SUNFLAG STEEL

SUNFLAG IRON & STEEL CO. LTD.
REGD. OFFICE :
33, MOUNT ROAD, SADAR, NAGPUR - 440 001 (INDIA)
PH.: 2524661, 2532901, 2520356, 2520358 FAX : 0712-2520360
E-Mail : admin@sunflagsteel.com
Website : www.sunflagsteel.com
CIN:L27100MH1984PLC034003

By Online Filling

SECY / 2017 / 492
Saturday 2nd September, 2017

The Manager, Listing Department,
National Stock Exchange of India Ltd.,
"Exchange Plaza", C - 1, Block G,
Bandra – Kurla Complex, Bandra (East)
MUMBAI – 400 051

Sub : Intimation about Thirty-first (31st) Annual General Meeting ('AGM') of the Company 2016-2017 ended 31st March 2017 along with Notice for the Thirty-first 31st AGM and Newspaper Clipping/s for Publication of Notice

Ref : Sunflag Iron and Steel Company Limited : Scrip Code : SUNFLAG

Dear Sir / Madam,

Further to our communication vide Ref. No. SECY/2017/437 of Monday, the 14th August 2017, we wish to inform you that the Thirty-first (31st) Annual General Meeting ('AGM') of the Members of the Company for the financial year 2016-2017 ended 31st March 2017 will be held on Thursday, the 28th September 2017 at 3.00 PM at Indian Medical Association's J. R. Shaw Auditorium, North Ambazari Road, Nagpur – 440010, Maharashtra.

In this regards, please find attached herewith the Notice convening the Thirty-first (31st) Annual General Meeting ('AGM') of the Members of the Company.

We also wish to inform you that the Company has completed dispatch of Thirty-first (31st) Annual Reports of the Company for the FY 2016-2017 ended 31st March 2017 from 28th August 2017 to 1st September 2017 either through e-mail to all those shareholders (members) whose e-mail id was registered and physical copy through registered post or couriers to all other shareholders (members) of the Company, a copy of the Certificate/s issued by the Postal Department and Couriers confirming dispatch of Thirty-first (31st) Annual Reports 2016-2017 ended 31st March 2017 to all those shareholders (members) of the Company is also enclosed herewith for your records.

Pursuant to Regulation 47 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), we are also enclosing herewith three (3) certified copies of newspaper clipping/s for publication of Notice for Thirty-first (31st) Annual General Meeting, Book Closure, Cut-off Date and e-voting, etc. for your records.

SUNFLAG IRON AND STEEL COMPANY LTD. NAGPUR

BHANDARA OFFICE :
BHANDARA ROAD,
WARTHI - 441 905
TEL.: 07184-285551 TO 285555
FAX : 07184 - 285740
GRAM : FLAGDYER
E-mail : admin@sunflagsteel.com

DELHI OFFICE :
D-47, DEFENCE COLONY,
2ND FLOOR, NEW DELHI - 110 024
TEL.: 011-49576030/6040/6050
FAX : 011-49576020
E-mail : delhioffice@sunflagsteel.com

MUMBAI OFFICE :
307, HAMILTON - B
HIRANANDANI BUSINESS PARK
GHODBUNDER ROAD,
THANE - 400 607
TEL. : 022-25862294/5/6
FAX : 022-25861931
E-mail : mktg_wz@sunflagsteel.com

PUNE OFFICE :
65-69, FIFTH FLOOR,
'SAI KRIPA BHAVAN',
PUNE MUMBAI HIGHWAY,
OPP. KSB PUMPS, S. No. 5743,
KHARALWADI, PIMPRI,
PUNE - 411 018.
TEL.: 020 - 27424685
FAX : 020 - 27423013
E-mail : mktg_pz@sunflagsteel.com

FARIDABAD OFFICE :
PLOT No. 12, SCTOR '6'
MATHURA ROAD,
FARIDABAD - 121 006
TEL.: 0129 - 2311116, 23111112, 2311117
E-mail : mktg_nz@sunflagsteel.com

CHENNAI OFFICE :
705, 7th FLOOR, CHALLAMALL,
11/11A, SIR THIAGARAYA ROAD,
T NAGAR, CHENNAI - 600 017
044-24342262, 24342263
FAX : 044-24347649
E-mail : mktg_sz@sunflagsteel.com

You are kindly requested to place the same on records. Meantime, kindly acknowledge the receipt.

Sincerely,

For Sunflag Iron and Steel Company Limited

CS Pranab Panigrahi
Company Secretary
ACS – 16186
E Mail : Pranab_panigrahi@sunflagsteel.com
Phone No. : 0712 - 2524661
Mobile No.: +91 96739 44717

Encl : As Above.

THE PROFESSIONAL COURIERS
(An ISO 9001 : 2008 Certified Co.)
ISO 9001:2008 Certified by IRQS
MGMT. SYS R v A C 071
IATA
Professional House, 1st Floor, 302 Savitrivihar, Behind Apna Bhandar, Somalwada, Wardha Road, Nagpur - 440 015.
Tel. : 0712 - 2292348 / 6460978 / 6460980 / 2292381

Ref: No. : TPC/NGP/0003/2017

Date: 01/09/2017

To,
The Company Secretary
Sunflag Iron and Steel Company Limited
33, Mount Road, Sadar, Nagpur – 440001

Sub: Dispatch of Company's printed Annual Reports 2016 – 2017 through Courier

Ref: Sunflag Iron and Steel company Limited, Nagpur

Dear Sir,

With reference to above subject, we hereby certify that The Professional Couriers, having Address at Professional House, 302 Savitri Vihar, Somalwada, Wardha Road, Nagpur 440015 received 44,382 no. of printed copies of Annual Reports 2016 – 2017 of Sunflag Iron and Steel Company Limited, Nagpur for dispatching through courier to the shareholders of the Company.

This is to further certify that total 44,382 printed copies of Annual Reports 2016 – 2017 have been processed and dispatched by us through courier during 28.08.2017 to 31.08.2017.

For The Professional Couriers

Biju T.K
Regional Manager
Nagpur-440015

CORPORATE OFFICE (CUSTOMER CARE) (W.R.) :
Unit No. 123/128, 1st Floor, Sahar Cargo Estate, Nr. Bombay Cambridge School, J.B. Nagar, Chakala, Andheri (E), Mumbai - 400 099.
Tel.: 4025 8200 (30 Lines) Fax : 2826 5146. • E-mail: vplro-adm@tpcglobe.co.in / tpcmumvpl@yahoo.com, URL : - www.tpcindia.com

भारतीय डाक

INDIA POST

Ministry of Communications

India Post

DEPARTMENT OF POSTS

O/O THE DY MANAGER, BUSINESS POST CENTRE, G.P.O., NAGPUR – 440001

To,

The Company Secretary
Sunflag Iron and Steel Company Limited
33, Mount Road, Sadar, **Nagpur – 440001**

Date : 01.09.2017

Sub : Despatch of printed Annual Reports 2016 – 2017 through Business Post

Ref : Sunflag Iron and Steel company Limited, Nagpur

Dear Sir,

With reference to above subject, we hereby certify that we have despatched 402 number of printed copies of Annual Reports 2016 – 2017 of Sunflag Iron and Steel Company Limited, Nagpur through Registered Post (including foreign articles) to the shareholders of the Company on 1st September 2017.

Sincerely,

Manager,
Business Post Centre,
G P.O, Nagpur – 440001

Dy. Manager
Business Post Centre
Zero Mile, Nagpur - 440001

Supervisor
Business Post Centre
Nagpur-440001

Detailed Report of Campaign

R SUNFLAG_01092017 *Sent On 1 Sep 2017 @8:07pm* *Scheduled By Admin*

Campaign ID - 1793 **From** - SUNFLAG IRON AND STEEL COMPANY LIMITED green_bss@bigshareonline.com **Subject** - 31st AGM of the Members c STEEL COMPANY LIMITED Thursday, the 28th day of S at Indian Medical Associati North Ambazari Road, Nag

Target - SUNFLAG_01092017

100%	87.5%	12.5%	14.2%	17.4%	1.2%
20083	17567	2516	2854	3492	240
SENT	DELIVERED	BOUNCES	UNIQUE OPENS	TOTAL OPENS	UNIQUE CLICK

INVALID - 30

THE INDIAN EXPRESS, SATURDAY, SEPTEMBER 2, 2017

SUNFLAG STEEL

CIN : L27100MH1984PLC034003

SUNFLAG IRON AND STEEL COMPANY LIMITED
Regd. Office : 33, Mount Road, Sadar, Nagpur - 440001
Ph. : +91 712 - 2524661; Fax No. : +91 712 - 2520360
e-mail : investor@sunflagsteel.com
website : www.sunflagsteel.com

NOTICE OF THE THIRTY-FIRST (31st) ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-first Annual General Meeting ('31st AGM') of the Members of **Sunflag Iron and Steel Company Limited** will be held on **Thursday, the 28th September 2017** at 3.00 p.m. at Indian Medical Association's J.R. Shaw Auditorium, North Ambazari Road, Nagpur - 440010 to transact the business as set out in the Notice together with Explanatory Statement relating to relevant business specified therein, which along with Annual Report and other documents for the financial year 2016-2017 has been sent in electronic mode to all the members whose e-mail addresses are registered with the NSDL/CDSIL/RTA/Company and physical copies of the same has been sent to all other members, who have not registered their e-mail addresses, at their registered address in the prescribed mode. The Company has completed the dispatch of Notice of 31st AGM along with Annual Report and other documents by the date hereof to the shareholders (members) of the Company. The members desiring to receive the said documents in physical form will continue to get the same in physical form free of cost, upon request. All the said documents are also available on the Company's website **www.sunflagsteel.com.**

NOTICE IS ALSO HEREBY GIVEN pursuant to Section 91 of the Companies Act, 2013 read with Rule 10 of the Companies (Management and Administration) Rules, 2014 including Amendment Rules, 2015 and Reguletion 42 of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed from **Saturday, the 16th September 2017 to Thursday, the 28th September 2017** (both days inclusive) for the purpose of 31st AGM.

NOTICE IS ALSO HEREBY GIVEN pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 including Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015, the Company has made remote e-voting facility through Central Depositing Services Ltd. (CDSL). The members holding shares in physical or dematerialized (demat) form as on the cut-off date i. e. **Thursday, the 21st September 2017** may cast their vote through electronic means (remote e-voting) or Physical Ballot at the 31st AGM. The Business as set out in the Notice of 31st AGM may be transacted through voting by electronic means (remote e-voting). The remote e-voting period begins on **Monday, the 25th September 2017** at **10.00 Hrs.** and will end on **Wednesday, the 27th September 2017** at **17.00 Hrs.** The remote e-voting module shall be disabled thereafter. The facility of voting through Physical Ballot shall be made available at the 31st AGM and the members attending the 31st AGM and who have not cast their vote by remote e-voting, shall be able to exercise their right at the meeting through Physical Ballot. A member may participate in the 31st AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the 31st AGM. However, in case a member cast their vote through e-voting as well as physical ballot, then voting through remote e-voting will prevail. The detailed information including procedure thereof, about voting through electronic means (remote e-voting) or Physical Ballot at the 31st AGM has been provided in the Notice of the 31st AGM.

CS Pranab Panigrahi, Company Secretary of the Company is the responsible to address the grievances connected with the e-voting and shareholders may contact at the numbers / e-mail ID provided herein above or CDSL e-voting help desk at 18002005533 (Toll free) or at their email **helpdesk.evoting@cdslindia.com** and website : **www.evotingindia.com** for more details.

