and recognised as revenue when the in kind discount is issued.

b) Other operating income

Revenue from job work charges, incentives on exports and other government incentives related to operations are recognized in books after due consideration of certainty of utilization / receipt of such incentives.

c) Other income

Interest income on fixed deposit with banks is recognized on time proportion basis taking into account the amount outstanding and the rates applicable.

Dividend income from investments is recognized when the 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.

XVII. Foreign currency translation / conversion

Financial statements have been presented in Indian Rupees (₹), which is the Company's functional and presentation currency.

a) Initial recognition

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

b) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

c) Exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognized as income or expense in the statement of profit and loss.

d) Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

e) Borrowing costs

Borrowing costs include interest, amortization of ancillary costs incurred and exchange difference arising from foreign currency borrowings to the extent are regarding as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from the commencement of activities relating to construction / development of the qualifying assets up to the date of capitalization of such assets is added to the cost of the assets.

Other borrowing costs are expensed in the period in which they are incurred.

XVIII. Equity shares

Ordinary shares are classified as equity. Incremental cost net of taxes directly attributable to the issue of new equity shares are reduced from retained earnings, net of taxes.

XIX. Financial Instruments

1. Initial recognition

The company recognise financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivable which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition.

2. Subsequent measurement

Non-derivative financial instruments

a) Financial assets carried at amortized cost

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

b) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

d) Financial assets at fair value through profit or loss (FVPL)

A financial asset i.e. equity which is not classified as FVOCL, are subsequently fair valued through profit or loss.

e) Financial guarantee contracts

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirement of IndAS 109 and the amount recognised less cumulative amortisation.

f) Impairment of financial assets

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss profit or loss.

g) Cash and cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

h) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, for trade and other payables maturing with one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

3. De-recognition

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS-109. A financial liability (or a part of financial liability) is derecognized from the company's balance sheet when the obligation specified in the contract is discharged or canceled or expires.

4. Reclassification of financial assets

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets.

Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognised gains, losses (including, impairment gains or losses) or interest.

5. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

6. Current and non-current classification

The company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is :

- ★ Expected to be realized or intended to be sold or consumed in normal operating cycle.
- ★ Held primarily for the purpose of trading.
- ★ Expected to be realized within twelve months after the reporting period, or
- ★ There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

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.

XX. 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 principle market for the asset or liability, or
- ★ In the absence of a principle 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 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 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.

XXI. Critical accounting estimates, assumptions and judgements

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognised in the financial statement :

a) Property, Plant and Equipment

External adviser or internal technical team assess the remaining useful lives and residual value of Property, Plant and Equipment. Management believes that the assigned useful lives and residual value are reasonable.

b) Income taxes

Management judgement is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.

c) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of Contingencies / claim / litigations against the Company as it is possible to predict the outcome of pending matters with accuracy.

d) Allowance for uncollected accounts receivable and advances

Trade receivables do not carry interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible.

Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

e) Mine restoration obligation

In determining the fair value of the mine restoration obligation the company uses technical estimates to determine the expected cost to restore the mines and the expected timing of these costs. Discount rates are determined based on the government bond of similar tenure.

Notes forming part of the financial statements for the year ended 31st March, 2020

3. Property, plant and equipment

(₹ in Lakh)

Particulars	Tangible Assets							Assets as per Ind AS 116		Total	Capital Work in Progress		
	Freehold Land	Leasehold Land	Building including Roads	Railway Siding	Plant & Machinery	Furniture Fixture & others	Vehicles	Office Equipment	Develop-ment of Mines			Leasehold land	Plant & Machinery
Gross Block													
As at 01.04.2018	188	89	23,108	375	106,262	224	410	412	2,042	-	-	133,110	10,759
Additions	-	-	280	-	5,443	-	275	-	-	-	-	5,998	12,066
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	469
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	(5,397)
Adjustment of impairment	-	-	-	-	-	-	(103)	-	-	-	-	(103)	-
As at 31.03.2019	188	89	23,388	375	111,705	224	582	412	2,042	92	6,066	139,005	17,897
Additions	-	-	1,066	-	9,941	2	-	-	-	-	-	17,167	13,836
Capitalised during the year	-	-	9,215	-	39,297	-	-	-	-	-	-	48,512	-
Adjustment of revaluation Gain / (Loss)	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(172)	-	(7)	-	-	-	-	(179)	-
Adjustment of impairment	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31.03.2020	188	89	33,669	375	160,771	226	575	412	2,042	92	6,066	204,505	20,980
Accumulated Depreciation													
As at 01.04.2018	-	28	10,580	356	69,189	212	288	390	789	-	-	81,832	-
Charge for the year	-	1	534	-	3,036	1	17	-	102	-	-	3,691	-
Adjustment of impairment	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31.03.2019	-	29	11,114	356	72,225	213	305	390	891	2	316	85,523	-
Charge for the year	-	1	546	-	3,556	-	86	-	102	-	-	4,620	-
Adjustment of impairment	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation adjustments	-	-	-	-	(100)	-	(7)	-	-	-	-	(107)	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31.03.2020	-	30	11,660	356	75,692	213	384	390	993	2	316	90,036	-
Net Block as at 31.03.2019	188	60	12,274	19	39,480	11	277	22	1,151	-	-	53,482	17,897
Net Block as at 31.03.2020	188	59	22,009	19	85,079	13	191	22	1,049	90	5,750	114,469	20,980

Notes :

- Addition to capital work in progress include ₹ 462 Lakh finance cost capitalised during the year. (Previous year ₹ 469 Lakh).
- Cost of Leasehold land is amortised over the period i.e. 95 years.
- The Company have revalued its plant and machinery and building as at 31st March, 2020 through an independent and approved valuer and accordingly changed its accounting policy from cost model to fair value model. All other assets such as land, furniture and fixture etc. are valued at cost. The revaluation gain of ₹ 48,512 lakh has been accounted for in the gross block and credited to other equity under the head revaluation surplus. The WDV of these assets before such revaluation was ₹ 58,468 Lakh. (WDV of Plant & Machinery ₹ 45,674 Lakh and Building ₹ 12,794 Lakh)

Additional information

Asset under construction

Capital work in progress incurred as at 31st March, 2020 amounted ₹ 20,980 lakh (Previous year, ₹ 17,897 lakh) in view of implementation of new projects viz.

- Continuous Finishing line at Blooming Mill
- Super Alloys

Impairment review

Assets are tested for impairment whenever there are any internal or external indicators of impairment. Impairment test is performed at the level of each Cash Generating Unit (CGU) or groups of CGUs within the Company at which the assets are monitored for internal management purposes, within an operating segment. The impairment assessment is based on higher of value in use and value from sale calculations. During the year, the testing did not result in any impairment in the carrying amount of other assets. The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to mid-term market conditions.

Key assumptions used in value-in-use calculations :

- Operating margins (Earnings before interest and taxes)
- Discount rate
- Growth rates
- Capital expenditures

4. Non-Current Investments

(₹ in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
Non trade investment in equity shares	1,600	1,600
Less : Provision for diminution in the value of investments	(150)	(150)
Total	1,450	1,450
Aggregate amount of unquoted investments	1,450	1,450

Investment in equity instruments (at cost, unquoted & fully paid)

Name of the Body Corporate	No. of Shares / Units		Extent of Holding (%)		Amount (₹ in Lakh)	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
Subsidiaries						
Sunflag Power Limited	49,940	49,940	99.88	99.88	5	5
Khappa Coal Company Private Limited	3,163,500	3,163,500	63.27	63.27	316	316
Sunflag Foundation	10,000	10,000	100.00	100.00	1	1
Diminution in the value of investment					(64)	(64)
Joint Ventures						
Madanpur (North) Coal Co. Private Limited	1,210,188	1,210,188	11.73	11.73	110	110
C T Mining Private Limited	3,180,000	3,180,000	31.80	31.80	318	318
Daido D.M.S. India Private Limited	3,600,000	3,600,000	17.56	20.00	360	360
Ramesh Sunwire Private Limited	4,900,000	4,900,000	49.00	49.00	490	490
Diminution in the value of investment					(86)	(86)
Others						
India Bulls CSEB Bhayathan Power Limited	74	74	-	-	-	-
Total					1,450	1,450
Additional Information :						
Aggregate amount of quoted investments					-	-
Market value of quoted investments					-	-
Aggregate amount of unquoted investments					1,450	1,450
Aggregate amount of impairment in value of investments					(150)	(150)
Carrying amounts of investments have been adjusted to reflect losses incurred at Joint Ventures and Associates.						

Pursuant to the Supreme Court Order dated 24th September, 2014, the Coal Block allocated to the Company with other Shareholders/Joint Venture partners in the names of Khappa Coal Company Private Limited, Madanpur (North) Coal Company Private Limited and CT Mining Private Limited, stands cancelled. Subsequent to the cancellation of previous allocation, the Government of India, Ministry of Law and Justice (Legislative Department) has promulgated. The Coal Mines (Special Provisions) Act, 2015 for implementing the order of Supreme Court and fixation of compensation etc. to the prior allottees. But the process of re-allotment and crystallization of compensation amount in respect of the above Company's mines, is pending, as the re-auctioning process of these mines are not yet completed. In view of aforesaid, the Company has not recognized any amount towards diminution in the value of the investments made in the Subsidiaries and Joint Venture companies.

Notes forming part of the financial statement for the year ended 31st March, 2020

	As at 31.03.2020 (₹ in Lakh)	As at 31.03.2019 (₹ in Lakh)
5. Bank Balances (non current) #		
Non current bank balances	94	73
# (it represents escrow account amount for Mine restoration obligation)		
Total	94	73
6. Non- Current loans (unsecured)		
Security deposits	1,398	993
Loans and advances to related parties (Refer Note No. 40)	1,799	1,780
Total	3,197	2,773
6A. Other non-current assets		
Capital advances	2,766	3,174
Non Current Trade Advance	3,324	-
Total	6,090	3,174
7. Inventories		
Raw materials and components on hand	17,708	13,956
Goods-in transit (raw material)	5	1,051
Work-in-progress	17,685	18,429
Finished goods	17,639	18,077
Consumables, stores and spares	3,240	3,704
Total	56,277	55,217
Inventories are hypothecated to banks against working capital loans (Refer Note No. 20)		
8. Trade receivables (Refer note below)		
Secured, considered good	-	-
Unsecured, considered good	21,169	28,602
Unsecured, credit impaired	1,061	980
	22,230	29,582
Less: Provision for expected credit loss	(1,061)	(980)
Total	21,169	28,602
Note : Trade receivables are non interest bearing and receivable in normal operating cycle. Further these represent the contract assets as per IND AS 115.		
9. Cash and cash equivalents		
Cash on hand	46	6
Balances with banks in current accounts (refer note below) #	475	155
Total	521	161
# The Balances are net of Book overdraft of ₹ Nil (Previous Year ₹ 374 Lakh)		
9A. Bank balances other than above		
Margin money deposit against Letter of Credit & Bank Guarantees	4,642	5,614
Unclaimed dividend accounts #	34	19
Total	4,676	5,633
Total	5,197	5,794
# During the year Nil amount has been transferred to investors Education Protection Fund		
10. Other - current financial assets		
Accruals - Interest accrued on deposits	105	144
Loans & advances to employees	107	91
Export incentives receivable	9	5
Claims receivables	7	15
Others	2	2
Total	230	257
11. Current tax assets (net)		
Advance Tax Net of provision	319	1,401
Total	319	1,401
12. Other current assets		
Advance to vendors	5,983	3,550
Prepaid Expenses	526	440
Balances with Statutory / Govt Authorities #	3,473	2,228
Total	9,982	6,218
# includes Mega Project incentive receivable of ₹ 177 Lakh (Previous year ₹ 273 Lakh)		

13. Equity Share capital

(₹ in Lakh)

Particulars	As at 31.03.2020		As at 31.03.2019	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of ₹ 10/- each	20,50,00,000	20,500	20,50,00,000	20,500
Total	20,50,00,000	20,500	20,50,00,000	20,500
Subscribed, issued & fully paid up				
Equity shares of ₹ 10/- each	180,219,448	18,022	180,219,448	18,022
Total	180,219,448	18,022	180,219,448	18,022

a) Terms/ Voting Rights attached to the Equity Shares

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

b) Reconciliation of the number of shares outstanding

Movement of Shares	As at 31.03.2020	As at 31.03.2019
Opening number of shares issued	180,219,448	180,219,448
Shares issued during the year	-	-
Shares bought back during the year	-	-
Closing number of shares issued	180,219,448	180,219,448

c) Details of share holders holding more than 5% shares in the company

Name of shareholder	As at 31.03.2020		As at 31.03.2019	
	Number of shares	% Holding	Number of shares	% Holding
Sunflag Limited, Channel Islands, UK	65,253,582	36.21%	65,253,582	36.21%
Daido Steel Co. Ltd., Japan	18,021,945	10.00%	18,021,945	10.00%
Mr. Suhrit Ravi Bhushan Bhardwaj	13,217,398	7.33%	13,217,398	7.33%

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

d) The company has neither issued any bonus shares or shares for consideration other than cash nor bought back any shares during the period of five years immediately preceding the reporting date.

e) Dividend on equity shares at 5% aggregating to ₹ 1,086 Lakh (including dividend distribution tax) was approved and paid during the current year (previous year ₹ 1,086 Lakh)

14. Other equity

	As at 31.03.2020 (₹ in Lakh)	As at 31.03.2019 (₹ in Lakh)
Securities premium reserve	3,785	3,785
General reserve	256	256
Retained earnings	79,770	71,600
Revaluation Surplus	36,303	-
Remeasurements of the defined benefit plans	522	382
Total	1,20,636	76,023

15. Non current borrowings
Secured

a) Term loans - from banks	14,538	4,360
Less : Current maturities of long-term debt (refer note 22)	(5,147)	(2,500)
Total (a)	9,391	1,860

Unsecured

a) From promoters (interest free)	1,375	1,375
b) Other	-	-
Interest free Sales Tax loan	1,976	2,665
Less : Current maturities of long-term debt (refer note 22)	(812)	(860)
Total (b)	2,539	3,180
Total (a+b)	11,930	5,040

i. Term Loans from Banks are Secured by a first mortgage of the Company's immovable properties situated at Village Warthi, District Bhandara, both present and future ranking *pari passu interse* and a first charge by way of hypothecation of all the company's movables subject to prior charges created in favour of Company's bankers on inventories, book debts and other movables for securing the borrowings for working capital requirement.

ii. a) Term loan of ₹ 7,500 lakh (outstanding ₹ 2,084 lakh) (previous year ₹ 4,360 lakh) borrowed from State Bank of India is further secured by Personal Guarantee of Shri Ravi Bhushan Bhardwaj, Chairman of the Company.

b) Other Term loan availed during the year :-

(₹ in Lakh)

S.N.	Bank Name	Sanctioned Amount	Availed / Outstanding
1.	State Bank of India	15,000	6,139
2.	Canara Bank	10,000	3,518
3.	Axis Bank	6,500	2,797
	Total	31,500	12,454

- iii. The Company has not defaulted in repayment of principle and interest during the year.
- iv. The Unsecured loans comprising term loans given by Promoters are interest free. There is no stipulation as to the repayment hence there is no default which has occurred in repayment during the year.
- v. The Unsecured loans comprising Interest free Sales Tax Loan are valued on NPV basis. Actual liability is ₹ 1,976 lakh (previous year ₹ 2,665 lakh). The repayment of the sales tax loan is made as per the schedule and no default has occurred in repayment during the period.
- vi. Rate of interest charged on Rupee Term loan sanctioned by SBI - 9.80% subject to reset after one year from the date of sanction.