For Sunflag Iron and Steel Company Limited

CS Pranab Panigrahi - Company Secretary
M. No. ACS - 16186

Place : Nagpur
Date : 1st September 2017

//CERTIFIED TRUE COPY//
For Sunflag Iron and Steel Company Limited

CS Pranab Panigrahi
Company Secretary
Membership No.ACS-16186

THE INDIAN EXPRESS, SATURDAY, SEPTEMBER 2, 2017

SUNFLAG IRON AND STEEL COMPANY LIMITED
Regd. Office : 33, Mount Road, Sadar, Nagpur - 440001
Ph. : +91 712 - 2524661; Fax No. : +91 712 - 2520360
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For Sunflag Iron and Steel Company Limited

CS Pranab Panigrahi - Company Secretary
M. No. ACS - 16186

Place : Nagpur
Date : 1st September 2017

//CERTIFIED TRUE COPY//
For Sunflag Iron and Steel Company Limited

CS Pranab Panigrahi
Company Secretary
Membership No.ACS-16186

THE INDIAN EXPRESS, SATURDAY, SEPTEMBER 2, 2017

SUNFLAG STEEL

SUNFLAG IRON AND STEEL COMPANY LIMITED
Regd. Office : 33, Mount Road, Sadar, Nagpur - 440001
Ph. : +91 712 - 2524661; Fax No. : +91 712 - 2520360
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For Sunflag Iron and Steel Company Limited

CS Pranab Panigrahi - Company Secretary
M. No. ACS - 16186

Place : Nagpur
Date : 1st September 2017

//CERTIFIED TRUE COPY//
For Sunflag Iron and Steel Company Limited

CS Pranab Panigrahi
Company Secretary
Membership No.ACS-16186

लोकसत्ता शनिवार, २ सप्टेंबर २०१७

सनफ्लॅग आयर्न एंड स्टील कंपनी लिमिटेड
SUNFLAG STEEL
नोंदणीकृत कार्यालय : 33, मार्केट रोड, सदर, नागपूर – 440001
फोन नं. +91 712 - 2524661; फॅक्स : +91 712 - 2520360
ई–मेल: investor@sunflagsteel.com
वेबसाईट: www.sunflagsteel.com
CIN : L27100MH1984PLC034003

एकतिसव्या (31) वार्षिक आम सभेची सूचना

याद्वारे सूचना देण्यात येते की सनफ्लॅग आयर्न अँन्ड स्टील कंपनी लिमीटेड च्या सदस्यांची वार्षिक आम सभा **गुरुवार, दि. 28 सप्टेंबर, 2017** रोजी दु. 3.00 वाजता इंडियन मेडीकल असोसिएशन, जे. आर. शॉ ऑडिटोरीयम, नॉर्थ अंबाझरी रोड, नागपूर – 440010 येथे आयोजित करण्यात आली आहे. सुचनेतील कामकाज व त्यासंबंधीच्या स्पष्टीकरणाचे विवरण 2016–2017, च्या वार्षिक अहवालामध्ये नमूद केलेले आहे. वार्षिक अहवाल 2016–17 NSDL/CDSL/RTA/COMPANY मधे ई–मेल नोंदणीकृत सदस्यांना ई–मेल वर व उर्वरित सदस्यांना भौतीक वार्षिक अहवाल त्यांच्या नोंदणीकृत पत्त्यावर परवानगी पद्धती द्वारे पाठविण्यात आलेले आहेत. कंपनीने वार्षिक अहवाला सोबत 31व्या आमसभेची सूचना व इतर दस्ताएवज या तारखेपर्यंत सर्व सदस्यांना पाठविण्याची प्रक्रिया पूर्ण केली आहे. ज्या सदस्यांना हे दस्ताएवज प्रत्यक्ष कागदी स्वरूपात हवे असतील, त्यांना ते विनंती करून निशुल्क उपलब्ध करण्यात येतील. सदरचे सर्व दस्ताएवज कंपनीच्या **www.sunflagsteel.com** वेबसाईटवर उपलब्ध आहेत.

तसेच, कंपनी कायदा, 2013 च्या कलम 91, कंपनी (प्रशासन आणि व्यवस्थापन) नियम 2014, सोबत सुधारीत नियम, 2015 च्या नियम 10 आणि सेबी (सूचीकरण दायीत्व आणि प्रकटीकरण आवश्यकता) अधिनियम, 2015 च्या विनियम 42 अन्वये सभासदांचे रजिस्टर आणि कंपनीची शेअर हस्तांतरण पुस्तके, **शनिवार, दि. 16 सप्टेंबर, 2017** ते **गुरूवार, दि. 28 सप्टेंबर, 2017** (दोन्ही दिवस सकळ) पर्यंत वार्षिक आम सभेसाठी बंद राहतील.

कंपनी कायदा, 2013 च्या कलम 108, तसेच कंपनी (प्रशासन आणि व्यवस्थापन) नियम 2014, सोबत सुधारीत नियम, 2015 च्या नियम 20 आणि सेबी (सूचीकरण दायीत्व आणि प्रकटीकरण आवश्यकता) अधिनियम, 2015 च्या विनियम 44 अन्वये ज्या सदस्यांजवळ, **गुरूवार, दि. 21 सप्टेंबर, 2017** च्या कंपनीने सेन्ट्रल डिपॉझीटरी सर्व्हीसेस ली. (सीडीएसएल) (CDSL) मार्फत दुरस्थ इलेक्ट्रॉनिक मतदान पध्दत उपलब्ध केलेली आहे. या अन्वये, कट ऑफ तारीख पर्यंत डिमेट किंवा भौतीक स्वरुपांमधील शेअर्स उपलब्ध असतील, तेच सदस्य दुरस्थ इलेक्ट्रॉनिक पध्दतीने किंवा भौतीक मतदान करू शकतात. 31व्या वार्षिक आमसभेच्या सूचनेमध्ये दिलेल्या विषयावर सभासद दुरस्थ इलेक्ट्रॉनिक पध्दतीने पण मतदान करू शकतात, दुरस्थ इलेक्ट्रॉनिक मतदान पध्दतीचा अवधी **सोमवार, दि. 25 सप्टेंबर, 2017** रोजी **सकाळी 10.00** वाजता शुरु होऊन **बुधवार, दि. 27 सप्टेंबर 2017** रोजी **सायं. 5.00** वाजता समाप्त होईल. दुरस्थ इलेक्ट्रॉनिक मतदान प्रक्रिया त्यानंतर निष्क्रिय केली जाईल. कंपनीचे सदस्य ज्यांच्या जवळ कट ऑफ तारीख म्हणजे **गुरूवार, दि. 21 सप्टेंबर 2017** ला डिमेट किंवा भौतिक स्वरूपामध्ये शेअर असतील आणि ज्या सदस्यांनी दुरस्थ इलेक्ट्रॉनिक माध्यमाव्दारे आपले मतदान केलेले नाही, फक्त असेच सदस्य आपले मतदान 31 व्या वार्षिक आम सभे मध्ये टाकू शकतात. ज्या सदस्यांनी अगोदरच इलेक्ट्रॉनिक पध्दतीने मतदान केलेले आहे, ते सदस्य आम सभेत भाग घेऊ शकतात पण सभे मधे पुर्नमतदान करू शकणार नाहीत. जर भागधारक इलेक्ट्रॉनिक आणि भौतिक स्वरूपात, दोहोत मतदान करतील तर इलेक्ट्रॉनिक मतदान अंतिम धरण्यात येईल. इलेक्ट्रॉनिक किंवा भौतिक मतदाना बद्दल विस्तृत माहिती वार्षिक अहवाल 2016–2017 च्या सुचनेमध्ये नमूद केलेली आहे.

कंपनीचे सचिव सीएस प्रणब पाणिग्रही, (ई–मेल : investor@sunflagsteel.com) इलेक्ट्रॉनिक मतदाना संबंधीत तक्रारीच्या समाधानाकरता जबाबदार असतील व भागधारक त्यांच्याशी वर दिलेल्या नंबर/ई–मेल वर किंवा सीडीएसएल ई–व्होटिंग हेल्पडेस्कशी 18002005533 (टोल फ्री) व www.evotingindia.com या वेबसाईट वर संबंधीत माहिती प्राप्त करू शकतील.

सनफ्लॅग आयर्न अँन्ड स्टील कंपनी लि. करीता

ठिकाण : नागपूर
दिनांक : 1 सप्टेंबर 2017

सीएस प्रणब पाणिग्रही - कंपनी सचिव
सदस्यता क्र. ACS - 16186

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For Sunflag Iron and Steel Company Limited
CS Pranab Panigrahi
Company Secretary
Membership No.ACS-16186

लोकसत्ता शनिवार, २ सप्टेंबर २०१७

सनफ्लॅग आयर्न एंड स्टील कंपनी लिमिटेड
SUNFLAG STEEL
नोंदणीकृत कार्यालय : 33, मार्केट रोड, सदर, नागपूर – 440001
फोन नं. : +91 712 - 2524661; फॅक्स : +91 712 - 2520360
ई–मेल: investor@sunflagsteel.com
वेबसाईट: www.sunflagsteel.com
CIN : L27100MH1984PLC034003

एकतिसव्या (31) वार्षिक आम सभेची सूचना

याद्वारे सूचना देण्यात येते की सनफ्लॅग आयर्न अॅन्ड स्टील कंपनी लिमीटेड च्या सदस्यांची वार्षिक आम सभा **गुरुवार, दि. 28 सप्टेंबर, 2017** रोजी दु. 3.00 वाजता इंडियन मेडीकल असोसिएशन्स, जे. आर. शॉ ऑडिटोरीयम, नॉर्थ अंबाझरी रोड, नागपूर – 440010 येथे आयोजित करण्यात आली आहे. सुचनेतील कामकाज व त्यासंकडीच्या स्पष्टीकरणाचे विवरण 2016–2017, च्या वार्षिक अहवालामध्ये नमूद केलेले आहे. वार्षिक अहवाल 2016–17 NSDL/CDSL/RTA/COMPANY मधे ई–मेल नोंदणीकृत सदस्यांना ई–मेल वर व उर्वरित सदस्यांना भौतीक वार्षिक अहवाल त्यांच्या नोंदणीकृत पत्त्यावर परवानगी पद्धती द्वारे पाठविण्यात आलेले आहेत. कंपनीने वार्षिक अहवाला सोबत 31व्या आमसभेची सूचना व इतर दस्ताएवज या तारखेपर्यंत सर्व सदस्यांना पाठविण्याची प्रक्रिया पूर्ण केली आहे. ज्या सदस्यांना हे दस्ताएवज प्रत्यक्ष कागदी स्वरूपात हवे असतील, त्यांना ते विनंती वरून निशुल्क उपलब्ध करण्यात येतील. सदरचे सर्व दस्ताएवज कंपनीच्या **www.sunflagsteel.com** वेबसाईटवर उपलब्ध आहेत.

तसेच, कंपनी कायदा, 2013 च्या कलम 91, कंपनी (प्रशासन आणि व्यवस्थापन) नियम 2014, सोबत सुधारीत नियम, 2015 च्या नियम 10 आणि सेबी (सूचीकरण दायीत्व आणि प्रकटीकरण आवश्यकता) अधिनियम, 2015 च्या विनियम 42 अन्वये सभासदांचे रजिस्टर आणि कंपनीची शेअर हस्तांतरण पुस्तके, **शनिवार, दि. 16 सप्टेंबर, 2017** ते **गुरुवार, दि. 28 सप्टेंबर, 2017** (दोन्ही दिवस धरून) पर्यंत वार्षिक आम सभेसाठी बंद राहतील.

कंपनी कायदा 2013 च्या कलम 108, तसेच कंपनी (प्रशासन आणि व्यवस्थापन) नियम 2014, सोबत सुधारीत नियम, 2015 च्या नियम 20 आणि सेबी (सूचीकरण दायीत्व आणि प्रकटीकरण आवश्यकता) अधिनियम, 2015 च्या विनियम 44 अन्वये ज्या सदस्यांजवळ, **गुरुवार, दि. 21 सप्टेंबर, 2017** च्या कंपनीने सेन्ट्रल डिपॉझिटरी सर्व्हीसेस ली. (सीडीएसएल) (CDSL) तर्फत दुरस्थ इलेक्ट्रॉनिक मतदान पध्दत उपलब्ध केलेली आहे. या अन्वये, कट ऑफ तारीख पर्यंत डिमेट किंवा भौतीक स्वरुपामधील शेअर्स उपलब्ध असतील, तेच सदस्य दुरस्थ इलेक्ट्रॉनिक पध्दतीने किंवा भौतीक मतदान करू शकतात. 31व्या वार्षिक आमसभेच्या सूचनेमध्ये दिलेल्या विषयावर सभासद दुरस्थ इलेक्ट्रॉनिक पध्दतीने पण मतदान करू शकतात. दुरस्थ इलेक्ट्रॉनिक मतदान पध्दतीचा अवधी **सोमवार, दि. 25 सप्टेंबर, 2017** रोजी **सकाळी 10.00** वाजता सुरू होऊन **बुधवार, दि. 27 सप्टेंबर 2017** रोजी **सायं. 5.00** वाजता समाप्त होईल. दुरस्थ इलेक्ट्रॉनिक मतदान प्रक्रिया त्यानंतर निष्क्रिय केली जाईल. कंपनीचे सदस्य ज्यांच्या जवळ कट ऑफ तारीख म्हणजे **गुरुवार, दि. 21 सप्टेंबर 2017** ला डिमेट किंवा भौतिक स्वरुपामध्ये शेअर असतील आणि ज्या सदस्यांनी दुरस्थ इलेक्ट्रॉनिक माध्यमाद्वारे आपले मतदान केलेले नाही, फक्त असेच सदस्य आपले मतदान 31 व्या वार्षिक आम सभे मध्ये टाकू शकतात. ज्या सदस्यांनी अगोदरच इलेक्ट्रॉनिक पध्दतीने मतदान केलेले आहे, ते सदस्य आम सभेत भाग घेऊ शकतात पण सभे मधे पुर्नमतदान करू शकणार नाहीत. जर भागधारक इलेक्ट्रॉनिक आणि भौतिक स्वरूपात, दोहोत मतदान करतील तर इलेक्ट्रॉनिक मतदान अंतिम धरण्यात येईल. इलेक्ट्रॉनिक किंवा भौतिक मतदाना बद्दल विस्तृत माहिती वार्षिक अहवाल 2016–2017 च्या सुचनेमध्ये नमूद केलेली आहे.

कंपनीचे सचिव सीएस प्रणव पाणिग्रही, (ई–मेल : investor@sunflagsteel.com) इलेक्ट्रॉनिक मतदाना संबंधीत तक्रारींच्या समाधानाकरता जबाबदार असतील व भागधारक त्यांच्याशी वर दिलेल्या नंबर/ई–मेल वर किंवा सीडीएसएल ई–व्होटिंग हेल्पडेस्कशी 18002005533 (टोल फ्री) व www.evotingindia.com या वेबसाईट वर संबंधीत माहिती प्राप्त करू शकतील.

सनफ्लॅग आयर्न अॅन्ड स्टील कंपनी लि. करीता

ठिकाण : नागपूर
दिनांक : 1 सप्टेंबर 2017

सीएस प्रणव पाणिग्रही - कंपनी सचिव
सदस्यता क्र. ACS - 16186

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For Sunflag Iron and Steel Company Limited

CS Pranab Panigrahi
Company Secretary
Membership No.ACS-16186

लोकसत्ता
शनिवार, २ सप्टेंबर २०१७

सनफ्लॅग आयर्न एंड स्टील कंपनी लिमिटेड
SUNFLAG STEEL
नोंदणीकृत कार्यालय : 33, मार्केट रोड, सदर, नागपूर – 440001
फोन नं. : +91 712 - 2524661; फॅक्स : +91 712 - 2520360
ई–मेल: investor@sunflagsteel.com
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CIN : L27100MH1984PLC034003

एकतिसव्या (31) वार्षिक आम सभेची सूचना

याद्वारे सूचना देण्यात येते की सनफ्लॅग आयर्न अँन्ड स्टील कंपनी लिमीटेड च्या सदस्यांची वार्षिक आम सभा गुरुवार, दि. 28 सप्टेंबर, 2017 रोजी दु. 3.00 वाजता इंडियन मेडीकल असोसिएशन्स, जे. आर. शॉ ऑडिटोरीयम, नॉर्थ अंबाझरी रोड, नागपूर – 440010 येथे आयोजित करण्यात आली आहे. सुचनेतील कामकाज व त्यासबंधीच्या स्पष्टीकरणाचे विवरण 2016–2017, च्या वार्षिक अहवालामध्ये नमूद केलेले आहे. वार्षिक अहवाल 2016–17 NSDL/CDSL/RTA/COMPANY मधे ई–मेल नोंदणीकृत सदस्यांना ई–मेल वर व उर्वरित सदस्यांना भौतीक वार्षिक अहवाल त्यांच्या नोंदणीकृत पत्त्यावर परवानगी पद्धती व्दारे पाठविण्यात आलेले आहेत. कंपनीने वार्षिक अहवाला सोबत 31व्या आमसभेची सूचना व इतर दस्ताएवज या तारखेपर्यंत सर्व सदस्यांना पाठविण्याची प्रक्रिया पूर्ण केली आहे. ज्या सदस्यांना हे दस्ताएवज प्रत्यक्ष कागदी स्वरूपात हवे असतील, त्यांना ते विनंती करून निशुल्क उपलब्ध करण्यात येतील. सदरचे सर्व दस्ताएवज कंपनीच्या www.sunflagsteel.com वेबसाईटवर उपलब्ध आहेत.

तसेच, कंपनी कायदा, 2013 च्या कलम 91, कंपनी (प्रशासन आणि व्यवस्थापन) नियम 2014, सोबत सुधारीत नियम, 2015 च्या नियम 10 आणि सेबी (सूचीकरण दायीत्व आणि प्रकटीकरण आवश्यकता) अधिनियम, 2015 च्या विनियम 42 अन्वये सभासदांचे रजिस्टर आणि कंपनीची शेअर हस्तांतरण पुस्तके, शनिवार, दि. 16 सप्टेंबर, 2017 ते गुरुवार, दि. 28 सप्टेंबर, 2017 (दोन्ही दिवस धरून) पर्यंत वार्षिक आम सभेसाठी बंद राहतील.

कंपनी कायदा, 2013 च्या कलम 108, तसेच कंपनी (प्रशासन आणि व्यवस्थापन) नियम 2014, सोबत सुधारीत नियम, 2015 च्या नियम 20 आणि सेबी (सूचीकरण दायीत्व आणि प्रकटीकरण आवश्यकता) अधिनियम, 2015 च्या विनियम 44 अन्वये ज्या सदस्यांजवळ, गुरूवार, दि. 21 सप्टेंबर, 2017 च्या कंपनीने सेन्ट्रल डिपॉझीटरी सर्व्हीसेस ली. (सीडीएसएल) (CDSL) मार्फत दुरस्थ इलेक्ट्रॉनिक मतदान पध्दत उपलब्ध केलेली आहे. या अन्वये, कट ऑफ तारीख पर्यंत डिमेट किंवा भौतीक स्वरुपामधील शेअर्स उपलब्ध असतील, तेच सदस्य दुरस्थ इलेक्ट्रॉनिक पध्दतीने किंवा भौतीक मतदान करू शकतात. 31व्या वार्षिक आमसभेच्या सूचनेमध्ये दिलेल्या विषयावर सभासद दुरस्थ इलेक्ट्रॉनिक पध्दतीने पण मतदान करू शकतात. दुरस्थ इलेक्ट्रॉनिक मतदान पध्दतीचा अवधी सोमवार, दि. 25 सप्टेंबर, 2017 रोजी सकाळी 10.00 वाजता सुरु होऊन बुधवार, दि. 27 सप्टेंबर 2017 रोजी सायं. 5.00 वाजता समाप्त होईल. दुरस्थ इलेक्ट्रॉनिक मतदान प्रक्रिया त्यानंतर निष्क्रिय केली जाईल. कंपनीचे सदस्य ज्यांच्या जवळ कट ऑफ तारीख म्हणजे गुरूवार, दि. 21 सप्टेंबर 2017 ला डिमेट किंवा भौतिक स्वरूपामध्ये शेअर असतील आणि ज्या सदस्यांनी दुरस्थ इलेक्ट्रॉनिक माध्यमाव्दारे आपले मतदान केलेले नाही, फक्त असेच सदस्य आपले मतदान 31 व्या वार्षिक आम सभे मध्ये टाकू शकतात. ज्या सदस्यांनी अगोदरच इलेक्ट्रॉनिक पध्दतीने मतदान केलेले आहे, ते सदस्य आम सभेत भाग घेऊ शकतात पण सभे मधे पुर्नमतदान करू शकणार नाहीत. जर भागधारक इलेक्ट्रॉनिक आणि भौतिक स्वरूपात, दोहोत मतदान करतील तर इलेक्ट्रॉनिक मतदान अंतिम धरण्यात येईल. इलेक्ट्रॉनिक किंवा भौतिक मतदाना बद्दल विस्तृत माहिती वार्षिक अहवाल 2016–2017 च्या सुचनेमध्ये नमूद केलेली आहे.

कंपनीचे सचिव सीएस प्रणब पाणिग्रही, (ई–मेल : investor@sunflagsteel.com) इलेक्ट्रॉनिक मतदाना संबधीत तक्रारीच्या समाधानाकरता जबाबदार असतील व भागधारक त्यांच्याशी वर दिलेल्या नंबर/ई–मेल वर किंवा सीडीएसएल ई–व्होटिंग हेल्पडेस्कशी 18002005533 (टोल फ्री) व www.evotingindia.com या वेबसाईट वर संबंधीत माहिती प्राप्त करू शकतील.

सनफ्लॅग आयर्न अँन्ड स्टील कंपनी लि. करीता

ठिकाण : नागपूर
दिनांक : 1 सप्टेंबर 2017

सीएस प्रणब पाणिग्रही - कंपनी सचिव
सदस्यता क्र. ACS - 16186

//CERTIFIED TRUE COPY//
For Sunflag Iron and Steel Company Limited

CS Pranab Panigrahi
Company Secretary
membership No.ACS-16186

SUNFLAG STEEL

SUNFLAG IRON & STEEL CO. LTD.

THIRTY-FIRST (31ST) ANNUAL REPORT

2016 - 2017

SUNFLAG IRON AND STEEL COMPANY LIMITED

BOARD OF DIRECTORS	Mr. P. B. BHARDWAJ (Promoter, Non-executive Chairman) (upto 6th November 2016)
	Mr. RAVI BHUSHAN BHARDWAJ (Promoter, Non-executive Vice-Chairman upto 12th December 2016, thereafter appointed as Non-executive Chairman effective 12th December 2016)
	Mr. PRANAV BHARDWAJ (Managing Director)
	Mr. SURENDRA KUMAR GUPTA (Deputy Managing Director)
	Dr. E. R. C. SHEKAR (Non-executive, Independent Director)
	Mr. S. GAJENDRAN (Non-executive, Independent Director)
	CA JAYESH M. PARMAR (Non-executive, Independent Director)
	Mr. KUMAR JITENDRA SINGH (Non-executive, Independent Director)
	Mrs. NEELAM KOTHARI (Non-executive, Independent Director)
	Mr. SUHRIT RAVI BHUSHAN BHARDWAJ (Additional Director) (Effective 27th March 2017)
	CA R. MURALIDHAR, Whole-time Director designated as Executive Director (Finance) & CFO (effective 14th August 2017)
	Mr. RAMCHANDRA VASANT DALVI, Whole-time Director designated as Executive Director (Works) (effective 14th August 2017)
	Mr. VINOD KUMAR KAPUR - Alternate Director to Mr. P.B. Bhardwaj (upto 6th November 2016)
COMPANY SECRETARY	CS PRANAB PANIGRAHI
STATUTORY AUDITORS	M/s. S.S. KOTHARI MEHTA & CO. CHARTERED ACCOUNTANTS, NEW DELHI
JOINT STATUTORY AUDITORS	M/s. PATEL, SHAH & JOSHI CHARTERED ACCOUNTANTS, MUMBAI
SECRETARIAL AUDITORS	M/s. MUKESH PARAKH & ASSOCIATES COMPANY SECRETARIES, NAGPUR
COST AUDITORS	M/s. G. R. PALIWAL & COMPANY COST ACCOUNTANTS, NAGPUR
BANKERS	STATE BANK OF INDIA
	BANK OF INDIA
	CANARA BANK
	INDIAN BANK
	STATE BANK OF BIKANER AND JAIPUR (Now merged with State Bank of India)
	IDBI BANK LIMITED
REGISTERED OFFICE	33, MOUNT ROAD, SADAR, NAGPUR - 440001 (MAHARASHTRA)
WORKS	WARTHI, BHANDARA ROAD, BHANDARA - 441905 (MAHARASHTRA)
WEB SITE	www.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