(₹ in Lakh)

Maturity Profile	0-1 year	1 - 2 year	2 - 3 years	3 - 4 years	Beyond 4 years
Term loan from banks (as per Original Terms) #	5,147	5,250	5,250	5,250	12,688
Unsecured Interest Free Sales Tax Loan	812	762	402	-	-

The management have reviewed the status of expansion projects and in view of delay in arrival of equipment, original date of commissioning may be delayed. Further the repayment of new term loans starts from September 2020 as per the original terms of sanction. But, in view of delay in commissioning of these projects, the company has applied to the banks for deferment of repayment against these new loans to start from September 2021 and modification in commissioning date, but, awaiting for formal sanction from the banks. The maturity profile shown above are as per original sanction terms and including undrawn loan.

16. Other non - current financial liabilities

As at 31.03.2020

(₹ in Lakh)

As at 31.03.2019

(₹ in Lakh)

Payables for capital goods	2,189	1,823
Security Deposits (Deposit recovered from contractors continue to remain over one year)	162	178
Lease Liability Ind AS 116	6,000	-
Total	8,351	2,001

17. Non - current provisions

Provision for employee benefits	683	681
Provision for contingencies (refer below mention note)	1,659	1,647
Total	2,342	2,328

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

Particulars	Labour and other dues		Mine Restoration Obligation		Total	
	2019-2020	2018-2019	2019-2020	2018-2019	2019-2020	2018 -2019
Opening	1,519	1,519	128	118	1,647	1,637
Provision during the year	-	-	-	-	-	-
Remeasurement losses accounted in OCI	-	-	-	-	-	-
Payment during the year	-	-	-	-	-	-
Interest Charge for the year	-	-	12	10	12	10
Closing	1,519	1,519	140	128	1,659	1,647

18. Deferred tax liabilities

Particulars	Balances as on 31.03.2020	Charge/Credit during the year	Balances as on 31.03.2019
Deferred Tax Liabilities on			
Tax on account of timing difference between book value of depreciable assets as per books of account and written down value as per Income tax Act, 1961	6,896	(2,506)	9,402
Revaluation Gain	12,210	12,210	-
	19,106	9,704	9,402
Deferred Tax Asset on			
Lease asset	(1,470)	(1,470)	-
Lease liability	1,510	1,510	-
Expensed Disallowed	822	(378)	1,200
	862	(338)	1,200
Net Deferred Tax Liability (Current Year)	18,244	10,042	8,202
Net Deferred Tax Liability (Previous year)	8,202	330	7,872

Note : Deferred tax asset considered in Statement of Profit and loss is sum of Deferred tax Asset due to change in tax rate in the opening balance of ₹ 2,506 Lakh and netted off with liability of ₹ 338 Lakh

	Year ended 31.03.2020 (₹ in Lakh)	Year ended 31.03.2019 (₹ in Lakh)
Tax Expenses :		
a) Current Tax expenses for the year	2,345	5,840
b) Deferred Tax	(2,168)	330
Total	177	6,170
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31.03.2020 and 31.03.2019 :		
Accounting profit before tax	9,433	17,229
Applicable tax rate	25,168%	34,944%
Computed tax	2,374	6,021
Adjustments	-	-
Permanent disallowance	100	85
Due to change in tax rate	(2,294)	59
Less : Others	(3)	5
Current Tax expenses for the year	177	6,170
	As at 31.03.2020	As at 31.03.2019
	(₹ in Lakh)	(₹ in Lakh)
19. Other non - current liabilities		
Government grant	173	333
Total	173	333
20. Current financial liabilities - Borrowings		
Secured		
Loans repayable on demand		
Borrowings for working capital from banks	10,583	20,304
UnSecured		
Customer bills discounted	3,765	6,076
Total	14,348	26,380
i. Working capital borrowings are secured by way of hypothecation of Inventories and book debts and further secured by way of second charge ranking <i>pari passu</i> over the fixed assets situated at Village Warthi, District Bhandara both present and future, subject to prior charges created by the Company in favour of banks for securing term loan. Working capital borrowings are secured by the personal guarantee of Shri Ravi Bhushan Bhardwaj, Chairman of the Company.		
ii. Interest on working capital loan from Banks are charged at respective bank's MCLR plus 50 -100 bps		
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.		
21. Current financial liabilities - Trade payables		
a) Total outstanding dues of Micro Enterprises and Small Enterprises	1,366	1,263
b) Others		
i) Acceptances	8,405	11,166
ii) Other than acceptances	21,698	14,292
Total (a+b)	30,103	25,458
	31,469	26,721
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. This has been relied upon by the auditor.		
i. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	-	-
ii. The amount of interest paid by the buyer in terms of section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	-	-
iv. The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. Moreover the Company is in the process of updating its suppliers data, as to the status as a Micro, Small & Medium Enterprise with a copy of the Memorandum filed as per the provisions of Section 8 of the Micro, Small & Medium Enterprises Development Act, 2006.

	As at 31.03.2020 (₹ in Lakh)	As at 31.03.2019 (₹ in Lakh)
22. Other current financial liabilities		
Current maturities of long-term debt		
i) Term loan from banks #	5,147	2,500
ii) Unsecured Interest free Sales Tax Loan	812	860
Interest accrued but not due on long term borrowings	91	42
Unclaimed dividends ##	34	19
Discounts	973	754
Managerial commission	179	440
Salary & Reimbursements	1,353	1,294
Others	4,489	4,219
Total	13,078	10,128
# RBI vide their circular RBI/2019-20/186 dated 27 th March, 2020 have granted moratorium for repayment of principal and servicing of interest due to Banks. Accordingly the Company has availed ₹ 208 Lakh towards principal repayment to State Bank of India due for the month of March 2020.		
## There are no amounts due and outstanding to be credited to the Investor Education and Protection fund		
23. Other Current Liabilities		
a) Government grant	159	200
b) Others		
Statutory dues payable	169	135
TDS payable	69	82
Others	464	743
	861	1,160
24. Revenue From Operations		
Sale of manufactured goods	182,247	222,858
Less : Discounts	(6,817)	(4,349)
Sub Total	1,75,430	2,18,509
Other operating income		
Conversion charges received	238	-
Duty drawback & export incentives	144	91
Sub Total	382	91
Total revenue from operations	1,75,812	2,18,600
The Company has only one product line i.e. Iron & Steel Business and operations are mainly within India. Hence, the revenue is not segregated as per Ind AS 115.		
25. Other Income		
Interest Income	650	410
Insurance claims	204	65
Amortization of government grant	199	223
Gain on foreign exchange fluctuation	149	345
Others	51	69
Total	1,253	1,112
26. a) Cost of raw material & components consumed		
Inventory at the beginning of the year	18,711	16,862
Add : Purchases during the year	1,08,954	1,49,197
Less: Inventory at the end of the year	(20,952)	(18,711)
Total raw material consumption (a)	1,06,713	1,47,347
26. b) Other Manufacturing Expenses		
Consumption of fuel	4,264	5,441
Consumption of power (Net of captive consumption)	7,488	9,568
Coal mine freight & other expenses	8,241	8,448
Contract expenses	11,261	12,244
Total Other Manufacturing Expenses (b)	31,254	35,701
Total Expenses (a+b)	1,37,967	1,83,048
Details of raw material & components consumed		
Iron ore & iron ore fines	15,329	25,933
Coal & coal fines (Net of Consumption of Coal from Captive Mines)	6,676	8,523
Coke	37,304	44,997
Sponge iron	-	-
Scrap & HBI	3,735	2,534
Ferro alloys	17,218	22,782
Fluxes, minerals & additives	5,889	6,358
Electrodes	1,572	4,621
Others	18,990	31,599
Total	1,06,713	1,47,347

	For the year ended	
	31.03.2020 (₹ in Lakh)	31.03.2019 (₹ in Lakh)
Details of Inventory Raw Material & Components		
Iron Ore & Iron Ore Fines	9,014	3,018
Coal & Coal Fines	1,448	2,145
Coke	2,596	3,216
Scrap & HBI	130	52
Ferro Alloys	2,155	2,621
Fluxes, Minerals & Additives	573	781
Electrodes	758	1,344
Goods in Transit	5	1,051
Others	4,273	4,483
Total	20,952	18,711
27. Changes in inventories of finished goods and work-in-progress		
<u>Inventories at the end of the year</u>		
Finished goods	17,639	18,077
Work-in-progress	17,685	18,429
Total (a)	35,324	36,506
<u>Inventories at the beginning of the year</u>		
Finished goods	18,077	12,125
Work-in-progress	18,429	14,296
Total (b)	36,506	26,421
Net (increase) / decrease	Total (b-a)	(10,085)
28. Employee Benefit Expenses		
Salaries, Wages and Bonus	7,981	8,266
Contribution to Provident & other Funds	947	959
Staff Welfare Expenses	666	601
Remeasurements of the defined benefit plans (Gratuity)	140	382
Total	9,734	10,208
29. Finance Cost		
Interest on term loans	347	384
Interest on working capital loans	1,939	1,980
Interest on bills discounted	300	322
Unwinding of interest	12	11
Other borrowing costs	1,238	1,177
Interest on Lease Liability (Ind AS 116)	427	-
Total	4,263	3,874
30. Depreciation and amortization expense		
Depreciation of Property, Plant & Equipment	4,302	3,787
Depreciation of Right to Use Assets	318	-
Total	4,620	3,787
31.1 Other Expenses		
Freight & forwarding	5,615	7,960
Travelling expenses	463	507
Insurance charges	257	206
Rent, rates and taxes	265	190
Repairs & maintenance	165	160
Printing & stationary	39	41
Directors' sitting fee	9	6
Postage & telephones	96	102
Corporate social responsibility	304	245
Admin Expenses	844	703
Legal & professional expenses	1,250	980
Commission	164	69
Bad Debts written-off	0	7
Provision for doubtful debts	81	276
Others	314	199
Total	9,866	11,651
31.2 Payments to Auditors		
Statutory Audit fees	17	17
Out of Pocket Expenses	-	1
Total	17	18

32. Earnings Per Share**Basic Earnings per Share**

		For the year ended 31.03.2020	For the year ended 31.03.2019
Continuing Operations			
Profit / (Loss) after Tax	₹ in lakh	9,256	11,059
Weighted Average shares outstanding at the end of year	Number	180,219,448	180,219,448
Number of Shares outstanding at the end of year	Number	180,219,448	180,219,448
Basic and diluted Earnings ₹ per equity share	Rupees	5.14	6.14

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 31.03.2020	As at 31.03.2019
i) Contingent liabilities		
a) Unexpired letter of credit	2,558	6,649
b) Guarantees issued by Company's bankers on behalf of the Company	8,213	6,174
c) Excise duty & custom duty against which company has preferred an appeal	528	605
d) Income Tax Liability - Disputed but paid	215	321
e) Income Tax Liability - Disputed and not paid	34	-
f) Other Legal cases filed against the company	26	-
ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	18,617	29,289

34. Disclosure under Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

Details of loans and advances in nature of loans to subsidiaries, parties in which Directors are interested and investments by the loanee in the shares of the Company as required by clause 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 :

Name of the party	Relationship	Amount outstanding as at		Maximum balance outstanding during	
		31.03.2020	31.03.2019	31.03.2020	31.03.2019
Khappa Coal Company Private Limited	Subsidiary	737	737	737	737
Sunflag Power Limited	Subsidiary	1,023	(1,009)	1,023	(1009)

35. Segment information

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

Entity wide disclosure required by INDAS-108 are made as follows:

Particulars	Year ended 31 st March 2020		Year ended 31 st March 2019	
	Domestic	Foreign	Domestic	Foreign
Revenues from sale of products to external customers	179,827	2,802	218,206	4,743
Non - Current Assets :				
Property, Plant and Equipment	114,469	-	53,482	-
Capital work in progress	20,980	-	17,897	-
Other non current assets	9,287	-	5,947	-

36. Leases (Ind AS 116 Disclosure)

(₹ in Lakh)

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

As at 1 st April, 2019	-
Acquisition	6,158
Deletions	-
Accretion of interest	427
Payments	585
As at 31 st March , 2020	6,000
Non-current	6,000

The effective interest rate of lease liabilities is 9.85%, with maturity between 2020-2083

The following are the amounts recognised in profit or loss :

Year ended 31 st March , 2020 (Leases under Ind AS 116)	
Depreciation expense of right of use assets	318
Interest expense on lease liabilities	427
Expense relating to leases of short-term / low value assets (included in other expenses)	-
Total amount recognised in profit or loss	745

Amounts recognised in statement of cash flows :**Rights to use assets separate disclosure**

Year ended 31 st March, 2020	
Financing activities	
Repayment of principal	158
Repayment of interest	427

Operating activities

Short term / low value assets lease payment	
Total cash outflow for leases	585

Effective 1st April, 2019, the Company has adopted IND AS 116 "Leases" using modified retrospective approach. This has resulted in recognizing right of use assets and lease liability as on 1st April , 2019. The adoption of the Standard did not have any material Impact on the financial results of the Company.

Future minimum rentals payable under non-cancellable operating leases as at 31st March, 2020 are as follows :

	<u>As at 31.03.2020</u>	<u>As at 31.03.2019</u>
Future minimum lease payments		
Not later than one year	810	494
Later than one year and not later than five years	3,239	1,978
Later than five years	7,158	3,461
Total	<u>11,207</u>	<u>5,933</u>

37. Capital management

For the purpose of the Company's capital management, equity includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders and net debt includes interest bearing loans and borrowings less current investments and cash and cash equivalents. The primary objective of the Company's capital management is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, internal accruals, long term borrowings and short term borrowings. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

In order to achieve this overall objective, the Company's capital management amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

(₹ in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
Long term borrowing	11,930	5,040
Short term borrowing	14,348	26,380
Current maturities of long-term debt	5,959	3,360
Less : Cash and bank balance	(5,197)	(5,794)
Net debt	27,040	28,986
Equity	138,658	94,045
Capital and net debt	165,698	123,031
Gearing ratio	16%	24%

To maintain or adjust the capital structure, the Company review the fund management at regular intervals and take necessary actions to maintain the requisite capital structure.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2020 and 31st March, 2019.