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

Tel No. + 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-first (31st)** Annual General Meeting of the Members of **Sunflag Iron and Steel Company Limited** will be held on **Thursday, the 28th day of September 2017 at 3.00 P. M.** at Indian Medical Association's J. R. Shaw Auditorium, North Ambazari Road, Nagpur – 440010 (Maharashtra, India), to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (Standalone & Consolidated) of the Company for the year ended 31st March 2017, comprising of the Balance Sheet as at 31st March 2017, Statement of Profit & Loss and Cash Flow Statement for the financial year ended 31st March 2017, together with the Board's Reports and Report of the Statutory Auditors thereon.
2. To appoint a Director in place of Mr. Ravi Bhushan Bhardwaj (DIN : 00054700), who retires by rotation and, being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution :

   Ratification of Re-appointment of Messers S. S. Kothari Mehta & Co., Chartered Accountants, New Delhi (ICAI Firm Registration No. 000756N) as the Statutory Auditors of the Company

   "RESOLVED THAT pursuant to Section 139, 141, 142 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification/s or re-enactment/s thereof, for the time being in force) and pursuant to the resolution passed by the Members at the Thirtieth (30th) Annual General Meeting held on 23rd September 2016, the Company hereby ratifies the re-appointment of Messers S. S. Kothari Mehta & Co., Chartered Accountants, New Delhi (ICAI Firm Registration No. 000756N), as the Statutory Auditors of the Company to hold office from the conclusion of this Thirty-first (31st) Annual General Meeting till the conclusion of the Thirty-second (32nd) Annual General Meeting of the Company to be held in the calendar year 2018, at such remuneration plus applicable tax (GST) thereon and reimbursement of out of pocket and travelling expenses, if any, as approved and recommended by the Board of Directors based on the recommendation of the Audit Committee of the Company."

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution :

   Appointment of Mr. Suhrit Ravi Bhushan Bhardwaj (DIN : 02318190) as a Director (Category - Promoter, Non-executive, Non-independent) of the Company

   "RESOLVED THAT Mr. Suhrit Ravi Bhushan Bhardwaj (DIN : 02318190), who was appointed as an Additional Director of the Company by the Board of Directors effective 27th March 2017, in terms of provisions of Section 161 of the Companies Act, 2013, and who holds such office upto the conclusion of this Thirty-first (31st) Annual General Meeting, and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of a Director, be and is hereby appointed as a Director (Category - Promoter, Non-executive, Non-independent) of the Company, liable to retire by rotation."
5. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution :

   Appointment of CA R. Muralidhar (DIN : 00982212) as a Director (Category - Non-independent, Executive) of the Company

   "RESOLVED THAT CA R. Muralidhar (DIN : 00982212), who was appointed as an Additional Director of the Company by the Board of Directors effective 14th August 2017, in terms of provisions of Section 161 of the Companies Act, 2013, and who holds such office upto the conclusion of this Thirty-first (31st) Annual General Meeting, and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of a Director, be and is hereby appointed as a Director (Category - Non-independent, Executive) of the Company, liable to retire by rotation."
6. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution :

   Appointment of Mr. Ramchandra Vasant Dalvi (DIN : 00012065) as a Director (Category - Non-independent, Executive) of the Company

   "RESOLVED THAT Mr. Ramchandra Vasant Dalvi (DIN : 00012065), who was appointed as an Additional Director of the Company by the Board of Directors effective 14th August 2017, in terms of provisions of Section 161 of the Companies Act, 2013, and who holds such office upto the conclusion of this Thirty-first (31st) Annual General Meeting, and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of a Director, be and is hereby appointed as a Director (Category - Non- independent, Executive) of the Company, liable to retire by rotation."
7. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution :

   Re-appointment of Dr. E.R.C. Shekar (DIN : 00013670) as a Director (Category - Non-executive, Independent) of the Company

   "RESOLVED THAT in accordance with the provisions of Section 149, 152, Schedule IV and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification/s or re-enactment/s for the time being in force) and pursuant to provisions of the Listing Regulation/s, Dr. E.R.C. Shekar (DIN : 00013670), whose period of office is expiring at the ensuing Thirty-first (31st) Annual General Meeting and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of a Director, be and is hereby appointed as a Director (Category - Non-executive, Independent) of the Company to hold the office for a fixed second term of consecutive five (5) years i.e. from the conclusion of Thirty-first (31st) Annual General Meeting up to the conclusion of Thirty-sixth (36th) Annual General Meeting of the Company to be held in the calendar year 2022."
8. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution :

   Re-appointment of Mr. Kumar Jitendra Singh (DIN : 00626823) as a Director (Category - Non-executive, Independent) of the Company

   "RESOLVED THAT in accordance with the provisions of Section 149, 152, Schedule IV and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification/s or re-enactment/s thereof for the time being in force) and pursuant to provisions of the Listing Regulation/s, Mr. Kumar Jitendra Singh (DIN : 00626823), whose period of office is expiring at the ensuing Thirty-first (31st) Annual General Meeting and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of a Director, be and is hereby appointed as a Director (Category - Non-executive, Independent) of the Company to hold the office for a fixed second term of consecutive five (5) years i.e. from the conclusion of Thirty-first (31st) Annual General Meeting up to the conclusion of Thirty-sixth (36th) Annual General Meeting of the Company to be held in the calendar year 2022."
9. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution :

   Re-appointment of Mr. S. Gajendran (DIN : 00250136) as a Director (Category - Non-executive, Independent) of the Company

   "RESOLVED THAT in accordance with the provisions of Section 149, 152, Schedule IV and all other applicable provisions of the Companies Act,

2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification/s or re-enactment/s thereof for the time being in force) and pursuant to provisions of the Listing Regulation/s, Mr. S. Gajendran (DIN : 00250136), whose period of office is expiring at the ensuing Thirty-first (31st) Annual General Meeting and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of a Director, be and is hereby appointed as a Director (Category - Non-executive, Independent) of the Company to hold the office for a fixed second term of consecutive two (2) years i.e. from the conclusion of Thirty-first (31st) Annual General Meeting up to the conclusion of Thirty-third (33rd) Annual General Meeting of the Company to be held in the calendar year 2019."

10. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution :

Re-appointment of CA Jayesh M. Parmar (DIN : 00802843) as a Director (Category - Non-executive, Independent) of the Company

"RESOLVED THAT in accordance with the provisions of Section 149, 152, Schedule IV and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification/s or re-enactment/s thereof for the time being in force) and pursuant to provisions of the Listing Regulation/s, CA Jayesh M. Parmar (DIN : 00802843), whose period of office is expiring at the ensuing Thirty-first (31st) Annual General Meeting and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of a Director, be and is hereby appointed as a Director (Category - Non-executive, Independent) of the Company to hold the office for a fixed second term of consecutive two (2) years i.e. from the conclusion of Thirty-first (31st) Annual General Meeting up to the conclusion of Thirty-third (33rd) Annual General Meeting of the Company to be held in the calendar year 2019."

11. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution :

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 for a further period of three (3) years effective 30th July 2017

"RESOLVED THAT in accordance with the provisions of Section 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification/s or re-enactment/s thereof for the time being in force) and Schedule V to the Companies Act, 2013 and/or subject to the approval required, if any, the Company do hereby approves the 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 for a further period of three (3) years effective 30th July 2017, with a liberty to the Board of Directors including any Committee thereof to revise, amend, alter, vary and implement the terms and conditions of remuneration in such manner and as may be permitted in accordance with the provisions of the Companies Act, 2013 and / or any modifications / amendments thereof.

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

12. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution :

Appointment of CA R. Muralidhar (DIN : 00982212) as the Whole-time Director designated as the Executive Director (Finance) & CFO (Category - Non-independent, Executive), designated Key Managerial Personnel, of the Company, for a period of three (3) years effective 14th August 2017

"RESOLVED THAT in accordance with the provisions of Section 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification/s or re-enactment/s thereof for the time being in force) and Schedule V to the Companies Act, 2013 and/or subject to the approval required, if any, the Company do hereby approves the appointment of CA R. Muralidhar (DIN : 00982212) as the Whole-time Director, designated as the Executive Director (Finance) & CFO (Category - Non-independent, Executive), designated Key Managerial Personnel, of the Company for a period of three (3) years effective 14th August 2017, with liberty to the Board of Directors including any Committee thereof to revise, amend, alter, vary and implement the terms and conditions of remuneration in such manner and as may be permitted in accordance with the provisions of the Companies Act, 2013 and / or any modifications / amendments thereof.

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

13. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution :

Appointment of Mr. Ramchandra Vasant Dalvi (DIN : 00012065) as the Whole-time Director, designated as the Executive Director (Works), (Category - Non-independent, Executive), designated Key Managerial Personnel, of the Company for a period of three (3) years effective 14th August 2017

"RESOLVED THAT in accordance with the provisions of Section 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification/s or re-enactment/s thereof for the time being in force) and Schedule V to the Companies Act, 2013 and/or subject to the approval required, if any, the Company do hereby approves the appointment of Mr. Ramchandra Vasant Dalvi (DIN : 00012065) as the Whole-time Director, designated as the Executive Director (Works) (Category - Non-independent, Executive), designated Key Managerial Personnel, of the Company, for a period of three (3) years effective 14th August 2017, with liberty to the Board of Directors including any Committee thereof to revise, amend, alter, vary and implement the terms and conditions of remuneration in such manner and as may be permitted in accordance with the provisions of the Companies Act, 2013 and / or any modifications/ amendments thereof.

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

14. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution :

Ratification of Remuneration of Cost Auditors of the Company

"RESOLVED THAT pursuant to 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 modification/s or re-enactment/s thereof, for the time being in force), 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 2017-2018 has been duly approved by the Board of Directors based on the recommendations of the Audit Committee of the Company, be paid a sum ₹ 2,00,000/- (₹ Two Lakhs Only) plus applicable tax and reimbursement of actual out of pocket expenses, if any, as a remuneration for audit of cost records of the Company for the financial year 2017-2018, as recommended by the Board of Directors based on the recommendations of the Audit Committee of the Company, be and are hereby ratified."

By Order of the Board

CS Pranab Panigrahi
Company Secretary
Membership No. ACS - 16186

Nagpur
14.08.2017

NOTES :

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY, SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING. PROXY FORM, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT (48) HOURS BEFORE THE TIME APPOINTED FOR THE MEETING.

A Proxy submitted on behalf of the Company, Trust or Society (Institutional Investors) must be supported by an appropriate Resolution or Authority, as applicable. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% (ten percent) of the total Share Capital of the Company carrying voting rights. In case, a proxy is proposed to be appointed by a member holding more than 10% (ten percent) of the total Share Capital of the Company carrying voting rights, then such proxy shall not act as proxy for any other person or shareholder.

1. An explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of Ordinary and Special Business under Item Nos. 3 to 14 is annexed hereto and form part of the Notice.
2. 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 Annual General Meeting at the Registered Office of the Company and also at the place of the Meeting at the scheduled time of Annual General Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 16th Day of September, 2017 to Thursday, the 28th Day of September, 2017 (both days inclusive) for the purpose of Thirty-first (31st) Annual General Meeting of the Company.
4. Members are requested to send their queries, if any, in writing at least 10 days in advance of the date of the meeting to the Company at its Registered Office.
5. Members / Proxies are requested to bring the attendance slip attached at page 102, duly filled in, for attending the meeting.
6. **DEMATERIALISATION OF SHARES**

   This is to inform that about 1075 lakhs shares (**59.64%)** of the total Equity Shares have already been dematerialized as of 31st March 2017. The Shareholders who have not dematerialised their Equity Shareholding may opt for the same accordingly.
7. **REGISTRAR & SHARE TRANSFER AGENT**

   M/s. Bigshare Services Private Limited, 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Appartments, Makwana Road, Marol, Andheri (East), Mumbai – 400059 have been appointed by the Company as the Registrar and Share Transfer Agent effective 31st March 2003. Therefore, Depository Participants / Shareholders / Investors of the Company are advised to send all documents / correspondence such as requests for Dematerialisation of Shares, Transfer of Shares, Change of Address, Registration of e-mail id, Change of Bank Mandate / NECS and other Shares related documents to M/s. Bigshare Services Private Limited at the above mentioned address only.
8. **CHANGE OF INFORMATION / BANK MANDATE**

   The Members / Shareholders holding Equity Shares in physical form are requested to notify / update any Change in their Address, Bank Mandate e.g. Name of Bank, Branch Address, Account Number and MICR / IFS Code to the Registrar and Share Transfer Agent and / or the Company or to their respective Depository Participants (DP), if the Shares are held in Demat mode.
9. **TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

   The dividend declared by the Company which remains unpaid / 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 dividends remaining unpaid / 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 (20th) - 28th September 2006	27th September 2013	15,92,685.00
2	Twenty-first (21st) - 25th September 2007	24th September 2014	11,71,767.00
3	Twenty-second (22nd) - 23rd September 2008	22nd September 2015	18,71,945.00
4	Twenty-third (23rd) - 25th September 2009	23rd September 2016	22,14,452.00

   Moreover, the dividend for the financial year 2009-2010 declared at Twenty-fourth (24th) Annual General Meeting held on 23rd September 2010 remaining unpaid / unclaimed is due for transfer to the credit of IEPF on **22nd September 2017**. The Members are requested to claim their unpaid / unclaimed Dividend(s), if any, declared and paid for the financial years 2010-2011 including for financial year 2009-2010 immediately.

   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 details of unpaid and unclaimed dividend lying as on 23rd September 2016 (date of last Annual General Meeting) on the Company's website *www.sunflagsteel.com* as also on the Ministry of Corporate Affairs' website.
10. In terms of Regulation 39 of SEBI (LODR) Regulations, 2015, the Company has transferred 28,050 equity shares to "**Sunflag Iron and Steel Company Limited – Unclaimed Suspense Account**" effective 3rd August 2015, as these shares were lying unclaimed since dates of allotments. Shareholders of these unclaimed shares can contact the Company to claim their shares. During the year under review, no rightful shareholder has claimed any shares from this account. The detailed list of shares transferred to this suspense account is available on the Company's website *www.sunflagsteel.com*.

11. **GREEN INITIATIVE**

As a responsible corporate citizen, your Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, Government of India. We strongly urge you to support this 'Green Initiative' by opting for electronic mode of communication and making the world a cleaner, greener and healthier place to live.

The members who have not registered their e-mail address, so far, are requested to register their e-mail address with the Company, Registrar and Share Transfer Agent or Depository Participant (DP), as the case may be.

12. **E-VOTING**

In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 including Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its Members facility to exercise their right to vote at the Annual General Meeting by electronic means and the business may be transacted through e-voting services provided by the Central Depository Services (India) Limited (CDSIL).

The instructions for members for voting electronically are as under:-

I. In case of members receiving e-mail :

i) The e-voting period begins on **Monday, the 25th September 2017 at 10:00 Hrs.** and ends on **Wednesday, the 27th September 2017 at 17:00 Hrs.** During this period Shareholders' of the Company, holding Equity Shares either in physical form or in dematerialised (demat) form, as on the cut-off date (record date) of **Thursday, the 21st September 2017**, may cast their vote electronically. The e-voting module shall be disabled by CDSIL for voting thereafter.

ii) Log on to the e-voting website *www.evotingindia.com*

iii) Click on "Shareholders" Tab.

iv) Now Enter your User ID

a) For CDSIL : 16 digits beneficiary ID

b) For NSDL : 8 Character DP ID followed by 8 Digits Client ID

c) Members holding shares in Physical Form should enter Folio Number registered with the Company

v) Next enter the Image Verification as displayed and Click on Login.

vi) If you are holding shares in demat form and had logged on to *www.evotingindia.com* and voted on an earlier voting of any Company, then your existing password is to be used.

vii) If you are a first time user, then follow the steps given below :

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the last 8 digits of the sequence number (refer serial no. printed on the name and address sticker / postal ballot form / mail) in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.

viii) After entering these details appropriately, click on "SUBMIT" tab.

ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xi) Click on the EVSN for **SUNFLAG IRON AND STEEL COMPANY LIMITED** on which you choose to vote.

xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES / NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.

xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to *www.evotingindia.com* and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to *helpdesk.evoting@cdslindia.com*.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to *helpdesk.evoting@cdslindia.com* and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at *www.evotingindia.com*, under help section or write an email to *helpdesk.evoting@cdslindia.com*.

II. In case of members receiving the physical copy :

a) Please follow all steps from Serial No. (i) to Serial No. (xix) above to cast vote.

b) The e-voting period begins on **Monday,** the **25th September, 2017 at 10:00 Hrs.** and ends on **Wednesday,** the **27th September, 2017 at 17:00 Hrs.** During this period Shareholders' of the Company, holding Equity Shares either in physical form or in dematerialised (demat) form, as on the cut-off date (record date) of **Thursday,** the **21st September, 2017**, may cast their vote electronically. The e-voting module shall be disabled by CDSIL for voting thereafter.

c) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at *www.evotingindia.com* under help section or write an email to *helpdesk.evoting@cdslindia.com* or Toll-free No. 1800 200 5533.

d) 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 (including voting through ballot form received from members) and voting at the venue of the Annual General Meeting in a fair and transparent manner.

e) CS Pranab Panigrahi (ICSI Membership No. ACS-16186) Company Secretary of the Company shall be responsible for addressing all the grievances in relation to this Annual General Meeting including e-voting.

f) The Notice of the Annual General Meeting will be sent to all the Members, whose names appear in the Register of Members as on cut-off date i.e. **Thursday**, the **21st September 2017** through Registered Post, Speed Post, Courier or by E-Mail, wherever registered. The Members may also download a copy of the Notice from the Website of the Company (www.sunflagsteel.com).

g) The Members of the Company, holding Equity Shares either in physical form or in dematerialised (demat) form as on **Thursday**, the **21st September 2017** and not casting their vote electronically, may only cast their vote at the Thirty-first (31st) Annual General Meeting. The voting rights of shareholders shall be in proportion to their shareholding of paid-up share capital of the Company as on **Thursday**, the **21st September 2017**.

h) Kindly note that the shareholders can opt only one mode of voting i.e. either by e-voting or physical mode. If you are opting for e-voting, then do not vote by physically also. However, in case shareholder cast their vote through e-voting as well as physically, then voting done through e-voting will prevail.

i) The results of voting shall be declared within forty-eight (48) hours of the conclusion of the Thirty-first (31st) 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), CDSIL 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. 3 :

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (as amended) regarding rotation of Statutory Auditors are applicable to the Company. As such, the Members at the Thirtieth (30th) Annual General Meeting held on 23rd September 2016 appointed Messers S. S. Kothari Mehta and Co., Chartered Accountants, New Delhi (ICAI Firm Registration No. 000756N) as the Statutory Auditors of the Company for a term of two (2) years from the conclusion of Thirtieth (30th) Annual General Meeting until the conclusion of Thirty-second (32nd) Annual General Meeting of the Company to be held for the financial year 2017-2018, subject to ratification by the Members at every subsequent Annual General Meeting of the Company. The Audit Committee and Board of Directors at their respective meeting/s, considering the qualification and experience of the said Statutory Auditors of the Company, has approved and recommended their re-appointment for ratification of the Members at the Thirty-first (31st) Annual General Meeting.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the said Resolution. Accordingly the Board of Directors of the Company recommends the ordinary resolution for ratification of the members in the interest of the Company .

Item No. 4 :

The Board of Directors at its 161st meeting held on 27th March 2017, after considering the recommendations of Nomination and Remuneration Committee of its 31st meeting held on 26th March 2017, has appointed Mr. Suhrit Ravi Bhushan Bhardwaj (DIN : 02318190) as an Additional Director (Category – Promoter, Non-executive, Non-independent) of the Company, liable to retire by rotation, to hold the office till the conclusion of ensuing Thirty-first (31st) Annual General Meeting of the Company.

The Board of Directors at its 164th meeting held on 14th August 2017, after considering the recommendations of the 'Nomination and Remuneration Committee' of its 33rd meeting held on 14th August 2017, considered, approved and recommended to the Members, the appointment of Mr. Suhrit Ravi Bhushan Bhardwaj (DIN : 02318190) as a Director (Category – Promoter, Non-executive, Non-independent) of the Company, liable to retire by rotation.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Suhrit Ravi Bhushan Bhardwaj for the office of a Director of the Company.

Mr. Suhrit Ravi Bhushan Bhardwaj (DIN : 02318190) for himself being the appointee and Mr. Ravi Bhushan Bhardwaj (DIN : 00054700) and Mr. Pranav Bhardwaj (DIN : 00054805), being relative/s of appointee, deemed to be concerned or interested in this resolution.

Except the above, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in this Resolution.

Accordingly, the Board of Directors recommends to the Members for their approval, the ordinary resolution for an appointment of Mr. Suhrit Ravi Bhushan Bhardwaj (DIN : 02318190) as a Director (Category – Promoter, Non-executive, Non-independent) of the Company, liable to retire by rotation, in the interest of the Company.

Item No. 5 :

The Board of Directors at its 164th meeting held on 14th August 2017, after considering the recommendations of Nomination and Remuneration Committee of its 33rd meeting held on 14th August 2017, has appointed CA R. Muralidhar (DIN : 00982212) as an Additional Director (Category – Non-independent, Executive) of the Company, liable to retire by rotation, to hold the office till the conclusion of ensuing Thirty-first (31st) Annual General Meeting of the Company.

The Board of Directors also at its 164th meeting held on 14th August 2017, after considering the recommendations of the 'Nomination and Remuneration Committee' of its 33rd meeting held on 14th August 2017, considered, approved and recommended to the Members, the appointment of CA R. Muralidhar (DIN : 00982212) as a Director, (Category - Non-Independent, Executive) of the Company, liable to retire by rotation.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of CA R. Muralidhar for the office of a Director of the Company.

Except CA R. Muralidhar (DIN : 00982212), for himself being the appointee, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in this Resolution. Accordingly, the Board of Directors recommends to the Members for their approval, the ordinary resolution for an appointment of CA R. Muralidhar (DIN : 00982212) as a Director, (Category - Non-Independent, Executive) of the Company, liable to retire by rotation, in the interest of the Company.

Item No. 6 :

The Board of Directors at its 164th meeting held on 14th August 2017, after considering the recommendations of Nomination and Remuneration Committee of its 33rd meeting held on 14th August 2017, has appointed Mr. Ramchandra Vasant Dalvi (DIN : 00012065) as an Additional Director (Category – Non-independent, Executive) of the Company, liable to retire by rotation, to hold the office till the conclusion of ensuing Thirty-first (31st) Annual General Meeting of the Company.

The Board of Directors also at its 164th meeting held on 14th August 2017, after considering the recommendations of the 'Nomination and Remuneration Committee' of the Board at its 33rd meeting held on 14th August 2017, considered, approved and recommended to the Members, the appointment of Mr. Ramchandra Vasant Dalvi (DIN : 00012065) as a Director, (Category - Non-Independent, Executive), of the Company, liable to retire by rotation.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Ramchandra Vasant Dalvi for the office of a Director of the Company.

Except Mr. Ramchandra Vasant Dalvi (DIN : 00012065), for himself being the appointee, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in this Resolution.

Accordingly, the Board of Directors recommends to the Members for their approval, the ordinary resolution for an appointment of Mr. Ramchandra Vasant Dalvi (DIN : 00012065) as a Director, (Category - Non-Independent, Executive) of the Company, liable to retire by rotation, in the interest of the Company.