38. The Company had received an intimation from the Nominated Authority, Ministry of Coal, Government of India, for appropriation of Performance Bank guarantee to the extent of ₹ 2,138 Lakh (total BG value ₹ 5,345 Lakh), in view of non-compliance of production schedule in terms Coal Mine Development and Production Agreement in respect of Belgaon Coal Mine. However, the Company filed a writ petition in the Hon'ble High Court at Delhi and after hearing the matter on 3rd May, 2018, the Hon'ble High Court directed the Company to file an appeal in the Special Tribunal at Nagpur within two weeks. Accordingly the Company filed an appeal on 8th May, 2018 and as a matter of prudence, necessary provision of ₹ 2,138 Lakh was made during the year ended 31st March, 2018. The matter since been decided and accordingly, the company have issued a new bank guarantee for ₹ 2,138 Lakh and requested the Nominated Authority to return the previous bank guarantee of ₹ 5,345 Lakh.

39. Employees benefit plans

1) Employees Provident Fund, the Company has made good the shortfall of interest on fund ₹ 20 Lakh. (Previous Year surplus ₹ 6 Lakh). Further the following table sets out for the Employee Benefits plan as required under Ind AS 19

(₹ in Lakh)

Particulars	Gratuity		Provident Fund		Superannuation	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Statement showing changes in Present Value of obligation :						
Present value of obligations at the beginning of the year	2,155	2,632	6,995	5,950	2,430	2,569
Interest Cost	162	149	588	549	187	162
Current Service Cost	506	217	920	914	234	238
Benefits paid	- 249	- 843	- 964	- 420	- 264	- 539
Actuarial Loss on Obligations	-	-	-	-	-	-
Present value of obligations as at the end of the year	2,574	2,155	7,538	6,995	2,587	2,430
Table showing changes in the fair value of Plan Assets :						
Fair value of Plan Assets at the beginning of year	2,155	2,632	6,995	5,950	2,430	2,569
Expected return on Plan Assets	162	149	567	557	187	162
Contributions	506	217	920	914	234	238
Benefits paid	249	843	-964	-420	-264	-539
Actuarial Gain / (Loss) on Plan Assets	- 498	-1,686	-	-	-	-
Fair value of Plan Assets at the end of the year	2,574	2,155	7,518	7,001	2,587	2,430
Funded Status	-	-	20	-6	-	-
Excess of Actual over estimated return on Plan Assets	-	-	-	-	-	-
Actuarial Gain / (Loss) recognised :						
Actuarial Loss for the year - Obligation	-	-	-	-	-	-
Actuarial Gain / (Loss) for the year - Plan Assets	-	-	-	-	-	-
Total Loss for the year	-	-	-	-	-	-
Actuarial Gain / (Loss) recognised in the year	-	-	-	-	-	-
Amounts to be recognised in the Balance Sheet :						
Present value of obligations as at the end of the year	2,574	2,155	7,539	6,995	2,587	2,397
Fair value of Plan Assets as at the end of the year	2,574	2,155	7,518	7,001	2,587	2,397
Funded Status	-	-	- 20	6	-	-
Net Asset / (Liability) Recognised in the Balance Sheet	-	-	20	- 6	-	-
Expenses Recognised in the statement of Profit and Loss :						
Current Service Cost	506	217	588	549	-	-
Interest Cost	-	-	-	-	-	-
Expected Return on Plan Assets	-	-	567	556	-	-
Net Actuarial (Gain) / Loss Recognised in the Statement of Profit & Loss	-	-	-	-	-	-
Expenses Recognised in Statement of Profit & Loss	506	217	-	- 6	-	-
Actuarial Assumptions :						
Discount Rate	7.80%	7.80%	8.50%	8.55%	-	-
Salary Escalation	5.00%	5.00%	5.00%	5.00%	-	-
Investment Details :						
GOI Securities	-	-	27%	29%	-	-
State Government Securities	-	-	36%	33%	-	-
Approved Marketable Securities	-	-	-	-	-	-
Bonds / Debentures etc	-	-	33%	34%	-	-
Loans	-	-	-	-	-	-
Equity	-	-	-	-	-	-
Liquid fund / Money Market Instrument	-	-	4%	4%	-	-
Total	-	-	100%	100%	-	-

- a) The investment details of Gratuity funds are as per the Scheme of Life Insurance Corporation of India (LIC).
- b) The investment details of Superannuation funds are as per the Scheme of Life Insurance Corporation of India (LIC) under two plans. Even though these plans are still continuing, Company has stopped making contribution towards One plan i.e. Superannuation Scheme of Workers w.e.f. 01.04.1995 on payment of bonus in the year 1995 as per the terms and conditions of Rules framed at the time of subscribing to the designated policy of LIC. Company was liable as per terms and conditions of the Trust deed to pay contributions only till applicability of provisions of payment of Bonus Act.

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

In accordance with the requirements of IND AS-24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reporting periods.

Related Party Name and Relationship
i) Key management personnel

(₹ in Lakh)

Name	Designation	Account	Transactions year ended		Outstanding As at	
			31.03.2020	31.03.2019	31.03.2020	31.03.2019
Mr. Ravi Bhushan Bhardwaj	Non Executive Chairman	Commission	51	91	69	2
Mr. Pranav Bhardwaj	Managing Director	Remuneration & Commission	367.86	499	110	1
Mr. Surendra Kumar Gupta	Deputy Managing Director	Remuneration	108.68	110	-	-
Mr. R. Muralidhar	Executive Director (Finance)	Remuneration	92.77	94	-	-
Mr. Ramchandra V. Dalvi	Executive Director(Works)	Remuneration	74.85	76	-	-
Mr. S. Mahadevan (w.e.f. 01.10.2019)	Chief Financial Officer	Remuneration	20.01	-	-	-
Mr. Pranab Panigrahi	Company Secretary	Remuneration	-	22*	-	-
Mr. Ashutosh Mishra	Company Secretary	Remuneration	29.99	13*	-	-
Dr. E.R.C. Shekhar	Non Executive, Independent Director	Commission & Sitting Fees	4.72	3.69	-	-
Mr. Kumar Jitendra Singh	Non Executive, Independent Director	Commission & Sitting Fees	4.23	3.10	-	-
Mr. Jayesh M. Parmar	Non Executive, Independent Director	Commission & Sitting Fees	1.73	3.01	-	-
Mr. S. Gajendran	Non Executive, Independent Director	Commission & Sitting Fees	0.87	3.22	-	-
Mrs. Neelam Kothari	Non Executive, Independent Director	Commission & Sitting Fees	3.52	2.74	-	-
Mr. Rooshad Russi Patel	Non Executive, Independent Director	Commission & Sitting Fees	2.20	2.70	-	-
Mr. Anand Kapre	Additional Director, Non-Executive, Independent	Commission & Sitting Fees	1.45	-	-	-
Mrs. Vinita Bahri	Additional Director, Non-Executive, Independent	Commission & Sitting Fees	0.26	-	-	-
Mr. Sajiv Dhawan	Non Executive, Independent Director	Commission & Sitting Fees	1.85	-	-	-

*Related to part of the year

ii) Subsidiaries

Particulars	Shareholding as on 31.03.2020	Account	Transactions year ended		Outstanding As at	
			31.03.2020	31.03.2019	31.03.2020	31.03.2019
Sunflag Power Limited	100%	Unsecured Loan	14	14	1,023	1,009
Khappa Coal Company Private Limited	63%	Advance Paid	-	-	737	737
Sunflag Foundation	100%	Share Capital	-	-	1	1
Sunflag Foundation	100%	CSR Expenses	304	245	-	-

Interest on advances to Subsidiaries charged @ 9% p.a. However, as these Companies are not commercially operational the same has been waived off since the chances of recovery is remote.

iii) Joint Ventures

Daido D.M.S. India Private Limited	17.56%	Share Capital	-	-	360	360
Ramesh Sunwire Private Limited	49.00%	Share Capital	-	270	490	490
Ramesh Sunwire Private Limited	49.00%	Sale of goods	1,245	-	754	-
Ramesh Sunwire Private Limited	49.00%	Purchase of goods	32	-	(11)	-
CT Mining Private Limited	31.80%	Share Capital	-	-	295	295
Madanpur (North) Coal Co. Pvt. Ltd.	11.73%	Share Capital	-	-	110	110

iv) Associate Enterprises

Haryana Televisions Limited	Relationship through KMP	Rent	57	57	28	24
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41. Interest In Joint Ventures

The Company has interests in the following jointly controlled entities:

Name of Companies and country of incorporation	% of shareholding	Amount of Interest based on accounts for the year ended 31.03.2020					
		Assets	Liabilities	Income	Expenditure	Contingent Liabilities	Capital Commitments
Daido D.M.S. India Private Limited	17.56 (20.00)	2,071 (367)	2,071 (367)	972 (168)	1,203 (180)	- -	- -
Madanpur (North) Coal Company Private Limited / India #	11.73 (11.73)	110 (110)	110 (110)	3 (3)	14 (14)	389 (389)	- -
Ramesh Sunwire Private Limited	49.00 (49.00)	4,218 (396)	4,218 (396)	1,649 -	1,664 (1)	- -	- -
C T Mining Private Limited	31.80 (31.80)	991 (307)	991 (307)	25 (8)	12 (5)	- -	- -

Note : Figures in brackets relate to the previous year.

Financials of Madanpur (North) Coal Co. Pvt. Ltd. are not available till the date of signing of the audit and therefore considered as per previous year since the company is not in operation.

42. Fair value hierarchy

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values :

Financial Assets : (₹ in Lakh)

Particulars	Fair value hierarchy	As at 31.03.2020		As at 31.03.2019	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets designated at fair value through profit and loss					
Non current financial asset - Investments	Level-3	1,450	1,450	1,450	1,450
Financial assets designated at fair value through other comprehensive income					
Financial assets designated at amortised cost					
Non current financial asset - Bank	Level-3	94	94	73	73
Non current financial asset - Loans	Level-3	3,197	3,197	2,773	2,773
Current financial asset - Trade receivables	Level-3	21,169	21,169	28,602	28,602
Current financial asset - Cash and cash equivalents	Level-2	521	521	161	161
Financial Asset - Bank balances other than above	Level-3	4,676	4,676	5,633	5,633
Total		31,107	31,107	38,692	38,692

Financial Liabilities :

Financial liability designated at amortised cost					
Non current financial liabilities - Borrowings	Level-2	11,930	11,930	5,040	5,040
Non current financial liabilities - Other	Level-3	8,351	8,351	2,001	2,001
Current financial liabilities - Borrowings	Level-2	14,348	14,348	26,380	26,380
Current financial liabilities - Other	Level-3	13,078	13,078	10,128	10,128

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties in an orderly market transaction, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values.

The fair values of derivatives are on MTM as per Bank

Company has opted to fair value its Long term and Current investments through profit & loss

Company has adopted effective rate of interest for calculating Interest. This has been calculated as the weighted average of effective interest rates calculated for each loan. In addition processing fees and transaction cost relating to each loan has also been considered for calculating effective interest rate.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level-1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

43. Financial Risk Management

Financial risk factors

The Company's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company has loan, investment, trade receivables, other receivables, cash and short-term deposits that arise directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and also ensure that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes will be undertaken.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below :

i) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and financial liabilities held as at 31st March, 2020 and 31st March, 2019.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest expenses to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total loan portfolio. The company's borrowings have been contracted at floating rates of interest. Accordingly, carrying value of such borrowings (including interest accrued but not due) which approximates fair value.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the unhedged portion of loans and borrowings. With all other variables held constant the Company's profit before tax is affected through the impact on floating rate borrowings, as follows :

(₹ in Lakh)

Increase / (decrease) in interest rate		Effect on profit before tax	
As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
0.50%	0.50%	(11.43)	(11.82)
- 0.50%	- 0.50%	11.43	11.82

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating and financing activities.

Currency	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
EUR	2	(2)	5	(5)
GBP	-	-	1	(1)
SEK	1	(1)	1	(1)
USD	5	(5)	11	(11)

ii) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables and advances to suppliers) and from its financing activities, including deposits and other financial instruments.

Trade receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. The Company continuously monitors the economic environment in which it operates. The Company manages its Credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business. An impairment analysis is performed at each reporting date on an individual basis for major clients. An impairment analysis is performed at each quarter end on an individual basis for major customers.

(₹ in Lakh)

Aging	Total		Up to 6 month		More than 6 month	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Trade receivables	22,230	29,582	21,169	28,602	1,061	(980)
Less : ECL Provision	(1,061)	(980)	-	-	(1,061)	(980)

Movement of Expected loss

(₹ in Lakh)

	Opening Balance	Addition	Reversal	Closing Balance
Expected Credit loss - 2020	980	81	-	1,061
2019	704	276	-	980

iii) Liquidity Risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and cash credit facilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contracted undiscounted payments.

Non current /current financial liabilities	Total		Less than 1 year		1 year - 2 year		2 year and above	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Non current financial liabilities								
i) Borrowings★	17,889	8,399	5,959	3,360	6,012	2,672	5,919	2,368
ii) Others	8,351	2,001	-	-	8,351	2,001	-	-
Current financial liabilities								
i) Borrowings★	14,348	26,380	14,348	26,380	-	-	-	-
ii) Others	13,078	10,128	13,078	10,128	-	-	-	-

★including current maturity of long term debt

44. Information related to Consolidated Financial statements

The company is listed on stock exchange in India, the Company has prepared consolidated financial statements as required under IND AS 110, Sections 129 of Companies Act, 2013 and listing requirements. The consolidated financial statement is available on company's web site for public use.

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

(₹ in Lakh)

Particulars	31.03.2020	31.03.2019
Gross amount required to be spent during the year	304	245
Amount spent during the year		
- Construction / acquisition of any assets	-	-
- On purpose other than above	304	245

46. During the year, Company has incurred expenditure related to construction of property plant and equipment and therefore accounted for the same under capital work in progress. Details of the expenses capitalised and carried forward as capital work in progress are given below :

(₹ in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
Brought forward from last year	17,897	10,759
Expenditure incurred during the year :		
- Building and civil constructions	979	1,422
- Machinery and equipments	12,395	10,644
- Interest and financial charges	462	469
- Miscellaneous expenses	-	-
Total expenditure during the year	13,836	12,535
Less : Miscellaneous income	-	-
Less : Capitalised during the year	10,753	5,397
Carried forward as part of Capital-work-in-progress	20,980	17,897

47. Subsequent events

No adjusting or significant non-adjusting events have occurred between the reporting date and date of authorization of these financial statements.

48. In view of outbreak of COVID-19 followed by Nationwide lock down announced by Government of India, the manufacturing facilities and other commercial activities of the company were closed w.e.f. 24th March, 2020. The company have restarted its operations from 23rd May, 2020 in a phased manner after obtaining necessary permission and has established all safety measures maintaining high standard of hygiene for the employees.

Based on the initial assessment by the management and considering various internal and external information upto the date of approval of this financial results, the company does not have any material impact in the recoverability of carrying amount of its loans and advances, inventory, trade receivables etc. Further Reserve Bank of India granted relief to the borrowers by way of moratorium in repayment and servicing of interest due to bank. The company have availed such moratorium up to August 2020. However, these evaluations are subject to impact of uncertainties that COVID-19 outbreak may ultimately pose on economic recovery and consequential effect on Company's performance.

As per our report of even date as attached

For S S KOTHARI MEHTA & CO.
Chartered Accountants
FRN : 000756N

SUNIL WAHAL
Partner
M. No. 087294

Nagpur
26th June, 2020

For and on behalf of Sunflag Iron and Steel Company Limited

PRANAV BHARDWAJ
MANAGING DIRECTOR

S. K. GUPTA
Dy. MANAGING DIRECTOR

CA R. MURALIDHAR
EXECUTIVE DIRECTOR (FINANCE)

S. MAHADEVAN
CHIEF FINANCIAL OFFICER

K. J. SINGH
DIRECTOR

VINITA BAHRI
DIRECTOR

ASHUTOSH MISHRA
COMPANY SECRETARY

Form No. AOC – 1

Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries / 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	31.03.2020	31.03.2020	31.03.2020
% 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	1023.00	1,165.00	-
Share Application Money	-	-	-
Reserves and Surplus	-	(89.51)	-
Other Liabilities	-	2.98	419.00
Total Assets	1028.00	1,578.47	420.00
Total Liabilities	1028.00	1,578.47	420.00
Investments	-	-	-
Turnover	-	-	-
Profit / (Loss) before Taxation	-	4.74	-
Profit/(Loss) after Taxation	-	3.64	-
Proposed Dividend	-	-	-

Note: Except Sunflag Foundation, other Subsidiary Companies mentioned above, have yet to commence their activities or business operations.

Part "B" : Associates & Joint Ventures**Statement Pursuant to sub-section (3) of Section 129 of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

(₹ in Lakh)

S. N.	Particulars	Madanpur (North) Coal Company Private Limited	CT Mining Private Limited	Daido D.M.S India Private Limited	Ramesh Sunwire Private Limited
1	Latest audited Balance Sheet date	# 31.03.2019	31.03.2020	31.03.2020	31.03.2020
2	Shares of Associate / Joint Ventures held by the Company on the year end No.	12,10,188	31,80,000	36,00,000	49,00,000
	Amount of investment in Associate / Joint Ventures	121.00	318.00	360.00	490.00
	Extend of holding %	11.73%	31.80%	17.56%	49.00%
3	Description of how there is significant influence	Part of decision making	Shareholding exceeding 20%	Part of decision making	Part of decision making
4	Reason why the Associate / Joint Ventures not consolidated	N.A.	N.A.	N.A.	N.A.
5	Networth attributable to Shareholding as per latest audited Balance Sheet	109.61	307.27	231.65	473.17
6	Profit / (Loss) for the year	(11.40)	(10.73)	(128.35)	(16.83)
	Considered in consolidation	Equity accounted	Equity accounted	Equity accounted	Equity accounted
	Not Considered in consolidation	Equity accounted	Equity accounted	Equity accounted	Equity accounted

Note : All the Joint-Ventures mentioned above, except Daido DMS India Private Limited and Ramesh Sunwire Private Limited, have yet to commence the business operations.

Financials of Madanpur (North) Coal Company Private Limited are not available till the date of signing and therefore considered as per previous year since the Company is not in operation.

As per our report of even date as attached

For S S KOTHARI MEHTA & CO.
Chartered Accountants
FRN : 000756N

SUNIL WAHAL
Partner
M. No. 087294
Nagpur
26th June, 2020

For and on behalf of Sunflag Iron and Steel Company Limited

PRANAV BHARDWAJ
MANAGING DIRECTOR

S. K. GUPTA
Dy. MANAGING DIRECTOR

CA R. MURALIDHAR
EXECUTIVE DIRECTOR (FINANCE)

S. MAHADEVAN
CHIEF FINANCIAL OFFICER

K. J. SINGH
DIRECTOR

VINITA BAHRI
DIRECTOR

ASHUTOSH MISHRA
COMPANY SECRETARY

INDEPENDENT AUDITORS' REPORT

To
The Members
Sunflag Iron and Steel Company Limited

Report on the Audit of the consolidated Financial Statements**Opinion**

We have audited the accompanying consolidated financial statements of Sunflag Iron & Steel Co. Limited ("the Company" or "Holding Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group") and its joint ventures, which comprise the consolidated balance sheet as at March 31, 2020, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act and the Rules issued thereunder and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint ventures as at March 31, 2020, its consolidated profit (including consolidated total comprehensive income), consolidated 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 independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Note 48 to the consolidated financial statements, which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and financial results as assessed by the management. The impact of these uncertainties on the Company's operations is dependent on future developments. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's Response
1.	Recognition of revenue, measurement, presentation and disclosure as per Ind AS-115 "Revenue from Contracts with Customers". (Refer Sub-note No. XVII of Note 2 of Accounting Policy)	<p>Our procedures included, but were not limited to the following :</p> <ul style="list-style-type: none"> ● We performed walkthroughs to understand the key processes and identify key controls related Ind AS 115 "Revenue from Contracts with Customers" ● On a sample basis we performed testing to verify physical deliveries of product in the year to ascertain transfer of control. ● We performed revenue cut-off testing, by reference to bill dates of sales recorded either side of the financial year end had legally completed; and ● Selected a sample of sales contracts and read, analysed and identified the distinct performance obligations in these contracts. <p>Based on our audit procedures we have concluded that revenue is appropriately recognized, and that there was no evidence of management bias.</p>
2.	Evaluation of uncertain civil and indirect tax positions and recoverability of amount deposited under protest as recoverable. The Company has material uncertain civil and indirect tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.	Obtained details of completed tax assessments of earlier years and demands as on 31 st March, 2020 from management of the Company. We have done assessment of the managements underlying assumptions in estimating the tax provision and the possible outcome of the disputes.

Sr. No.	Key Audit Matter	Auditor's Response
	<p>The eventual outcome of these litigations is uncertain, and the positions taken by the management of the Company are based on the application of significant judgement and estimation. The review of these matters requires application and interpretation of tax laws and reference to applicable judicial pronouncements.</p> <p>Based on management judgement and the advice from legal and indirect tax Consultants and considering the merits of the case, the Company has recognized provisions wherever required and for the balance matters, where the management expects favourable outcome, these litigations have been disclosed as contingent liabilities in the consolidated financial statements unless the possibility of out flow of resources is considered to be remote.</p> <p>Given the uncertainty and application of significant judgment in this area in terms of the eventual outcome of litigations, we determined this to be a key audit matter.</p>	<p>Based on management estimates, the liability against these matters are not yet certain, hence the same has been shown as contingent liability in the current consolidated financial statements.</p> <ul style="list-style-type: none"> ● Understanding and evaluating process and controls designed and implemented by the management including testing of relevant controls; ● Gaining an understanding of the civil and indirect tax related litigations through discussions with the management, including the significant developments, additions and settlements during the year and subsequent to 31st March, 2020; ● Verifying demand notices received from various indirect tax authorities and evaluating the Company's written responses to those matters; ● Evaluating the management's assessment on the likely outcome and potential magnitude by involving experts on complex or significant matters as considered necessary; and ● Assessing the adequacy of the Company's disclosures. <p>We did not identify any significant exceptions to the management's assessment of the ongoing civil and indirect tax litigations as a result of the above procedures.</p>

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the 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 report the matter to those charged with governance.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group and its joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and its joint ventures are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and its joint ventures are responsible for assessing the ability of the Group and its joint ventures 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 Group and its joint ventures or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and its joint ventures are also responsible for overseeing the financial reporting process of the Group and its joint ventures.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary and its joint venture companies which are the companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 or business activities 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 the consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements and other financial information, in respect of two subsidiaries whose financial statements reflect total assets of ₹ 2,607 lakhs as at March 31, 2020; as well as the total revenue ₹ 6 lakhs for the year ended March 31, 2020, total profit after tax of ₹ 4 lakhs, total comprehensive income of ₹ Nil and net cash inflow amounting to ₹ 6 lakhs for the year ended March 31, 2020. These financial statements and other information have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amount and disclosure included in respect of these subsidiaries and our report in terms of sub-section 3 of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Consolidated financial statements also include financial results of four (4) joint venture companies wherein the Group's share of profit including other comprehensive (loss) is ₹ (54) lakhs for the year ended March 31, 2020 whose financial statements have not been audited by us as considered in the consolidated financial statements. Our report to the extent it concerns these joint venture companies on the consolidated financial statements for the year ended March 31, 2020 is based solely on the management certified financial results. These joint venture companies are not material to the group.

Our opinion on the consolidated financial statements above and our report on the Other Legal and Regulatory Requirement below, is not modified in respect of above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the considerations of the reports of the other auditors on separate financial statements of the subsidiaries and joint ventures referred to in the Other Matters paragraph above we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
 - c) The consolidated balance sheet, the consolidated statement of profit and loss including (including other comprehensive income), consolidated statement of cash flows and consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with relevant rules issued thereunder;
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and its subsidiaries incorporated in India and joint ventures incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated in India and its joint ventures incorporated in India, none of the directors of the Group and joint ventures incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Group and its joint venture Companies incorporated in India.
- g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Group and its joint ventures disclose the impact of pending litigation as at March 31, 2020 on its consolidated financial position of the Group and its joint ventures Refer Note 33 o 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 and
 - iii. There has been no delay in transferring amounts, required to transferred, to the Investor Education and Protection Fund by the Company, its subsidiary companies and joint ventures incorporated in India.

For S.S. Kothari Mehta & Company
Chartered Accountants
Firm Regn. No. 000756N

CA Sunil Wahal
Partner
Membership Number - 087294

New Delhi
26th June, 2020
UDIN : 20087294AAAAEG8303

Annexure A to the Independent Auditor's Report to the members of Sunflag Iron and Steel Company Limited dated June 26, 2020 on its Consolidated Financial Statements.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section.

In conjunction with our audit of the consolidated financial statements of **Sunflag Iron and Steel Company Limited** as of and for the year ended March 31, 2020, we have audited the Internal Financial Controls over Financial Reporting of Sunflag Iron and Steel Company Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its joint ventures which are the Companies incorporated in India, for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiaries and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and its subsidiaries and joint ventures 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (the Act).

Auditors' Responsibility

Our responsibility is to express an opinion on the Group and its joint ventures internal financial controls over financial reporting based on our audit.

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) 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
- c) 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 over Financial Reporting

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

Opinion

In our opinion, the Group and its joint ventures, which are the Companies incorporated in India have maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the holding company & its subsidiary companies and joint ventures incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

- a) Our aforesaid reports under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates two subsidiaries companies which are companies incorporated in India, is based corresponding reports of the auditors of such subsidiary companies incorporated in India.
- b) Our aforesaid reports under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to four joint venture companies which are companies incorporated in India for which no corresponding report of the auditors of such companies is available as the accounts are management certified. These joint ventures are not considered material to the Group.

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

New Delhi
26th June, 2020
UDIN : 20087294AAAAEG8303

For S.S. Kothari Mehta & Company
Chartered Accountants
Firm Regn. No. 000756N
CA Sunil Wahal
Partner
Membership Number - 087294

**SUNFLAG IRON AND STEEL COMPANY LIMITED, ITS SUBSIDIARIES AND JOINT VENTURES
CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2020**

Particulars	Note No.	As at 31.03.2020 (₹ in Lakh)	As at 31.03.2019 (₹ in Lakh)
A. ASSETS			
1. Non-current Assets			
a) Property, plant and equipment	3	114,653	53,667
b) Capital work-in progress		23,259	20,162
c) Financial Assets			
i. Investments	4	1,075	1,155
ii. Bank Balances	5	94	73
iii. Non-Current Loans	6	1,432	1,027
d) Other non current asset	6A	6,114	3,174
Total non-current assets		146,627	79,258
2. Current Assets			
a) Inventories	7	56,277	55,217
b) Financial assets			
i. Trade Receivables	8	21,169	28,602
ii. Cash and cash equivalents	9	641	184
iii. Bank balances other than above	9A	4,676	5,723
iv. Others	10	230	257
c) Current tax assets (net)	11	316	1,399
d) Other current assets	12	9,954	6,241
Total current assets		93,263	97,623
TOTAL ASSETS		239,890	176,881
B. EQUITY AND LIABILITIES			
1. Shareholders' funds			
a) Share Capital	13	18,022	18,022
b) Other equity	14	120,499	75,992
c) Minority interest		146	146
Total Shareholders' Funds		138,667	94,160
2. Non-current Liabilities			
a) Financial liabilities			
i. Borrowings	15	12,358	5,468
ii. Other financial liabilities	16	8,351	2,001
b) Provisions	17	2,342	2,328
c) Deferred tax liabilities (Net)	18	18,244	8,202
d) Other non-current liabilities	19	173	333
Total non-current liabilities		41,468	18,332
3. Current Liabilities			
a) Financial liabilities			
i. Borrowings	20	14,348	26,380
ii. Trade payables	21		
- Total outstanding dues of Micro Enterprises and Small Enterprises		1,366	1,263
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		30,103	25,458
iii. Other financial liabilities	22	13,077	10,128
b) Other current liabilities	23	861	1,160
Total current liabilities		59,755	64,389
TOTAL EQUITY AND LIABILITIES		239,890	176,881

Significant accounting policies 1 & 2

The accompanying notes form an integral part of these Financial Statements

As per our report of even date as attached

For and on behalf of Sunflag Iron and Steel Company Limited

For S S KOTHARI MEHTA & CO.