Item No. 7 to 10 :

The Members may recall, Dr. E.R.C. Shekar, Mr. S. Gajendran, CA Jayesh M. Parmar and Mr. Kumar Jitendra Singh were appointed as the Non-executive, Independent Director/s of the Company at the Twenty-eighth (28th) Annual General Meeting held on 26th September 2014 for a fixed first term of consecutive three (3) years i. e. from the conclusion of 28th Annual General Meeting up to the conclusion of 31st Annual General Meeting of the Company to be held in the calendar year 2017.

Dr. E.R.C. Shekar, Mr. S. Gajendran, CA Jayesh M. Parmar and Mr. Kumar Jitendra Singh are not disqualified from being appointed as the Director/s in terms of Section 164 of the Companies Act, 2013 and have given their consent to act as the Director/s of the Company.

The Company has also received declaration/s from Dr. E.R.C. Shekar, Mr. S. Gajendran, CA Jayesh M. Parmar and Mr. Kumar Jitendra Singh that they each meet with 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.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature/s of each of Dr. E.R.C. Shekar, Mr. S. Gajendran, CA Jayesh M. Parmar and Mr. Kumar Jitendra Singh for the office of Director/s of the Company.

In the opinion of the Board, Dr. E.R.C. Shekar, Mr. S. Gajendran, CA Jayesh M. Parmar and Mr. Kumar Jitendra Singh fulfill the conditions for re-appointment as the Non-executive, Independent Director/s of the Company as per the applicable provisions of the Companies Act, 2013 and the Listing Regulation/s. The brief profile/s of the said Director/s is given in the Annex to Board's Report and forms part of the Notice.

It is proposed to appoint Dr. E.R.C. Shekar and Mr. Kumar Jitendra Singh as the Non-executive, Independent Director/s pursuant to the provisions of Section 149, 152 of the Companies Act, 2013 and Listing Regulation/s, to hold the office for a fixed second term of consecutive five (5) years, i.e. from the conclusion of Thirty-first (31st) Annual General Meeting up to the conclusion of Thirty-sixth (36th) Annual General Meeting of the Company to be held in the calendar year 2022.

Further, it is proposed to appoint Mr. S. Gajendran and CA Jayesh M. Parmar as the Non-executive, Independent Director/s pursuant to the provisions of Section 149, 152 of the Companies Act, 2013 and Listing Regulation/s, to hold the office for a fixed second term of consecutive two (2) years, i.e. from the conclusion of Thirty-first (31st) Annual General Meeting up to the conclusion of Thirty-third (33rd) Annual General Meeting of the Company to be held in in the calendar year 2019.

A copy of the draft letter for respective appointment/s of Dr. E.R.C. Shekar, Mr. S. Gajendran, CA Jayesh M. Parmar and Mr. Kumar Jitendra Singh as the Non-executive, Independent Director/s setting out the terms and conditions are available for inspection by the Members at the Registered Office of the Company.

Dr. E.R.C. Shekar, Mr. S. Gajendran, CA Jayesh M. Parmar and Mr. Kumar Jitendra Singh may be deemed to be concerned or interested in the respective Resolution/s with regard to their individual appointment/s set out at Item No. 7, 8, 9 and 10, respectively, of the Notice.

Except the respective individual Director, for himself being the appointee, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in these Resolutions. The Board of Directors of the Company recommends the special resolution/s for approval of the Members in the interest of the Company.

Item No. 11 :

Mr. Surendra Kumar Gupta, aged about 69 years, qualified as B.E. (Mechanical) & holding Diploma in Business Management, working with the Company since year 1992, having overall experience of about 40 years in Steel & Steel making industry, was appointed as the Whole- time Director for a period of five (5) years effective 30th July 2007. Subsequently, he was re-appointed as the Whole-time Director designated as a Director & CEO for a further period of five (5) years effective 30th July 2012. Since, 12th August 2015, he was re-designated as the Deputy Managing Director of the Company. His term of said appointment expired on 29th July 2017.

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.

Keeping in view his unstinted efforts and wide contributions made in the progress of the Company, the 'Nomination and Remuneration Committee' of the Board at its 33rd meeting held on 14th August 2017 considered and recommended to the Board / Members, the re-appointment of Mr. Surendra Kumar Gupta as the Deputy Managing Director of the Company including fixation of remuneration payable thereof, for a further period of three (3) years effective 30th July 2017.

The Board of Directors at its 164th meeting held on 14th August 2017, considered and approved his re-appointment as the Deputy Managing Director designated Key Managerial Personnel, of the Company for a further period of three (3) years effective 30th July 2017, subject to approval of the Members at the ensuing Thirty-first (31st) Annual General Meeting of the Company and requisite permissions / approvals, if any.

The Board of Directors, having considered his qualifications, experience and responsibilities, has recommended the remuneration, allowances and perquisites for approval of members as stated below :

i. Remuneration (Basic Salary) of ₹ 3,60,000/- (₹ Three lakh sixty thousand) per month, with suitable annual increase, as may be determined by the Committee / Board from time to time.
ii. Perquisites and benefits as per the Company rules as applicable from time to time.

The re-appointment of and remuneration, perquisites / benefits payable to Mr. Surendra Kumar Gupta (DIN : 00054836) as the Deputy Managing Director, designated Key Managerial Personnel, of the Company, are in accordance with the provisions of Section 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification/s or re-enactment/s thereof for the time being in force), with an authority to the Committee / Board to modify / alter / vary the terms of re-appointment or impose any other terms of re-appointment and conditions as it may deem fit and proper, from time to time.

Except Mr. Surendra Kumar Gupta (DIN : 00054836), for himself being the appointee, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the said Resolution. The Board of Directors of the Company recommends the ordinary resolution for approval of the Members in the interest of the Company.

Item No. 12 :

CA R. Muralidhar (DIN : 00982212), aged about 62 years, qualified as a Fellow Member of the Institute of Chartered Accountants of India (the ICAI) (Membership No. 24725),having overall experience of about 37 years in Steel, Aluminium, Cement and other manufacturing companies namely Cement Corporation of India Limited, Priyadarshani Cements Limited, Hindustan Fluorocarbons Limited and Bharat Aluminum Company Limited. He is working with the Company since year 1993, wherein, has started his career as a Manager (Finance) posted at the Company's Works and gradually elevated to various positions and ultimately to the Executive Director (Finance) & CFO of the Company.

CA R. Muralidhar (DIN : 00982212), is presently looking after and responsible for the overall Accounts, Finance and Banking activities of the Company.

Over a period of time, CA R. Muralidhar is recognised as a good administrator, team leader and contributed in the overall growth of the Company through prudent and strict financial management. The 'Nomination and Remuneration Committee' at its 33rd meeting held on 14th August 2017, considered, approved and recommended to the Board / Members, the appointment of CA R. Muralidhar (DIN : 00982212), as the Whole-time Director, designated as the Executive Director (Finance) & CFO of the Company, including fixation of remuneration payable thereof for a period of three(3) years effective 14th August 2017.

Subsequently, the Board of Directors at its 164th meeting held on 14th August 2017, considered and approved, his appointment as the Whole-time Director designated as the Executive Director (Finance) & CFO, designated Key Managerial Personnel, of the Company,

for a period of three (3) years effective 14th August 2017, subject to approval of the Members at the ensuing Thirty-first (31st) Annual General Meeting of the Company and requisite permissions / approvals, if any.

The Board of Directors having considered his qualification, experience and responsibilities, recommended the remuneration, allowances and perquisites for approval of the Members as stated below :

i. Remuneration (Basic Salary) of ₹ 2,40,000/- (₹ Two lakh forty thousand) per month, with suitable annual increase, as may be determined by the Committee / Board from time to time.

ii. Perquisites and benefits as per the Company rules as applicable from time to time.

The appointment of and remuneration, perquisites / benefits payable to CA R. Muralidhar (DIN : 00982212) as the Whole-time Director, designated as the Executive Director (Finance) & CFO, designated Key Managerial Personnel, of the Company, are in accordance with the provisions of Section 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification/s or re-enactment/s thereof for the time being in force), with an authority to the Committee / Board to modify / alter / vary the terms of appointment or impose any other terms of appointment and conditions as it may deem fit and proper, from time to time.

Except CA R. Muralidhar (DIN : 00982212), for himself being the appointee, none of the other Director/s, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the said Resolution. The Board of Directors of the Company recommends the ordinary resolution for approval of the Members in the interest of the Company.

Item No. 13 :

Mr. Ramchandra Vasant Dalvi (DIN : 00012065), aged about 67 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) & 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. Also, he had started his own ventures viz. Sanika Hospitality and Saidham Schemes at Pune and held Directorship / Partnership in these ventures. He joined Sunflag in the year 2015 as the Executive Director (Works), and in-charge of the Company's Steel Plant at Warthi, Bhandara Road in the State of Maharashtra.

Mr. Ramchandra Vasant Dalvi (DIN : 00012065) 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.

Mr. Ramchandra Vasant Dalvi proved himself to be an able administrator with good technical capabilities, the 'Nomination and Remuneration Committee' at its 33rd meeting held on 14th August 2017, considered, approved and recommended to the Board / Members, the appointment of Mr. Ramchandra Vasant Dalvi (DIN : 00012065) as the Whole-time Director, designated as the Executive Director (Works) of the Company, including fixation of remuneration payable thereof for a period of three (3) years effective 14th August 2017.

Subsequently, the Board of Directors at its 164th meeting held on 14th August 2017, considered and approved his appointment as the Whole-time Director, designated as the Executive Director (Works), designated Key Managerial Personnel, of the Company, for a period of three (3) years effective 14th August 2017, subject to approval of the Members at the ensuing Thirty-first (31st) Annual General Meeting of the Company and requisite permissions / approvals, if any.

The Board of Directors having considered his qualifications, experience and responsibilities, recommended the remuneration, allowances and perquisites for approval of the Members as stated below :

i. Remuneration (Basic Salary) of ₹1,80,000/- (₹ One lakh eighty thousand) per month, with suitable annual increase, as may be determined by the Committee / Board from time to time.

ii. Perquisites and benefits as per the Company rules as applicable from time to time.

The appointment of and remuneration, perquisites / benefits payable to Mr. Ramchandra Vasant Dalvi (DIN : 00012065) as the Whole-time Director, designated as the Executive Director (Works), designated Key Managerial Personnel, of the Company, are in accordance with the provisions of Section 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification/s or re-enactment/s thereof for the time being in force), with an authority to the Committee / Board to modify / alter / vary the terms of appointment or impose any other terms of appointment and conditions as it may deem fit and proper, from time to time.

Except Mr. Ramchandra Vasant Dalvi (DIN : 00012065), for himself being the appointee, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the said Resolution. The Board of Directors of the Company recommends the ordinary resolution for approval of the Members in the interest of the Company.

Item No. 14 :

On recommendations of the Audit Committee, the Board of Directors of the Company at its 163rd meeting held on 26th May 2017 appointed M/s G R Paliwal & Company, Cost Accountants, Nagpur (Membership No. 7815) as the Cost Auditors of the Company for the financial year 2017–2018 to audit the cost records of the Company at a remuneration of ₹ 2,00,000 /- (₹ Two lakh) plus applicable tax (GST) and reimbursement of actual out of pocket expenses, if any.

Pursuant to Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration as recommended by the Board of Directors, is subject to ratification by the shareholders (members) of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the said Resolution. The Board of Directors of the Company recommends the ordinary resolution for ratification of the Members in the interest of the Company.

By Order of the Board

CS Pranab Panigrahi
Company Secretary
Membership No. ACS - 16186

Nagpur
14.08.2017

BOARD'S REPORT

To

The Shareholders

The Board of Directors of the Company hereby present the Thirty-first (31st) Annual Report together with the Audited Financial Statements for the year 2016-2017 ended 31st March 2017.

During the financial year under review, the profitability of Steel industry was under stress due to drop in the sales realisations as a result of reduction in demand. Even though, there was some reductions in the prices of few raw materials but the overall gap between the realisations and cost of production has increased resulting in the slight reduction of profit. However, with the continuous efforts by the Company's Management towards strict cost reduction and better financial / working capital management, has helped to improve its overall performance in order to survive in the difficult market conditions.

1. FINANCIAL RESULTS

The summarised financial results for the year are as follows :

(₹ in Lakh)

Sr. No.	Particulars	For the financial year ended	
		31st March 2017	31st March 2016 (#)
1	Total Income	**172,098**	180,116
2	Total Expenditure	**156,782**	161,388
3	Gross Profit	**15,316**	18,728
4	Finance Cost	**3,506**	6,495
5	Profit before Depreciation	**11,810**	12,233
6	Depreciation	**3,319**	3,564
7	Profit before exceptional and extraordinary items and Tax	**8,491**	8,669

(#) The figures pertaining to the financial year 2015-2016 are after giving effect of the Ind AS adjustments.

2. FINANCE

Your Company has ended the financial year with a profit after tax of ₹ 6,517 Lakhs. After taking into account the brought forward profit of ₹ 42,243 Lakhs, your Company has carried forward an amount of ₹ 48,760 Lakhs to the Balance Sheet.

3. DIVIDEND

There is a continuous need of capital to upgrade product and its process with latest technology. The Company is always in the process of upgrading its facilities with certain capital projects either through renovation, addition, expansion or modernisation. Simultaneously, the Company is required to infuse its internal accruals to comply with the requirements of the lending banks financing for such capital projects.

As such, the Board of Directors does not recommend any dividend on the equity shares for the financial year 2016-2017 ended 31st March 2017.

4. SHARE CAPITAL

During the financial year 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 stand at ₹ 1,802,194,480 as on 31st March 2017.

5. MARKET SCENARIO

Despite various initiatives of the Indian Government, domestic steel companies are facing stiff competition due to dumping from China, Korea and Japan. Moreover, there was no substantial increase in demand from automobile and auto component industries. However, it is expected to improve the current market scenario in the days to come, particularly in view of implementation of GST. *SUNFLAG STEEL* is continuing to develop new high value grades of alloy steel to cater the needs of domestic as well as international markets in addition to existing ones.

6. COMPANY'S WORKING / OPERATIONS

During the financial year 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 2016-2017	Financial Year 2015-2016
1	Direct Reduction Plant (I + II)	**114,233**	98,092
2	Steel Melt Shop	**342,181**	334,991
3	Rolled products	**366,417**	322,504
4	Mini Blast Furnace (Hot Metal) / Pig Iron	**264,063**	265,468
5	Coal (Belgaon Coal Block)	**153,015**	165,013
6	Power Plant (Lakh kWh)	**1674.59**	1598.54

7. PROJECTS

Steel Plant :

The Company has taken up installation of certain balancing equipment viz., (i) Pulverized Coal Injection System (ii) Refurbishing of Mini Blast Furnace (iii) Capacity Enhancement of Sinter Plant, and (iv) Conversion of Heat Recovery Boiler of DRP-I to Dual Operation of FBC and WHRB. These projects have been initiated with a view to reduce cost of production and improve productivity. The estimated capital outlay was ₹ 113 Crores, of this the Company have already incurred an amount of ₹ 45.00 Crores, during the year under review. Pulverized Coal Injection and boiler is expected to be commissioned in financial year 2017-2018 and others are expected by 1st quarter of financial year 2018-2019.

Subsidiary Companies :

Sunflag Power Limited :

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

Sunflag Special Steels Limited :

The Company, in absence of viability to continue, has made an application and submitted requisite documents for strike-off (closure) of name of the Company on 27th March 2017 and a confirmation from the Office of the Registrar of Companies, Odisha at Cuttak about the Striking-off of its Name pursuant to Section 248 of the Companies Act, 2013 is awaited.

Khappa Coal Company Private Limited :

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

Sunflag Foundation (U74999MH2017NPL289961) – a Section 8 Company (a Company not for profits) was incorporated on 27th January 2017 as a Wholly owned Subsidiary of Sunflag Iron and Steel Company Limited The said Company 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.

Joint Venture (JV) Companies :

Madanpur (North) Coal Company Private Limited and C T Mining Private Limited :

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 :

A Joint Venture (JV) Company between Sunflag, 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%) in the capital of the said JV Company. The JV Company is engaged in the business of manufacturing, import, export and distribute in die, mould steel (tool steel and other metallic materials), processed products and mould parts.

Ramesh Sunwire Private Limited :

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 Company has contributed an amount of ₹ 220,50,000/- towards subscription to share capital in a joint venture company viz. Ramesh Sunwire Private Limited constituting 49% of its equity share holding. The main object of the Company is manufacturing high quality of alloy steel wire for automobile and auto component industries both in domestic and export market.

Present Status of Coal and Minerals Mines :

S N	Name of Mine	Area in (Ha.)	Mineral	Present Status
1	Belgaon Coal Mine, at Village, Balgoan (Deshpande), Tah.Warora, Dist. Chandrapur, Maharashtra	383.56	Coal	Underground Coal mine having estimated reserves of 8 millions tons (MT) with extractable balance of about 6.5 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 439 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 Village - Kodalibad, Tah - Noamundi, Dist. - Singhbhum / Jharkhand	120.00	Iron and Manganese Ore	Mining Lease is yet to be executed

8. NATURE OF BUSINESS ACTIVITIES AND CHANGES THEREOF

During the financial year 2016-2017 under review, the Board of Directors, though exploring addition to existing business and commercial activities, had neither been explored any change in nature of business and commercial activities for the Company nor there is a 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 2016-2017 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) are required to be given or provided.

10. DIRECTORS AND KEY MANAGERAIL PERSONNEL

The changes amongst the Directors including the Executive Directors and Key Managerial Personnel during the period are as follows :-

I. CHANGES AMONGST THE PROMOTER DIRECTOR/S :

a) Mr. Suhrit Ravi Bhushan Bhardwaj (DIN : 02318190), who had been appointed as an Alternate Director to Mr. Ravi Bhushan Bhardwaj (DIN : 00054700) on the Board effective 7th November 2015, ceased to be an Alternate Director effective 28th May 2016, as the Original Director returned to India.

b) Mr. P. B. Bhardwaj, (DIN : 00136076) ceased to be a Director (Category - Promoter, Non-executive Chairman) of the Company due to death In London on 6th November 2016. The Board places on records its appreciation for wide contributions of Late Mr. P. B. Bhardwaj since inception of the Company.

c) Mr. Vinod Kumar Kapur (DIN : 05256912), who was appointed as an Alternate Director to Mr. P. B. Bhardwaj, (DIN : 00136076), Director (Category - Promoter, Non-executive Chairman) of the Company, effective 8th February 2016, ceased to be a Alternate Director effective 6th November 2016 due to death of an Original Director.

d) In view of (b) above, the Board of Directors at its 159th meeting held on 12th December 2016 has appointed Mr. Ravi Bhushan Bhardwaj, (DIN : 00054700), Director (Category - Promoter, Non-executive Vice-Chairman) of the Company as a Director (Category - Promoter, Non-executive Chairman) of the Company effective 12th December 2016.

e) The Board of Directors at its 161th meeting held on 27th March 2017, based on the recommendations vide resolution passed by the Nomination and Remuneration Committee at its 31st meeting held on 26th March 2017, has appointed Mr. Suhrit Ravi Bhushan Bhardwaj (DIN : 02318190) as an Additional Director (Category - Promoter, Non-executive, Non-independent) of the Company effective 27th March 2017.

II CHANGES AMONGST THE EXECUTIVE DIRECTOR/S :

a) The Board of Directors at its 164th meeting held on 14th August 2017, based on the recommendations vide resolution passed by the Nomination and Remuneration Committee at its 33rd meeting held on 14th August 2017, has appointed Mr. Surendra Kumar Gupta (DIN : 00054836), as the Deputy Managing Director, designated Key Managerial Personnel, of the Company for a further period of three (3) years effective 30th July 2017.

b) The Board of Directors at its 164th meeting held on 14th August 2017, based on the recommendations vide resolution passed by the Nomination and Remuneration Committee at its 33rd meeting held on 14th August 2017, has appointed CA R. Muralidhar (DIN : 00982212), as an Additional Director effective 14th August 2017 and also, the Whole-time Director, designated as the Executive Director (Finance) & CFO, designated Key Managerial Personnel, of the Company for a period of three (3) years effective 14th August 2017.

c) The Board of Directors at its 164th meeting held on 14th August 2017, based on the recommendations vide resolution passed by the Nomination and Remuneration Committee at its 33rd meeting held on 14th August 2017, has appointed Mr. Ramchandra Vasant Dalvi (DIN : 00012065), as an Additional Director effective 14th August 2017 and also, the Whole-time Director, designated as an Executive Director (Works), designated Key Managerial Personnel, of the Company for a period of three (3) years effective 14th August 2017.

III. CHANGES AMONGST KEY MANAGERIAL PERSONNEL (KMP)

Apart from change referred to in (II) above, there is no other change in the Key Managerial Personnel (KMP) of the Company and accordingly, Mr. Pranav Bhardwaj (Managing Director), Mr. Surendra Kumar Gupta (Deputy Managing Director), CA R. Muralidhar (Executive Director (Finance) & CFO), Mr. Ramchandra Vasant Dalvi (Executive Director (Works) and CS Pranab Panigrahi (Company Secretary) continued to act as the Key Managerial Personnel (KMP) of the Company pursuant to the provisions of Section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended).

IV. CHANGES AMONSGT THE INDEPENDENT DIRECTORS :

Pursuant to Section 149, 152 of and Schedule IV to the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (as amended) and the SEBI (LODR) Regulations, the first term of Dr. E.R.C. Shekar, Mr. S. Gajendran, CA Jayesh M. Parmer and Mr. Kumar Jitendra Singh, Director/s (Category - Non-executive, Independent) of the Company, for a consecutive three (3) years, expiring at the conclusion of the ensuing Thirty-first (31st) Annual General Meeting of the Company.

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. Ravi Bhushan Bhardwaj (DIN : 00054700), Director (Category - Non-executive Chairman) of the Company, retires by rotation and being eligible, offers himself for re-appointment. The Board recommends his re-appointment as a Director (Category - Non-executive Chairman) of the Company in the interest of the Company.

VI. PROPOSED CHANGES AMONGST DIRECTOR/S PLACED BEFORE THE MEMBERS FOR THEIR APPROVAL :

a) The term of Mr. Suhrit Ravi Bhushan Bhardwaj (DIN : 02318190), as an Additional Director (Category - Promoter, Non-executive, Non-independent) of the Company expiring at the conclusion of the ensuing Thirty-first (31st) Annual General Meeting of the Company. The Board recommends his appointment as a Director (Category - Promoter, Non-executive, Non-independent) of the Company in the interest of the Company.

b) The term of CA R. Muralidhar (DIN : 00982212), as an Additional Director (Category - Non-Promoter, Executive) of the Company expiring at the conclusion of the Thirty-first (31st) Annual General Meeting of the Company. The Board recommends his appointment as a Director (Category - Non-Promoter, Executive) of the Company in the interest of the Company.

c) The term of Mr. Ramchandra Vasant Dalvi (DIN : 00012065), as an Additional Director (Category - Non-Promoter, Executive) of the Company expiring at the conclusion of ensuing Thirty-first (31st) Annual General Meeting of the Company The Board recommends his appointment as a Director (Category - Non-Promoter, Executive) of the Company in the interest of the Company.

d) The Board recommends 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 for a further period of three (3) years effective 30th July 2017, in the interest of the Company.

e) The Board of Directors at its 164th meeting held on 14th August 2017, based on the recommendations vide resolution passed by the Nomination and Remuneration Committee at its 33rd meeting held on 14th August 2017, has appointed CA R. Muralidhar (DIN : 00982212) as the Whole-time Director, designated as the Executive Director (Finance) & CFO, designated Key Managerial Personnel, of the Company for a period of three (3) years effective 14th August 2017, subject to approval of the Shareholders (Members) of the Company at the ensuing Thirty-first (31st) Annual General Meeting of the Company. The Board recommends his appointment as the Whole-time Director, designated as the Executive Director (Finance) & CFO, designated Key Managerial Personnel, of the Company for a period of three (3) years effective 14th August 2017 in the interest of the Company.