Chartered Accountants

FRN : 000756N

SUNIL WAHAL

Partner

M. No. 087294

Nagpur

26th June, 2020**PRANAV BHARDWAJ**

MANAGING DIRECTOR

S. K. GUPTA

Dy. MANAGING DIRECTOR

CA R. MURALIDHAR

EXECUTIVE DIRECTOR (FINANCE)

S. MAHADEVAN

CHIEF FINANCIAL OFFICER

K. J. SINGH

DIRECTOR

VINITA BAHRI

DIRECTOR

ASHUTOSH MISHRA

COMPANY SECRETARY

**SUNFLAG IRON AND STEEL COMPANY LIMITED, ITS SUBSIDIARIES AND JOINT VENTURES
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020**

Particulars	Note No.	Year Ended 31.03.2020 (₹ in Lakh)	Year Ended 31.03.2019 (₹ in Lakh)
1. Revenue from Operations	24	175,812	218,600
2. Revenue from sales of traded goods		-	-
3. Other Income	25	1,259	1,118
Total Income		177,071	219,718
4. Expenses			
Cost of raw Materials & Components Consumed	26 (a)	106,713	147,347
Other Manufacturing Expenses	26 (b)	31,254	35,701
Purchase of stock-in-trade		-	-
Changes in inventories of finished goods and work-in-progress	27	1,182	(10,085)
Employee Benefits Expense	28	9,734	10,208
Finance Costs	29	4,263	3,874
Depreciation and Amortisation Expenses	30	4,621	3,787
Other Expenses	31	9,866	11,652
Total Expenses		167,633	202,484
5. Profit before tax		9,438	17,234
6. Share Profit/(loss) in Joint Ventures & associates		(54)	(34)
7. Tax Expense			
a) Current tax expense for current year	18	2,345	5,840
b) Deferred tax	18	(2,168)	330
8. Profit/(Loss) for the year from the continuing operation after tax		9,207	11,030
9. Profit/(Loss) for the year from the continuing operation after tax attributable to			
Owners Equity		9,205	11,027
Non-Controlling interest		2	3
10. Other comprehensive income			
Items that will not be reclassified to profit or loss		48,653	382
Income tax relating to items that will not be reclassified to profit or loss		(12,210)	-
Total comprehensive income for the year Net of Tax		45,650	11,412
11. Total comprehensive income for the year (net of tax) attributable to			
Owners Equity		45,648	11,409
Non-Controlling interest		2	3
12. Earning per equity share (Amount in ₹)			
Basic	32	5.11	6.12
Diluted	32	5.11	6.12
Significant accounting policies	1 & 2		

The accompanying notes form an integral part of these financial statements

As per our report of even date as attached

For S S KOTHARI MEHTA & CO.
Chartered Accountants
FRN : 000756N

SUNIL WAHAL
Partner
M. No. 087294
Nagpur
26th June, 2020

For and on behalf of Sunflag Iron and Steel Company Limited

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Dy. MANAGING DIRECTOR

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DIRECTOR

ASHUTOSH MISHRA
COMPANY SECRETARY

**SUNFLAG IRON AND STEEL COMPANY LIMITED, ITS SUBSIDIARIES AND JOINT VENTURES
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020**

Particulars	For the year ended 31.03.2020 (₹ in Lakh)		For the year ended 31.03.2019 (₹ in Lakh)	
A. Cash flow from operating activities				
Net Profit/ (Loss) before extraordinary items and tax		9,438		17,200
Owners Equity		-	-	-
<i>Adjustments for :</i>				
Depreciation and amortisation		4,621	-	3,787
(Profit)/ loss on sale / write off of assets		-	-	(2)
Finance costs		4,263	-	3,874
Actuarial Gain	-	140	-	382
Provision for doubtful trade and other receivables, loans and advances	-	81	-	276
Operating profit/ (loss) before working capital changes		18,543		25,517
<i>Changes in working capital :</i>				
<i>Adjustments for (increase)/ decrease in operating assets :</i>				
Inventories	(1,060)		(11,933)	
Trade receivables	7,352		1,298	
Short-term loans and advances	1,110		9	
Long-term loans and advances	(353)		(35)	
Other current assets	(3,713)		(1,339)	
Other non-current assets	(2,940)	396	1,515	(10,485)
<i>Adjustments for increase/ (decrease) in operating liabilities :</i>				
Trade payables	4,748		7,802	
Other current liabilities	51		298	
Short-term provisions	-		-	
Other long-term liabilities	350		1,048	
Long-term provisions	14	5,163	(638)	8,510
Cash generated from operations		24,102		23,542
Net income tax (paid)/ refunds		(2,345)		(5,842)
Net cash flow from / (used in) operating activities (A)		21,757		17,700
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances		(14,296)		(13,145)
Proceeds from sale of fixed assets		1		-
Other Bank deposits not considered in Cash & Cash equivalent (NET)		1,047		(751)
Long-term investments in - Joint ventures		-		(244)
Net cash flow from / (used in) investing activities (B)		(13,248)		(14,140)
C. Cash flow from financing activities				
Proceeds from issue of equity shares		-		-
Proceeds from long-term borrowings		9,489		-
Repayment of long-term borrowings		-		(3,231)
Net (decrease) / increase in working capital borrowings		(12,032)		4,315
Proceeds from other short-term borrowings		-		-
Repayment of unsecured Deferred Sales Tax Loan		-		-
Finance cost		(3,838)		(3,873)
Dividends paid		(901)		(901)
Tax on dividend		(185)		(185)
Lease Repayment		(585)		-
Net cash flow (used in) / from financing activities (C)		(8,052)		(3,875)
Net increase / (decrease) in cash and cash equivalents (A+B+C)		457		(315)
Cash and cash equivalents at the beginning of the year		184		499
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		-		-
Cash and cash equivalents at the end of the year		641		184
Component of cash and cash equivalents				
		As at 31.03.2020 (₹ in Lakh)		As at 31.03.2019 (₹ in Lakh)
Cash and cash equivalents				
- Cash on hand		46		6
- Balances in current accounts		595		178
		641		184

**SUNFLAG IRON AND STEEL COMPANY LIMITED, ITS SUBSIDIARIES AND JOINT VENTURES
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020**

Cash Flow Continued....

Changes in liabilities arising from financing activities

Particulars	At the beginning	Cashflows	Fair value changes	Foreign exchange movement	As at the end 31.03.2020
Non-Current Borrowings	8,828	9,489	-	-	18,317
Current Borrowings	26,380	(12,032)	-	-	14,348

As per our report of even date as attached

For S S KOTHARI MEHTA & CO.
Chartered Accountants
FRN : 000756N

SUNIL WAHAL
Partner
M. No. 087294
Nagpur
26th June, 2020

For and on behalf of Sunflag Iron and Steel Company Limited

PRANAV BHARDWAJ
MANAGING DIRECTOR
S. K. GUPTA
Dy. MANAGING DIRECTOR
CA R. MURALIDHAR
EXECUTIVE DIRECTOR (FINANCE)
S. MAHADEVAN
CHIEF FINANCIAL OFFICER

K. J. SINGH
DIRECTOR
VINITA BAHRI
DIRECTOR
ASHUTOSH MISHRA
COMPANY SECRETARY
Statement of changes in equity for the year ended 31st March, 2020**a) Equity share Capital**

Particulars	No. of shares	Amount (₹ in Lakh)
As at 1st April, 2018	180,219,448	18,022
Issue of share capital	-	-
As at 31st March, 2019	180,219,448	18,022
Issue of share capital	-	-
As at 31st March, 2020	180,219,448	18,022

b) Other equity

(₹ in Lakh)

Particulars	Securities premium reserve	Reserve and Surplus			Other comprehensive Income		Total
		General reserve	Retained earnings	Retained earnings Account Remeasurements	Remeasurements of the defined benefit plans	Revaluation Surplus	
As at 1st April, 2018	3,785	256	61,401	227	-	-	65,669
Total comprehensive income for the year	-	-	-	-	-	-	-
Net Profit of the year	-	-	11,028	-	382	-	11,410
Dividend including Dividend Distribution tax (pertaining to FY 2018)	-	-	(1,086)	-	-	-	(1,086)
As at 31st March, 2019	3,785	256	71,342	227	382	-	75,992
Total comprehensive income for the year	-	-	-	-	140	36,303	36,443
Net Profit of the year	-	-	9,150	-	-	-	9,150
Dividend including Dividend Distribution tax (pertaining to FY 2019)	-	-	(1,086)	-	-	-	(1,086)
As at 31st March, 2020	3,785	256	79,406	227	522	36,303	1,20,499

Nature of reserves

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

As per our report of even date as attached

For S S KOTHARI MEHTA & CO.
Chartered Accountants
FRN : 000756N

SUNIL WAHAL
Partner
M. No. 087294
Nagpur
26th June, 2020

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COMPANY SECRETARY

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2020
1. Corporate information

Sunflag Iron and Steel Company Limited (the 'Company'), including its subsidiaries and joint venture collectively referred to as ("the group") was incorporated in 1984 and is engaged in the business of manufacturing and sale of Special Steel Rolled products. The Company is listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The registered office of the Company is situated at 33, Mount Road, Sadar, Nagpur - 440001, Maharashtra, India.

The details of Subsidiaries and Joint Ventures are as follows :

Subsidiaries	Joint Ventures
Sunflag Power Limited	Daido D.M.S India Private Limited
Khappa Coal Company Private Limited	Ramesh Sunwire Private Limited
Sunflag Foundation (not considered for consolidation as this company is formed for incurring CSR expenses)	C T Mining Private Limited
	Madanpur (North) Coal Company Private Limited

These financial statements are presented in Indian Rupees (₹)

2. Significant accounting policies
I. Basis of preparation

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

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

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

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

The financial statements for the year ended 31st March, 2020 were authorized and approved for issue by the Board of Directors on 26th June, 2020.

II. Basis of consolidation

The Consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements. All assets and liabilities have been classified as current or non current as per the Group's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

Principles of consolidation and equity accounting
Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

Joint Ventures

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial assets. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

III. Property, plant and equipment

Plant & Machinery and Buildings are measured by the holding company at fair value less accumulated depreciation on buildings and impairment losses recognised at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value. All other assets viz. Land, Furniture, Vehicles, Equipment, Electrical fittings etc. are stated at original cost net of tax/duty credit availed, less accumulated depreciation and accumulated impairment losses. When significant part of the property, plant and equipment are required to be replaced at intervals, the Group derecognised the replaced part and recognised the new parts with its own associated useful life and depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance cost are recognised in the statement of the profit and loss as incurred. The present value of the expected cost or the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

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

Capital work in progress includes property plant & equipment under installation/under development as at the balance sheet date.

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.

Property, plant and equipment eliminated from the financial statement, either on disposal or when retired from the active use. Losses arising in the case of retirement of property, plant and equipment are recognised in the statement of the profit and loss in the year.

IV. Intangible assets

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

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

V. Depreciation and amortization

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

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

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

Asset Description (As shown in Financials)	Useful life (in years) (As per Financials)	Useful life as per schedule - II of the Companies Act, 2013 (in years)
Freehold Land		
Freehold Land	20,90,95,100	
Lease Hold Land		
Lease Hold Land	30,95	
Building including roads		
Buildings Factory	30	30
Non Factory Building	58,60	60
Township	60	60
Welfare Buildings	60	60
Office Buildings	10,60	60

Asset Description (As shown in Financials)	Useful life (in years) (As per Financials)	Useful life as per schedule - II of the companies Act, 2013 (in years)
Temporary Building	1	3
Boundary Wall & Fencing	5	5
Approach Roads	5, 10	10 (RCC) & 5 (Other)
Railway Siding	15	15
Plant and Machinery		
Plant & Machinery	8, 10, 15, 18, 20, 25, 30	-
Electrical fittings	10	10
Computers	3, 6	3, 6
Combusters WHRB	15 Years	15 Years
Furniture fixtures and others		
Furniture fixtures and others	8	10
Vehicles		
Light Vehicles	8, 6 10	8
Heavy Vehicles	8	8
Office equipment		
Office equipment	5, 10	5
Development of Mines		
Development of Mines	20, 27, 30	-

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

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

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

VI. Impairment of non-financial assets

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

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

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

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

VII. Inventories

Inventories are valued as under :

i	Raw materials & components	At lower of cost or net realisable value
ii	Consumables, store & spares	At depreciated cost
iii	Finished and semi-finished goods	At lower of cost or net realisable value produced and purchased by the Company
iv	Work in progress	At lower of cost of 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
vi	Goods in transit	At cost

Cost represent, cost incurred in bringing the inventories to their present location and condition. Slow and non-moving material, obsolete, defective inventories are duly provided for and valued at net realisable value. Goods and materials in transit are valued at actual cost incurred up to the date of balance sheet.

Cost is calculated on weighted average basis.

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

The cost of inventories has been computed to include all cost of purchases, cost of conversion and other related expenses.

Materials and supplies held for use in the production of inventories are not written down if the finished product in which they will be used are expected to be sold at above cost.

VIII. Cash and cash equivalents

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

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

IX. Leases

Policy with effect from April 1, 2019

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

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

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. 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. Right-of-use assets are depreciated on a straight-line basis from the commencement date over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

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

iii) Short-term leases and leases of low-value assets

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

Policy relating to leases till March 31, 2019

A lease is classified at the inception date either as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. When acquired, such assets are capitalized at fair value of the leased property or present value of minimum lease payments, at the inception of lease, whichever is lower.

Other leases are operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and amortised over the lease term on the straight line basis

Where the Group is the lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease, costs including depreciation are recognized as an expense in the statement of profit and loss.

Where the Group as a lessee

Leases in which significant portions of risks and reward of ownership are not transferred to the Group as lessee are classified as

operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

X. Employee benefits

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

a) Long term benefit

i) Defined benefit plan

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

ii) Defined contribution plan

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

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

b) Short term benefits

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

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

XI. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all potential delusive equity shares.

XII. Provisions, contingent liabilities, contingent assets and commitments

General

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

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

Mine restoration or assets retirement obligation

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

Contingent liability is disclosed in the case of :

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

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

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

Onerous contract

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

Contingent assets

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

XIII. Segment accounting and reporting

The chief operational decision maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements.

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.

XIV. Investment in subsidiaries, joint ventures & associates

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

On transition to INDAS, the Group has adopted optional exemption under INDAS-101 to consider carrying value as deemed cost.

XV. Government grant / assistance

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

XVI. Taxes

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

Current income tax

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

Minimum alternate tax

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

Deferred Tax

Deferred tax is recognised on timing differences, being the difference between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be future taxable income available to realise such assets.

Deferred tax assets are recognised timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Group has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realizability.

XVII. 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-18 issued by Ministry of Corporate Affairs and measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and exuding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must be met before revenue is recognized :

a) Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

The Group provides cash in kind discounts at fair value to customers. These benefits are passed to customers on achievement of certain target of sales by respective customers.

Consideration received is allocated between the products sold and discount to be allowed to customers. Fair value of the in kind discount is determined by applying principle of Ind AS-113, i.e. at market rate. The fair value of the in kind discount is deferred and recognised as revenue when the in kind discount is issued.

b) Other operating income

Revenue from job work charges, incentives on exports and other government incentives related to operations are recognized in books after due consideration of certainty of utilization / receipt of such incentives.

c) Other income

Interest income on fixed deposit with banks is recognized on time proportion basis taking into account the amount outstanding and the rates applicable.

Dividend income from investments is recognized when the Group's right to receive payment is established.

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

XVIII. Foreign currency translation / conversion

Standalone financial statements have been presented in Indian Rupees (₹), which is the Group's functional and presentation currency.

a) Initial recognition

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

b) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

c) Exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Group are recognized as income or expense in the statement of profit and loss.

d) Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

e) Borrowing costs

Borrowing costs include interest, amortization of ancillary costs incurred and exchange difference arising from foreign currency borrowings to the extent are regarding as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from the commencement of activities relating to construction / development of the qualifying assets up to the date of capitalization of such asset is added to the cost of the assets.

Other borrowing cost are expensed in the period in which they are incurred.

XIX. Equity shares

Ordinary shares are classified as equity. Incremental cost net of taxes directly attributable to the issue of new equity shares are reduced from retained earnings, net of taxes.

XX. Financial Instruments

1) Initial recognition

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivable which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition.

2) Subsequent measurement**Non-derivative financial instruments****a) Financial assets carried at amortized cost**

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

b) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

d) Financial assets at fair value through profit or loss (FVPL)

A financial asset i.e. equity which is not classified as FVOCI, are subsequently fair valued through profit or loss.

e) Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirement of Ind AS-109 and the amount recognised less cumulative amortisation.

f) Impairment of financial assets

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss profit or loss.

g) Cash and cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

h) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, for trade and other payables maturing with one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

3. De-recognition

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS-109. A financial liability (or a part of financial liability) is derecognized from the Group's balance sheet when the obligation specified in the contract is discharged or canceled or expires.

4. Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets.

Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including, impairment gains or losses) or interest.

5. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

6. Current and non-current classification

The Group presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is :

- ★ Expected to be realized or intended to be sold or consumed in normal operating cycle.
- ★ Held primarily for the purpose of trading
- ★ Expected to be realized within twelve months after the reporting period, or
- ★ There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

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.

XXI. 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 principle market for the asset or liability, or
- ★ In the absence of a principle 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.

XXII. Critical accounting estimates, assumptions and judgements

In the process of applying the Group's accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognised in the financial statement :

a) Property, plant and equipment

External adviser or internal technical team assess the remaining useful lives and residual value of property, plant and equipment. Management believes that the assigned useful lives and residual value are reasonable.

b) Income taxes

Management judgement is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Group reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.

c) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of Contingencies / claim / litigations against the Group as it is possible to predict the outcome of pending matters with accuracy.

d) Allowance for uncollected accounts receivable and advances

Trade receivables do not carry and interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

e) Mine restoration obligation

In determining the fair value of the mine restoration obligation the Group uses technical estimates to determine the expected cost to restore the mines and the expected timing of these costs. Discount rates are determined based on the government bond of similar tenure.

Notes forming part of the Consolidated financial statements for the year ended 31st March, 2020

3. Property, plant and equipment

(₹ in Lakh)

Particulars	Tangible Assets										Right to use Assets as per Ind AS 116		Capital Work in Progress	
	Freehold Land	Leasehold Land	Building including Roads	Railway Siding	Plant & Machinery	Furniture Fixture & others	Vehicles	Office Equipment	Develop-ment of Mines	Leasehold land	Plant & Machinery	Total		
Gross Block														
As at 01.04.2018	369	89	23,108	375	106,264	227	435	412	2,042	-	-	133,320	13,010	
Additions	-	-	280	-	5,443	-	275	-	-	-	-	5,998	12,080	
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	469	
Disposals	-	-	-	-	-	-	(103)	-	-	-	-	-	(5,397)	
Adjustment of impairment	-	-	-	-	-	-	-	-	-	-	-	(103)	-	
As at 31.03.2019	369	89	23,388	375	111,705	227	607	412	2,042	92	6,066	139,216	20,162	
Additions	-	-	1,066	-	9,941	2	-	-	-	-	-	17,167	13,850	
Capitalised during the year	-	-	9,215	-	39,297	-	-	-	-	-	-	48,512	-	
Adjustment of revaluation Gain / (Loss)	-	-	-	-	(172)	-	(7)	-	-	-	-	(179)	-	
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	
Adjustment of impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	
As at 31.03.2020	369	89	33,669	375	160,773	229	600	412	2,042	92	6,066	204,716	23,259	
Accumulated Depreciation														
As at 01.04.2018	-	28	10,580	356	69,191	213	311	390	789	-	-	81,858	-	
Charge for the year	-	1	534	-	3,036	1	113	-	102	-	-	3,787	-	
Adjustment of impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	
Depreciation adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	
Disposals	-	-	-	-	-	-	(96)	-	-	-	-	(96)	-	
As at 31.03.2019	-	29	11,114	356	72,227	214	328	390	891	2	316	85,549	-	
Charge for the year	-	1	546	-	3,566	1	87	-	102	-	-	4,621	-	
Adjustment of impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	
Depreciation adjustments	-	-	-	-	(100)	-	(7)	-	-	-	-	(107)	-	
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	
As at 31.03.2020	-	30	11,660	356	75,693	215	408	390	993	2	316	90,063	-	
Net Block as at 31.03.2019	369	60	12,274	19	39,480	13	279	22	1,151	-	-	53,667	20,162	
Net Block as at 31.03.2020	369	59	22,009	19	85,080	14	192	22	1,049	90	5,750	114,653	23,259	

Notes :

- Addition to capital work in progress include ₹ 462 Lakh finance cost capitalised during the year. (Previous year ₹ 469 Lakh).
- Cost of Leasehold land is amortised over the period i.e. 95 years.
- The Company have revalued its plant and machinery and building as at 31st March, 2020 through an independent and approved valuer and accordingly changed its accounting policy from cost model to fairvalue model. All other assets such as land, furniture and fixture etc. are valued at cost. The revaluation gain of rupees 48,512 lakh has been accounted for in the gross block and credited to other equity under the head revaluation surplus. The WDV of these assets before such revaluation was ₹ 58,468 Lakh. (WDV of Plant & Machinery ₹ 45,674 Lakh and Building ₹ 12,794 Lakh)

Additional information

Asset under construction

Capital work in progress incurred as at 31st March, 2020 amounted ₹ 20,980 lakh (Previous year, ₹ 17,897 lakh) in view of implementation of new projects viz.

- Continuous Finishing line at Blooming Mill
- Super Alloys

Notes forming part of the financial statement for the year ended 31st March, 2020**Impairment review**

Assets are tested for impairment whenever there are any internal or external indicators of impairment. Impairment test is performed at the level of each Cash Generating Unit (CGU) or groups of CGUs within the Company at which the assets are monitored for internal management purposes, within an operating segment. The impairment assessment is based on higher of value in use and value from sale calculations. During the year, the testing did not result in any impairment in the carrying amount of other assets. The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to mid-term market conditions.

Key assumptions used in value-in-use calculations :

- Operating margins (Earnings before interest and taxes)
- Discount rate
- Growth rates
- Capital expenditures.

4. Non- Current Investments

(₹ in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
Non trade investment in equity shares	1,279	1,279
Less : Provision for diminution in the value of investments	(204)	(124)
Total	1,075	1,155
Aggregate amount of unquoted investments	1,075	1,155

Investment in equity instruments(at cost, unquoted & fully paid)

Name of the Body Corporate	No. of Shares / Units		Extent of Holding (%)		Amount (₹ in Lakh)	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
Subsidiaries						
Sunflag Foundation #	10,000	10,000	100.00	100.00	1	1
Joint Ventures						
Madanpur (North) Coal Co. Private Limited	1,210,188	1,210,188	11.73	11.73	110	110
C T Mining Private Limited	3,180,000	3,180,000	31.80	31.80	318	318
Daido D.M.S. India Private Limited	3,600,000	3,600,000	17.56	20.00	360	360
Ramesh Sunwire Private Limited	4,900,000	4,900,000	49.00	49.00	490	490
Diminution in the value of investments					(204)	(124)
Others						
India Bulls CSEB Bhaiyathan Power Limited	74	74	-	-	-	-
Total					1,075	1,155
Additional Information :						
Aggregate amount of quoted investments					-	-
Market value of quoted investments					-	-
Aggregate amount of unquoted investments					1,075	1,155
Aggregate amount of impairment in value of investments					(204)	(204)
Carrying amount of investments have been adjusted to reflect losses incurred at Joint Ventures and Associates.						

*# This company is incorporated under section 8 of the Companies Act, 2013 and has been consolidated.

Pursuant to the Supreme Court Order dated 24th September, 2014, the Coal Block allocated to the Company with other Shareholders / Joint Venture partners in the names of Khappa Coal Company Private Limited Madanpur (North) Coal Company Private Limited and CT Mining Private Limited, stands cancelled. Subsequent to the cancellation of previous allocation, the Government of India, Ministry of Law and Justice (Legislative Department) has promulgated the Coal Mines (Special Provisions) Act, 2015 for implementing the order of Supreme Court and fixation of compensation etc. to the prior allottees. But the process of re-allotment and crystallization of compensation amount in respect of the above Company's mines, is pending, as the re-auctioning process of these mines are not yet completed. In view of aforesaid, the Company has not recognized any amount towards diminution in the value of the investments made in the Subsidiaries and Joint Venture companies.

Notes forming part of the financial statement for the year ended 31st March, 2020

	As at 31.03.2020 (₹ in Lakh)	As at 31.03.2019 (₹ in Lakh)
5. Bank Balances (non current)		
Non current bank balances (it represent escrow account amount for Mine restoration obligation)	94	73
Total	94	73
6. Non- Current loans (unsecured)		
Security deposits	1,398	993
Loans and advances to related parties (Refer Note No. 40)	34	34
Total	1,432	1,027
6A. Other non-current assets		
Capital advances	2,790	3,174
Non current Trade Advance	3,324	-
Total	6,114	3,174
7. Inventories		
Raw materials and components		
on hand	17,708	13,956
Goods-in transit (raw material)	5	1,051
Work-in-progress	17,685	18,429
Finished goods	17,639	18,077
Consumables, stores and spares	3,240	3,704
Total	56,277	55,217
Inventories are hypothecated to banks against working capital loans (Refer Note No. 20)		
8. Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	21,169	28,602
Unsecured, credit impaired	1,061	980
	22,230	29,582
Less: Provision for expected credit loss	(1,061)	(980)
	21,169	28,602
(Trade receivables are non interest bearing and receivable in normal operating cycle. Further these represent the contract assets as per Ind AS 115)		
9. Cash and bank balances		
Cash and cash equivalents		
Cash on hand	46	6
Balances with banks in current accounts (Refer Note below)	595	178
Total	641	184
The Balance are net of Book overdraft of ₹ Nil (Previous Year ₹ 374 Lakhs)		
9A. Bank balances other than above		
Margin money deposit against Letter of Credit & Bank Guarantees	4,642	5,704
Unclaimed dividend accounts #	34	19
# (During the year ₹ NIL amount has been transferred to Investor Education Protection Fund).		
Total	4,676	5,723
Total	5,317	5,907
10. Others - current financial assets		
Accruals - Interest accrued on deposits	105	144
Loans & advances to employees	107	91
Export incentives receivable	9	5
Claims receivables	7	15
Others	2	2
Total	230	257
11. Current tax assets (net)		
Advance Tax Net of Provision	316	1,399
Total	316	1,399
12. Other current assets		
Advance to vendors	5,955	3,574
Prepaid Expenses	526	440
Balances with Statutory / Govt Authorities #	3,473	2,227
Total	9,954	6,241

includes Mega Project incentive receivable of ₹ 177 Lakh (Previous year ₹ 273 Lakh)

13. Equity Share capital

(₹ in Lakh)

Particulars	As at 31.03.2020		As at 31.03.2019	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of ₹ 10/- each	205,000,000	20,500	205,000,000	20,500
Total	205,000,000	20,500	205,000,000	20,500
Subscribed, issued & fully paid up				
Equity shares of ₹ 10/- each	180,219,448	18,022	180,219,448	18,022
Total	180,219,448	18,022	180,219,448	18,022

a) Terms / Voting Rights attached to the Equity Shares

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

b) Reconciliation of the number of shares outstanding

Movement of Shares	As at 31.03.2020	As at 31.03.2019
Opening number of shares issued	180,219,448	180,219,448
Shares issued during the year	-	-
Shares bought back during the year	-	-
Closing number of shares issued	180,219,448	180,219,448

c) Details of shareholders holding more than 5% shares in the company

Name of shareholder	As at 31.03.2020		As at 31.03.2019	
	Number of shares	% Holding	Number of shares	% Holding
Sunflag Limited, Channel Islands, UK	65,253,582	36.21%	65,253,582	36.21%
Daido Steel Co. Ltd., Japan	18,021,945	10.00%	18,021,945	10.00%
Mr. Suhrit Ravi Bhushan Bhardwaj	13,217,398	7.33%	13,217,398	7.33%

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

- d) The company has neither issued any bonus shares or shares for consideration other than cash nor bought back any shares during the period of five years immediately preceding the reporting date.
- e) Dividend on equity shares at 5% aggregating to ₹ 1,086 Lakh (including dividend distribution tax) was approved and paid during the current year (Previous year ₹ 1,086 Lakh).

14. Other equity	As at 31.03.2020 (₹ in Lakh)	As at 31.03.2019 (₹ in Lakh)
Securities premium reserve	3,785	3,785
General reserve	256	256
Retained earnings	79,406	71,342
Retained earnings Remeasurement	227	227
Revaluation Surplus	36,303	-
Remeasurements of the defined benefit plans	522	382
Total	1,20,499	75,992
15. Non current borrowings		
Secured		
Term loans - from banks	14,538	4,360
Less : Current maturities of long-term debt (refer note 22)	(5,147)	(2,500)
Total (a)	9,391	1,860
Unsecured		
a) From promoters (interest free)	1,803	1,803
b) Others		
- Interest free Sales Tax loan	1,976	2,665
Less : Current maturities of long-term debt (refer note 22)	(812)	(860)
Total (b)	2,967	3,608
Total (a+b)	12,358	5,468

- i. Term Loans from Banks are Secured by a first mortgage of the Company's immovable properties situated at Village Warthi, District Bhandara, both present and future ranking *pari passu interse* and a first charge by way of hypothecation of all the company's movables subject to prior charges created in favour of Company's bankers on inventories, book debts and other movables for securing the borrowings for working capital requirement.
- ii. a. Term loan of ₹ 7,500 Lakh (outstanding ₹ 2,084 Lakh) (previous year ₹ 4,360 Lakh) borrowed from State Bank of India is further secured by Personal Guarantee of Shri Ravi Bhushan Bhardwaj, Chairman of the Company.

b. Other Term loan availed during the year :

(₹ in Lakh)

S.N.	Bank Name	Sanctioned Amount	Availed / Outstanding
1.	State Bank of India	15,000	6,139
2.	Canara Bank	10,000	3,518
3.	Axis Bank	6,500	2,797
	Total	31,500	12,454

- iii. The Company has not defaulted in repayment of principle and interest during the year.
- iv. The Unsecured loans comprising term loans given by Promoters are interest free. There is no stipulation as to the repayment hence there is no default which has occurred in repayment during the year.
- v. The Unsecured loans comprising Interest free Sales Tax Loan are valued on NPV basis. Actual liability is ₹ 1,976 lakhs (previous year ₹ 2,665 lakhs). The repayment of the sales tax loan is made as per the schedule and no default has occurred in repayment during the period.
- vi. Rate of interest charged on Rupee Term loan sanctioned by SBI - 9.80% subject to reset after one year from the date of sanction.

(₹ in Lakh)

Maturity Profile	0-1 year	1 - 2 year	2 - 3 years	3 - 4 years	Beyond 4 years
Term loan from banks (as per Original Terms)#	5,147	5,250	5,250	5,250	12,688
Unsecured Interest Free Sales Tax Loan	812	762	402	-	-

The management have reviewed the status of expansion projects and in view of delay in arrival of equipment, original date of commissioning may be delayed. Further the repayment of new term loans starts from Sept. 2020 as per the original terms of sanction. But, in view of delay in commissioning of these projects, the Company has applied to the banks for deferment of repayment against these new loans to start from Sept 2021 and modification in commissioning date, but, awaiting for formal sanction from the banks. The maturity profile shown above are as per original sanction terms and including undrawn loan.

16. Other non - current financial liabilities

	As at 31.03.2020 (₹ in Lakh)	As at 31.03.2019 (₹ in Lakh)
Payables for capital goods	2,189	1,823
Security Deposits (Deposit recovered from contractors continue to remain over one year)	162	178
Lease Liability Ind AS 116	6,000	-
	8,351	2,001

17. Non - current provisions

Provision for employee benefits	683	681
Provision for contingencies (refer below mention note)	1,659	1,647
	2,342	2,328

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

Particulars	Labour and other dues		Mine Restoration Obligation		Total	
	2019-2020	2018-2019	2019-2020	2018-2019	2019-2020	2018 -2019
Opening	1,519	1,519	128	118	1,647	1,637
Provision during the year	-	-	-	-	-	-
Remeasurement losses accounted in OCI	-	-	-	-	-	-
Payment during the year	-	-	-	-	-	-
Interest Charge for the year	-	-	12	10	12	10
Closing	1,519	1,519	140	128	1,659	1,647

18. Deferred tax liabilities

Particulars	Balances as on 31.03.2020	Charge/Credit during the year	Balances as on 31.03.2019
Deferred Tax Liabilities on			
Tax on account of timing difference between book value of depreciable assets as per books of account and written down value as per Income tax Act, 1961	6,896	(2,506)	9,402
Revaluation Gain	12,210	12,210	-
	19,106	9,704	9,402
Deferred Tax Asset on			
Lease asset	(1,470)	(1,470)	-
Lease liability	1,510	1,510	-
Expenses Disallowed	822	(378)	1,200
	862	(338)	1,200
Net Deferred Tax Liability (Current Year)	18,244	10,042	8,202
Net Deferred Tax Liability (Previous year)	8,202	330	7,872

Note : Deferred tax asset considered in Statement of Profit & Loss is sum of Deferred tax Asset due to change in tax rate in the opening balance of ₹ 2,506 Lakh and netted off with liability of ₹ 338 Lakh.

	Year ended 31.03.2020 (₹ in Lakh)	Year ended 31.03.2019 (₹ in Lakh)
Tax Expenses :		
a) Current Tax expenses for the year	2,345	5,840
b) Deferred Tax	(2,168)	330
Total	177	6,170
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31.03.2020 and 31.03.2019 :		
Accounting profit before tax	9,438	17,234
Applicable tax rate	25.168%	34.944%
Computed tax	2,375	6,022
Adjustments :-	-	-
Permanent disallowance	100	85
Due to change in tax rate	(2,294)	59
Less : Others	(4)	4
Current Tax expenses for the year	177	6,170
	As at 31.03.2020	As at 31.03.2019
	(₹ in Lakh)	(₹ in Lakh)
19. Other non - current liabilities		
Government grant	173	333
	173	333
20. Current financial liabilities - Borrowings		
Secured		
Loans repayable on demand		
Borrowings for working capital from banks	10,583	20,304
Un-Secured		
Customer bills discounted	3,765	6,076
	14,348	26,380
i. Working capital borrowings are secured by way of hypothecation of Inventories and book debts and further secured by way of second charge ranking <i>pari passu</i> over the fixed assets situated at Village Warthi, District Bhandara both present and future, subject to prior charges created by the Company in favour of banks for securing term loan. Working capital borrowings are secured by the personal guarantee of Shri Ravi Bhushan Bhardwaj, Chairman of the Company.		
ii. Interest on working capital loan from Banks are charged at respective bank's MCLR plus 50 -100 bps		
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.		
21. Current financial liabilities - Trade payables		
a) Total outstanding dues of Micro Enterprises and Small Enterprises	1,366	1,263
b) Others		
i) Acceptances	8,405	11,166
ii) Other than acceptances	21,698	14,292
	30,103	25,458
Total (a+b)	31,469	26,721

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. This has been relied upon by the auditor.

i. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	-	-
ii. The amount of interest paid by the buyer in terms of section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	-	-
iv. The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006.	-	-
	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. Moreover the Company is in the process of updating its suppliers data, as to the status as a Micro, Small & Medium Enterprise with a copy of the Memorandum filed as per the provisions of Section 8 of the Micro, Small & Medium Enterprises Development Act, 2006.

	For the year ended	
	31.03.2020 (₹ in Lakh)	31.03.2019 (₹ in Lakh)
22. Other current financial liabilities		
Current maturities of long-term debt		
i) Term loan from banks #	5,147	2,500
ii) Unsecured Interest free Sales Tax Loan	812	860
Interest accrued but not due on long term borrowings	91	42
Unclaimed dividends ##	34	19
Discounts	973	754
Managerial commission	179	440
Salary & Reimbursements	1,353	1,294
Others	4,488	4,219
	<u>13,077</u>	<u>10,128</u>
# RBI vide their circular RBI/2019-20/186 dated 27 th March, 2020 have granted moratorium for repayment of principal and servicing of interest due to Banks. Accordingly the Company has availed ₹ 208 Lakh towards principal repayment to State Bank of India due for the month of March, 2020.		
## There are no amounts due and outstanding to be credited to the Investor Education and Protection fund		
23. Other Current Liabilities		
a) Government grant	159	200
b) Others		
Statutory dues payable	169	135
TDS payable	69	82
Others	464	743
	<u>861</u>	<u>1,160</u>
24. Revenue From Operations		
Sale of manufactured goods	182,247	222,858
Less : Discounts	<u>(6,817)</u>	<u>(4,349)</u>
Sub Total	<u>1,75,430</u>	<u>2,18,509</u>
Other operating income		
Conversion charges received	238	-
Duty drawback & export incentives	144	91
Sub Total	<u>382</u>	<u>91</u>
Total revenue from operations	<u>1,75,812</u>	<u>2,18,600</u>
The Company has only one product line i.e. Iron & Steel Business and operations are mainly within India. Hence, the revenue is not segregated as per Ind AS 115.		
25. Other Income		
Interest Income	656	416
Insurance claims	204	65
Amortization of government grant	199	223
Gain on foreign exchange fluctuation	149	345
Others	51	69
	<u>1,259</u>	<u>1,118</u>
26. a) Cost of raw material & components consumed		
Inventory at the beginning of the year	18,711	16,862
Add : Purchases during the year	1,08,954	1,49,197
Less: Inventory at the end of the year	<u>(20,952)</u>	<u>(18,711)</u>
Total raw material consumption (a)	<u>1,06,713</u>	<u>1,47,347</u>
b) Other Manufacturing Expenses		
Consumption of fuel	4,264	5,441
Consumption of power (Net of captive consumption)	7,488	9,568
Coal mine freight & other expenses	8,241	8,448
Contract expenses	11,261	12,244
Total Other Manufacturing Expenses (b)	<u>31,254</u>	<u>35,701</u>
Total Expenses (a+b)	<u>1,37,967</u>	<u>1,83,048</u>
Details of raw material & components consumed		
Iron ore & iron ore fines	15,329	25,933
Coal & coal fines (Net of Consumption of Coal from Captive Mines)	6,676	8,523
Coke	37,304	44,997
Scrap & HBI	3,735	2,534
Ferro alloys	17,218	22,782
Fluxes, minerals & additives	5,889	6,358
Electrodes	1,572	4,621
Others	18,990	31,599
Total	<u>1,06,713</u>	<u>1,47,347</u>

	For the year ended	
	31.03.2020 (₹ in Lakh)	31.03.2019 (₹ in Lakh)
Details of Inventory Raw Material & Components		
Iron Ore & Iron Ore Fines	9,014	3,018
Coal & Coal Fines	1,448	2,145
Coke	2,596	3,216
Scrap & HBI	130	52
Ferro Alloys	2,155	2,621
Fluxes, Minerals & Additives	573	781
Electrodes	758	1,344
Goods in Transit	5	1,051
Others	4,273	4,483
Total	20,952	18,711
27. Change in inventories of finished goods and work-in-progress		
<u>Inventories at the end of the year :</u>		
Finished goods	17,639	18,077
Work-in-progress	17,685	18,429
	35,324	36,506
<u>Inventories at the beginning of the year :</u>		
Finished goods	18,077	12,125
Work-in-progress	18,429	14,296
	36,506	26,421
Net (increase) / decrease	1,182	(10,085)
28. Employee Benefit Expenses		
Salaries, Wages and Bonus	7,981	8,266
Contribution to Provident & other Funds	947	959
Staff Welfare Expenses	666	601
Remeasurements of the defined benefit plans (Gratuity)	140	382
	9,734	10,208
29. Finance Cost		
Interest on term loans	347	384
Interest on working capital loans	1,939	1,980
Interest on bills discounted	300	322
Unwinding of interest	12	11
Other borrowing costs	1,238	1,177
Interest on lease liability (Ind AS 116)	427	-
	4,263	3,874
30. Depreciation and amortization expense		
Depreciation of tangible assets	4,621	3,787
Amortization of intangible assets	-	-
	4,621	3,787
31.1 Other Expenses		
Freight & forwarding	5,615	7,960
Travelling expenses	463	507
Insurance charges	257	206
Rent, rates and taxes	265	190
Repairs & maintenance	165	160
Printing & stationary	39	41
Directors' sitting fee	9	6
Postage & telephones	96	102
Corporate social responsibility	304	245
Admin Expenses	844	703
Legal & professional expenses	1,250	980
Commission	164	69
Bad Debts written-off	-	7
Provision for doubtful debts	81	276
Others	314	200
	9,866	11,652
31.2 Payments to Auditor		
Statutory Audit fees	17	17
Out of Pocket Expenses	-	1
Total	17	18

32. Earnings Per Share		For the year ended 31.03.2020	For the year ended 31.03.2019
Basic Earnings per Share			
Continuing Operations			
Profit / (Loss) after Tax	₹ in lakh	9,207	11,030
Weighted Average shares outstanding at the end of Year	Number	180,219,448	180,219,448
Number of Shares outstanding at the end of year	Number	180,219,448	180,219,448
Basic and diluted Earnings ₹ per equity share	Rupees	5.11	6.12

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 31.03.2020	As at 31.03.2019
i) Contingent liabilities		
a) Unexpired letter of credit	2,558	6,649
b) Guarantees issued by Company's bankers on behalf of the Company	8,213	6,174
c) Excise duty & custom duty against which company has preferred an appeal	528	605
d) Income Tax Liability - Disputed but paid	215	321
e) Income Tax Liability - Disputed and not paid	34	-
f) Other Legal cases filed against the company	26	-
ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	18,617	29,289

34. Disclosure under Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

Details of loans and advances in nature of loans to subsidiaries, parties in which Directors are interested and investments by the loanee in the shares of the Company as required by clause 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015:

(₹ in Lakh)

Name of the party	Relationship	Amount outstanding as at		Maximum balance outstanding during	
		31.03.2020	31.03.2019	31.03.2020	31.03.2019
Khappa Coal Company Private Limited	Subsidiary	737	737	737	737
Sunflag Power Limited	Subsidiary	1,023	1,009	1,023	(1,009)

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'.

Entity wise disclosure required by IND AS-108 are made as follows:

(₹ in Lakh)

Particulars	Year ended 31 st March 2020		Year ended 31 st March 2019	
	Domestic	Foreign	Domestic	Foreign
Revenues from sale of products to external customers	179,827	2,802	218,206	4,743
Non - Current Assets				
Property, Plant and Equipment	114,468	-	53,482	-
Capital work in progress	23,259	-	20,162	-
Other non current assets	7,527	-	4,201	-

36. Lease (Ind AS 116 Disclosure)

(₹ in Lakh)

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

As at 1 st April ,2019	-
Acquisition	6,158
Deletions	-
Accretion of interest	427
Payments	585
As at 31 st March , 2020	6,000
Current	-
Non-current	6,000

The effective interest rate of lease liabilities is 9.85%, with maturity between 2020-2083

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

Year ended 31 st March , 2020 (leases under Ind AS 116)	
Depreciation expense of right of use assets	318
Interest expense on lease liabilities	427
Expense relating to leases of short-term / low value assets (included in other expenses)	-
Total amount recognised in statement of profit and loss	745

Amounts recognised in statement of cash flows :**Rights to use assets separate disclosure**

Year ended 31 st March , 2020	
Financing activities	
Repayment of principal	158
Repayment of interest	427

Operating activities

Short term / low value assets lease payment	-
Total cash outflow for leases	585

Effective 1st April, 2019, the Company has adopted IND AS 116 "Leases" using modified retrospective approach. This has resulted in recognizing right to use assets and lease liability as on 1st April, 2019. The adoption of the Standard did not have any material Impact on the financial results of the Company.

Future minimum rentals payable under non-cancellable operating leases as at 31st March, 2020 are as follows :

	<u>As at 31.03.2020</u>	<u>As at 31.03.2019</u>
Future minimum lease payments		
Not later than one year	810	494
Later than one year and but not later than five years	3,239	1,978
Later than five years	7,158	3,461
Total	<u>11,207</u>	<u>5,933</u>

37. Capital management

For the purpose of the Company's capital management, equity includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders and net debt includes interest bearing loans and borrowings less current investments and cash and cash equivalents. The primary objective of the Company's capital management is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, internal accruals, long term borrowings and short term borrowings. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

(₹ in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
Long term borrowing	12,358	5,040
Short term borrowing	14,348	26,380
Current maturities of long-term debt	5,959	3,360
Less : Cash and bank balance	(5,317)	(5,794)
Net debt	27,348	28,986
Equity	138,667	94,048
Capital and net debt	166,015	123,034
Gearing ratio	16%	24%

To maintain or adjust the capital structure, the Company review the fund management at regular intervals and take necessary actions to maintain the requisite capital structure.

No changes were made in the objectives policies or processes for managing capital during the years ended 31st March, 2020 and 31st March, 2019.

38. The Company had received an intimation from the Nominated Authority, Ministry of Coal, Government of India, for appropriation of Performance Bank guarantee to the extent of ₹ 2,138 Lakh (total BG value ₹ 5,345 Lakh), in view of non-compliance of production schedule in terms Coal Mine Development and Production Agreement in respect of Belgaon Coal Mine. However, the Company filed a writ petition in the Hon'ble High Court at Delhi and after hearing the matter on 3rd May, 2018, the Hon'ble High Court directed the Company to file an appeal in the Special Tribunal at Nagpur within two weeks. Accordingly the Company filed an appeal on 8th May, 2018 and as a matter of prudence, necessary provision of ₹ 2,138 Lakh was made during the year ended 31st March, 2018. The matter since been decided and accordingly, the company have issued a new bank guarantee for ₹ 2,138 Lakh and requested the Nominated Authority to return the previous bank guarantee of ₹ 5,345 Lakh.

39. Employees benefit plans

1) Employees Provident Fund, the Company has made good the shortfall of interest on fund ₹ 20 Lakh. (Previous Year surplus ₹ 6 Lakh). Further the following table sets out for the Employee Benefits plan as required under Ind AS 19

(₹ in Lakh)

Particulars	Gratuity		Provident Fund		Superannuation	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Statement showing changes in Present Value of obligation :						
Present value of obligations at the beginning of the year	2,155	2,632	6,995	5,950	2,430	2,569
Interest Cost	162	149	588	549	187	162
Current Service Cost	506	217	920	914	234	238
Benefits paid	(249)	(843)	(964)	(420)	(264)	(539)
Actuarial Loss on Obligations	-	-	-	-	-	-
Present value of obligations as at the end of the year	2,574	2,155	7,538	6,995	2,587	2,430
Table showing changes in the fair value of Plan Assets :						
Fair value of Plan Assets at the beginning of year	2,155	2,632	6,995	5,950	2,430	2,569
Expected return on Plan Assets	162	149	567	556	187	162
Contributions	506	217	920	914	234	238
Benefits paid	249	843	(964)	(420)	(264)	(539)
Actuarial Gain / (Loss) on Plan Assets	(498)	(1,686)	-	-	-	-
Fair value of Plan Assets at the end of the year	2,574	2,155	7,518	7,001	2,587	2,430
Funded Status	-	-	20	(6)	-	-
Excess of Actual over estimated return on Plan Assets	-	-	-	-	-	-
Actuarial Gain / (Loss) recognised :						
Actuarial Loss for the year - Obligation	-	-	-	-	-	-
Actuarial Gain / (Loss) for the year - Plan Assets	-	-	-	-	-	-
Total Loss for the year	-	-	-	-	-	-
Actuarial Gain / (Loss) recognised in the year	-	-	-	-	-	-
Amounts to be recognised in the Balance Sheet :						
Present value of obligations as at the end of the year	2,574	2,155	7,539	6,995	2,587	2,397
Fair value of Plan Assets as at the end of the year	2,574	2,155	7,518	7,001	2,587	2,397
Funded Status	-	-	(20)	6	-	-
Net Asset / (Liability) Recognised in the Balance Sheet	-	-	20	(6)	-	-
Expenses Recognised in the statement of Profit and Loss :						
Current Service Cost	506	217	588	549	-	-
Interest Cost	-	-	-	-	-	-
Expected Return on Plan Assets	-	-	567	556	-	-
Net Actuarial (Gain) / Loss Recognised in the Statement of Profit & Loss	-	-	-	-	-	-
Expenses Recognised in Statement of Profit & Loss	506	217	(20)	-	-	-
Actuarial Assumptions :						
Discount Rate	7.80%	7.80%	8.50%	8.55%	-	-
Salary Escalation	5.00%	5.00%	5.00%	5.00%	-	-
Investment Details :						
GOI Securities	-	-	27%	29%	-	-
State Government Securities	-	-	36%	33%	-	-
Approved Marketable Securities	-	-	-	-	-	-
Bonds / Debentures etc	-	-	33%	34%	-	-
Loans	-	-	-	-	-	-
Equity	-	-	-	-	-	-
Liquid fund / Money Market Instrument	-	-	4%	4%	-	-
Total	-	-	100%	100%	-	-

- a) The investment details of Gratuity funds are as per the Scheme of Life Insurance Corporation of India (LIC).
- b) The investment details of Superannuation funds are as per the Scheme of Life Insurance Corporation of India (LIC) under two plans. Even though these plans are still continuing, Company has stopped making contribution towards One plan i.e. Superannuation Scheme of Workers w.e.f. 01.04.1995 on payment of bonus in the year 1995 as per the terms and conditions of Rules framed at the time of subscribing to the designated policy of LIC. Company was liable as per terms and conditions of the Trust deed to pay contributions only till applicability of provisions of payment of Bonus Act.

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

In accordance with the requirements of IND AS-24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reporting periods.

Related Party Name and Relationship
i) Key management personnel

(₹ in Lakh)

Name	Designation	Account	Transactions year ended		Outstanding As at	
			31.03.2020	31.03.2019	31.03.2020	31.03.2019
Mr. Ravi Bhushan Bhardwaj	Non Executive Chairman	Commission	51	91	69	2
Mr. Pranav Bhardwaj	Managing Director	Remuneration & Commission	367.86	499	110	1
Mr. Surendra Kumar Gupta	Deputy Managing Director	Remuneration	108.68	110	-	-
Mr. R. Muralidhar	Executive Director (Finance)	Remuneration	92.77	94	-	-
Mr. Ramchandra V. Dalvi	Executive Director(Works)	Remuneration	74.85	76	-	-
Mr. S. Mahadevan (w.e.f. 01.10.2019)	Chief Financial Officer	Remuneration	20.01	-	-	-
Mr. Pranab Panigrahi	Company Secretary	Remuneration	-	22*	-	-
Mr. Ashutosh Mishra	Company Secretary	Remuneration	29.99	13*	-	-
Dr. E.R.C. Shekhar	Non Executive, Independent Director	Commission & Sitting Fees	4.72	3.69	-	-
Mr. Kumar Jitendra Singh	Non Executive, Independent Director	Commission & Sitting Fees	4.23	3.10	-	-
Mr. Jayesh M. Parmar	Non Executive, Independent Director	Commission & Sitting Fees	1.73	3.01	-	-
Mr. S. Gajendran	Non Executive, Independent Director	Commission & Sitting Fees	0.87	3.22	-	-
Mrs. Neelam Kothari	Non Executive, Independent Director	Commission & Sitting Fees	3.52	2.74	-	-
Mr. Rooshad Russi Patel	Non Executive, Independent Director	Commission & Sitting Fees	2.20	2.70	-	-
Mr. Anand Kapre	Additional Director, Non-Executive Independent	Commission & Sitting Fees	1.45	-	-	-
Mrs. Vinita Bahri	Additional Director, Non-Executive Independent	Commission & Sitting Fees	0.26	-	-	-
Mr. Sajiv Dhawan	Non Executive, Independent Director	Commission & Sitting Fees	1.85	-	-	-

* Related to part of the year

ii) Subsidiaries

Particulars	Shareholding as on 31.03.2020	Account	Transactions year ended		Outstanding As at	
			31.03.2020	31.03.2019	31.03.2020	31.03.2019
Sunflag Foundation	100%	Share Capital	-	-	1	1
Sunflag Foundation	100%	CSR Expenses	304	245	-	-

Interest on advances to Subsidiaries charged @ 9% p.a. However, as these Companies are not commercially operational the same has been waived off since the chances of recovery is remote.

iii) Joint Ventures

Daido D.M.S. India Private Limited	17.56%	Share Capital	-	-	360	360
Ramesh Sunwire Private Limited	49.00%	Share Capital	-	270	490	490
Ramesh Sunwire Private Limited	49.00%	Sale of goods	1,245	-	754	-
Ramesh Sunwire Private Limited	49.00%	Purchase of goods	32	-	(11)	-
CT Mining Private Limited	31.80%	Share Capital	-	-	295	295
Madanpur (North) Coal Co. Pvt. Ltd.	11.73%	Share Capital	-	-	110	110

iv) Associate Enterprises

Haryana Televisions Limited	Relationship through KMP	Rent	57	57	28	24
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41. Interest In Joint Ventures

The Company has interests in the following jointly controlled entities:

Name of Companies and country of incorporation	% of shareholding	Amount of Interest based on accounts for the year ended 31.03.2020					
		Assets	Liabilities	Income	Expenditure	Contingent Liabilities	Capital Commitments
Daido D.M.S. India Private Limited	17.56 (20.00)	2,071 (367)	2,071 (367)	972 (168)	1,203 (180)	- -	- -
Madanpur (North) Coal Company Private Limited / India #	11.73 (11.73)	110 (110)	110 (110)	3 (3)	14 (14)	389 (389)	- -
Ramesh Sunwire Private Limited	49.00 (49.00)	4,218 (396)	4,218 (396)	1,649 -	1,664 (1)	- -	- -
C T Mining Private Limited	31.80 (31.80)	991 (307)	991 (307)	25 (8)	12 (5)	- -	- -

Note : Figures in brackets relate to the previous year.

Financials of Madanpur (North) Coal Co. Pvt. Ltd. are not available till the date of signing of the audit and therefore considered as per previous year since the company is not in operation.

42. Fair value hierarchy

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values :

Financial Assets

(₹ in Lakh)

Particulars	Fair value hierarchy	As at 31.03.2020		As at 31.03.2019	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets designated at fair value through profit and loss					
Non current financial asset - Investments	Level-3	1,075	1,075	1,155	1,155
Financial assets designated at fair value through other comprehensive income					
Financial assets designated at amortised cost					
Non current financial asset - Bank	Level-3	94	94	73	73
Non current financial asset - Loans	Level-3	1,432	1,432	1,027	1,027
Current financial asset - Trade receivables	Level-3	21,169	21,169	28,602	28,602
Current financial asset - Cash and cash equivalents	Level-2	641	641	184	184
Financial Asset - Bank balances other than above	Level-3	4,676	4,676	5,723	5,723
Total		29,087	29,087	36,764	36,764

Financial Liabilities :

Financial liability designated at amortised cost					
Non current financial liabilities - Borrowings	Level-2	12,358	12,358	5,468	5,468
Non current financial liabilities - Other	Level-3	8,351	8,351	2,001	2,001
Current financial liabilities - Borrowings	Level-2	14,348	14,348	26,380	26,380
Current financial liabilities - Other	Level-3	13,077	13,077	10,128	10,128

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties in an orderly market transaction, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values.

The fair values of derivatives are on MTM as per Bank.

Company has opted to fair value its Long term and Current investments through profit & loss.

Company has adopted effective rate of interest for calculating Interest. This has been calculated as the weighted average of effective interest rates calculated for each loan. In addition processing fees and transaction cost relating to each loan has also been considered for calculating effective interest rate.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level-1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

43. Financial Risk Management
Financial risk factors

The Company's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company has loan, investment, trade receivables, other receivables, cash and short-term deposits that arise directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and also ensure that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes will be undertaken.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below :

i) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk : currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and financial liabilities held as at 31st March, 2020 and 31st March, 2019.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest expenses to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total loan portfolio. The company's borrowings have been contracted at floating rates of interest. Accordingly, carrying value of such borrowings (including interest accrued but not due) which approximates fair value.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the unhedged portion of loans and borrowings. With all other variables held constant the Company's profit before tax is affected through the impact on floating rate borrowings, as follows :

(₹ in Lakh)

Increase / (decrease) in interest rate		Effect on profit before tax	
As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
0.50%	0.50%	(11.43)	(11.82)
- 0.50%	- 0.50%	11.43	11.82

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating and financing activities.

Currency	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
EUR	2	(2)	5	(5)
GBP	-	-	1	(1)
SEK	1	(1)	1	(1)
USD	5	(5)	11	(11)

ii) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables and advances to suppliers) and from its financing activities, including deposits and other financial instruments.

Trade receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. The Company continuously monitors the economic environment in which it operates. The Company manages its Credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business. An impairment analysis is performed at each reporting date on an individual basis for major clients. An impairment analysis is performed at each quarter end on an individual basis for major customers.

(₹ in Lakh)

Aging	Total		Up to 6 month		More than 6 month	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Trade receivables	22,230	29,582	21,169	28,602	1,061	(980)
Less : ECL Provision	(1,061)	(980)	-	-	(1,061)	(980)

Movement of Expected loss

(₹ in Lakh)

	Opening Balance	Addition	Reversal	Closing Balance
Expected Credit loss - 2020	980	81	-	1,061
2019	704	276	-	980

iii) Liquidity Risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and cash credit facilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contracted undiscounted payments.

Non current /current financial liabilities	Total		Less than 1 year		1 to 2 year		2 year and above	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Non current financial liabilities								
i) Borrowings*	18,317	8,828	5,959	3,360	6,012	2,672	6,347	2,796
ii) Others	8,359	2,001	-	-	8,351	2,001	-	-
Current financial liabilities								
i) Borrowings*	14,348	26,380	14,348	26,380	-	-	-	-
ii) Others	13,077	10,128	13,077	10,128	-	-	-	-

* including current maturity of long term debt

44. Information related to Consolidated Financial statements

The company is listed on stock exchange in India, the Company has prepared consolidated financial statements as required under IND AS 110, Sections 129 of Companies Act, 2013 and listing requirements. The consolidated financial statement is available on company's web site for public use.

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

(₹ in Lakh)

Particulars	31.03.2020	31.03.2019
Gross amount required to be spent during the year	304	245
Amount spent during the year		
- Construction / acquisition of any assets	-	-
- On purpose other than above	304	245

46. During the year, Company has incurred expenditure related to construction of property, plant and equipment and therefore accounted for the same under capital work in progress. Details of the expenses capitalised and carried forward as capital work in progress are given below :

(₹ in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
Brought forward from last year	17,912	10,759
Expenditure incurred during the year :		
- Building and civil constructions	979	1,422
- Machinery and equipments	12,408	10,659
- Interest and financial charges	462	469
- Miscellaneous expenses	-	-
Total expenditure during the year	13,849	12,550
Less : Miscellaneous income	-	-
Less : Capitalised during the year	10,753	5,397
Carried forward as part of Capital-work-in-progress	21,008	17,912

47. Subsequent events

No adjusting or significant non-adjusting events have occurred between the reporting date and date of authorization of these financial statements.

48. In view of outbreak of COVID-19 followed by Nationwide lock down announced by Government of India, the manufacturing facilities and other commercial activities of the Company were closed w.e.f. 24th March, 2020. The Company has restarted its operations from 23rd May, 2020 in a phased manner after obtaining necessary permission and has established all safety measures maintaining high standard of hygiene for the employees.

Based on the initial assessment by the management and considering various internal and external information upto the date of approval of the financial results, the Company does not have any material impact in the recoverability of carrying amount of its loans and advances, inventory, trade receivables etc. Further Reserve Bank of India granted relief to the borrowers by way of moratorium in repayment and servicing of interest due to bank. The Company has availed such moratorium up to August 2020. However, these evaluations are subject to impact of uncertainties that COVID-19 outbreak may ultimately pose on economic recovery and consequential effect on Company's performance.

49. Previous year's figures have been regrouped / re-classified wherever necessary to make them more comparable.

As per our report of even date as attached

For S S KOTHARI MEHTA & CO.
Chartered Accountants
FRN : 000756N

SUNIL WAHAL
Partner
M. No. 087294

Nagpur
26th June, 2020

For and on behalf of Sunflag Iron and Steel Company Limited

PRANAV BHARDWAJ
MANAGING DIRECTOR

S. K. GUPTA
Dy. MANAGING DIRECTOR

CA R. MURALIDHAR
EXECUTIVE DIRECTOR (FINANCE)

S. MAHADEVAN
CHIEF FINANCIAL OFFICER

K. J. SINGH
DIRECTOR

VINITA BAHRI
DIRECTOR

ASHUTOSH MISHRA
COMPANY SECRETARY

POST / COURIER

If undelivered please return to :

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Nagpur - 440001 (Maharashtra) India

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