f) The Board of Directors at its 164th meeting held on 14th August 2017, based on the recommendations vide resolution passed by the Nomination and Remuneration Committee at its 33rd meeting held on 14th August 2017, has appointed Mr. Ramchandra Vasant Dalvi (DIN : 00012065) as the Whole-time Director, designated as the Executive Director (Works), designated Key Managerial Personnel, of the Company, for a period of three (3) years effective 14th August 2017, subject to approval of the Shareholders (Members) of the Company at the ensuing Thirty-first (31st) Annual General Meeting of the Company. The Board recommends his appointment as the Whole-time Director, designated as the Executive Director (Works), designated Key Managerial Personnel, of the Company for a period of three (3) years effective 14th August 2017 in the interest of the Company.

g) The Board of Directors at its 164th meeting held on 14th August 2017, based on the recommendations vide resolution passed by the Nomination and Remuneration Committee at its 33rd meeting held on 14th August 2017, has approved and recommended the re-appointment of Dr. E. R. C. Shekar (DIN : 0001367) as a Director (Category - Non-executive, Independent) of the Company, to hold the office for a fixed second term of consecutive five (5) years i.e. from the conclusion of Thirty-first (31st) Annual General Meeting up to the conclusion of Thirty-sixth (36th) Annual General Meeting of the Company to be held in the calendar year 2022.

h) The Board of Directors at its 164th meeting held on 14th August 2017, based on the recommendations vide resolution passed by the Nomination and Remuneration Committee at its 33rd meeting held on 14th August 2017, has approved and recommended the re-appointment of Mr. Kumar Jitendra Singh (DIN : 00626836) as a Director (Category - Non-executive, Independent) of the Company, to hold the office for a fixed second term of consecutive five (5) years i.e. from the conclusion of Thirty-first (31st) Annual General Meeting up to the conclusion of Thirty-sixth (36th) Annual General Meeting of the Company to be held in the calendar year 2022.

i) The Board of Directors at its 164th meeting held on 14th August 2017, based on the recommendations vide resolution passed by the Nomination and Remuneration Committee at its 33rd meeting held on 14th August 2017, has approved and recommended the re-appointment of Mr. S. Gajendran (DIN : 00250136) as a Director (Category - Non-executive, Independent) of the Company, to hold the office for a fixed second term of consecutive two (2) years i.e. from the conclusion of Thirty-first (31st) Annual General Meeting up to the conclusion of Thirty-third (33rd) Annual General Meeting of the Company to be held in the calendar year 2019.

j) The Board of Directors at its 164th meeting held on 14th August 2017, based on the recommendations vide resolution passed by the Nomination and Remuneration Committee at its 33rd meeting held on 14th August 2017, has approved and recommended the re-appointment of CA Jayesh M. Parmar (DIN : 00802843) as a Director (Category - Non-executive, Independent) of the Company, to hold the office for a fixed second term of consecutive two (2) years i.e. from the conclusion of Thirty-first (31st) Annual General Meeting up to the conclusion of Thirty-third (33rd) Annual General Meeting of the Company to be held in the calendar year 2019.

The Company has received a Notice in writing under Section 160 of the Companies Act, 2013 from a member proposing the candidatures of Mr. Suhrit Ravi Bhushan Bhardwaj, CA R. Muralidhar, Mr. Ramchandra Vasant Dalvi, Dr. E. R. C. Shekar, Mr. Kumar Jitendra Singh, Mr. S. Gajendran and CA Jayesh M Parmar for the office of the Director/s of the Company

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

[Brief profile of Director/s seeking appointment / re-appointment is given in the Corporate Governance Report]

11. NUMBER OF MEETINGS OF THE BOARD

Five (5) meetings of the Board of Directors of the Company were held during the financial year 2016-2017 under review on 28th May 2016, 19th August 2016, 12th December 2016, 28th January 2017 and 27th March 2017.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors confirms :

i. That in the preparation of the Annual Financial Accounts, 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. 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 Agreement or Listing Regulations (to the extent applicable). The details of its constitution, objective or terms of reference and other related information has been provided under the Corporate Governance Report, which forms part and parcel of the Board's Report.

14. AUDITORS

I. STATUTORY AUDITORS AND THEIR REPORT :

Messers S. S. Kothari Mehta & Co., Chartered Accountants, New Delhi (ICAI Firm Registration No. 000756N) have been recommended by the Audit Committee and subsequently, also approved and recommended by the Board of Directors of the Company, has been appointed as the Statutory Auditors of the Company at the Thirtieth (30th) Annual General Meeting to hold office of the Statutory Auditors for a period of two (2) years from the conclusion of Thirtieth (30th) Annual General Meeting until the conclusion of Thirty-second (32nd) Annual General Meeting, subject to ratification by the members at the ensuing Thirty-first (31st) Annual General Meeting of the Company.

The 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 Messers S. S. Kothari Mehta & Co., Chartered Accountants, New Delhi (ICAI Firm Registration No. 000756N), the Statutory Auditors and Messers Patel, Shah & Joshi, Chartered Accountants, Mumbai (ICAI Firm Registration No. 107768W) the joint Statutory Auditors of the Company to the shareholders for the financial year 2016-2017 ended 31st March 2017 do not contain any qualification. The observations made by the Statutory Auditors and Joint 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 2016-2017 under review :

a) there is 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 2016-2017 under review including the affairs of the Company are self explanatory and do not contain any qualification, reservation, adverse remarks or disclaimer thereof.

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 recommendations of the Audit Committee, of the Company, has appointed M/s. G. R. Paliwal & Company (Membership No. 7815), Cost Accountants, Nagpur as the Cost Auditors of the Company for the financial year 2016-2017 and has also recommended their remuneration to the shareholders for their ratification at the ensuing Thirty-first (31st) Annual General Meeting.

The said Cost Auditors have furnished a Certificate of their eligibility for 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 Cost Audit Report for the financial year 2015-2016 was filed vide SRN : G11418647 dated 15th September 2016.

III. SECRETARIAL AUDITORS AND THEIR REPORT :

M/s. Mukesh Parakh & Associates, Company Secretaries, Nagpur (Membership No. FCS-4343 & Certificate of Practice No. 13693), were appointed as the Secretarial Auditors of the Company for the financial year 2016-2017 ended 31st March 2017.

The Secretarial Audit Report in Form No. MR-3 submitted by the said Secretarial Auditors is attached herewith as an **Annex – B** and forms part and parcel of the Board's Report, do not contain any adverse remarks and qualifications, is self explanatory and do not call for any further explanations by the Company.

Further, the Company has re-appointed M/s. Mukesh Parakh & Associates, Company Secretaries, Nagpur (Membership No. FCS-4343 & Certificate of Practice No. 13693), as the Secretarial Auditors of the Company for the financial year 2017-2018 ending 31st March 2018.

15. PERSONNEL / PARTICULARS OF EMPLOYEES

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

a) The ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company for the financial year :

Executive Directors	Ratio to Median remuneration
Mr. Pranav Bhardwaj - Managing Director	24.28 : 1
Mr. Surendra Kumar Gupta - Deputy Managing Director	16.59 : 1

b) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year 2016-2017 :

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Mr. Pranav Bhardwaj - Managing Director	4.36%
Mr. Surendra Kumar Gupta - Deputy Managing Director	7.31%
CA R. Muralidhar - Chief Financial Officer	5.96%
CS Pranab Panigrahi - Company Secretary	9.28%

c) The percentage increase in the median remuneration of employees in the financial year : 5%

d) The number of permanent employees on the rolls of Company as on 31st March 2017 : 1321

e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average annual increase was about 5%. During the financial year, the total increase is approximately 1.81% after accounting for promotions and other event based compensation revisions.

Increase in the managerial remuneration for the financial year was around 6%, other than commission based on net profit 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) Information as per Section 197 of the Companies Act, 2013 ("the Act") and Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (as amended), forms part of this report. However, in terms of Section 136(1) of the Act, the Report and Financial Statements are being sent to all the shareholders and others entitled to receive the same, excluding the statement of particulars of employees. The statement is available for inspection by the members at the Registered Office of the Company during business hours on any working day up to the date of the ensuing Annual General Meeting. If any member interested in obtaining a copy thereof, such member may write to the Company Secretary, whereupon a copy would be sent.

16. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGES 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.

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

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 by the Board, if any	Amount paid as advance, if any
Sunflag Power Limited - Wholly owned subsidiary	Interest Free Unsecured Loan	Continuing	N.A.	28.05.2016 and ratified on 26.05.2017	₹ 12,12,405 for the financial year 2016-2017
Daido D.M.S. India Pvt. Ltd. Associate (JV) Company	Investment in Equity Share Capital	N.A.	N.A.	30.05.2016 and ratified on 28.05.2017	₹ 36,000,000 in the capital of the Company
Ramesh Sunwire Pvt. Ltd. - Associate (JV) Company	Investment in Equity Share Capital	N.A.	N.A.	19.08.2016 and ratified 26.05.2017	₹ 2,20,50,000 in the capital of the Company

18. 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 :

Form No. AOC – 2

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 (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 by the Board, if any	Amount paid as advance, if any
Haryana Television Limited	Ordinary Course of Business and at Arm's length	Continuing	Refundable Security deposit	28.05.2016 and ratified on 26.05.2017	₹ 21,07,573 as on 31st March 2017
Haryana Television Limited	Ordinary Course of Business and at Arm's length	Continuing	Rent paid for Company's Godown at Faridabad	28.05.2016 and ratified on 26.05.2017	Rent : ₹ 48,26,500 for the financial year 2016 - 2017
Mr. Suhrit Ravi Bhushan Bhardwaj	Ordinary Course of Business and at Arm's length	Continuing	Refundable Security deposit	28.05.2016 and ratified on 26.05.2017	₹ 10,00,000 as on 31st March 2017
Mr. Suhrit Ravi Bhushan Bhardwaj	Ordinary Course of Business and at Arm's length	Continuing	Rent paid for Company's Transit House	28.05.2016 and ratified on 26.05.2017	Rent : ₹ 20,68,500 for the financial year 2016 - 2017

19. LISTING OF SHARES

The Equity shares of the Company continued to be listed with and actively traded on the BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE). The listing fees for the financial year 2017-2018 have been paid to both the Stock Exchanges (BSE & NSE).

20. DEMATERIALISATION OF SHARES

As on 31st March 2017, there were approximately 1075 lakh equity shares dematerialised through depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited, which represents about 59.64% of the total issued, subscribed and paid-up capital of the Company.

21. EXTRACT OF THE ANNUAL RETURN

The extract of the Annual Return as on 31st March 2017 pursuant to the provisions of Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 (as amended) is furnished in the **Annex – D** attached to this report, which forms an integral part of this report.

22. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The detailed information related to the dividend declared by the Company in the previous years together with amount remained unpaid or unclaimed, its transfer to the Investor Education and Protection Fund are provided in Notes annexed to the Notice convening the Thirty-first (31st) Annual General Meeting of the Company.

23. CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by the SEBI through Listing Agreement and Listing Regulations (to the extent applicable) executed with the stock exchange/s. The Company has also implemented several best corporate governance practices as prevalent globally.

Your Directors are pleased to report that your Company has complied with the SEBI Guidelines on Corporate Governance as of 31st March 2017 relating to the Listing Regulations. A Certificate from M/s. Mukesh Parakh & Associates, Company Secretaries, Nagpur (Membership No. FCS-4343, Certificate of Practice No. 13693) confirming compliance with conditions as stipulated under Listing Agreement and Listing Regulations is annexed to the Corporate Governance Report.

24. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company's steel plant is located at Bhandara Road, Village Warthi, Tahsil Mohadi, District Bhandara. It is located at a distance of 12 kilometers from the district place Bhandara. The unit is surrounded by about 3 villages in the radius of 5 Kms. The Company is having its captive coal mines at Belgaon, near Village Aathmurdi in Chandrapur district. The residents of these localities are directly or indirectly associated with the Company.

All the activities/programmes covered under SISCO CSR are being monitored by the CSR Committee and are implemented by the CSR Sub-committee.

Sunflag Foundation :

Sunflag Foundation (U74999MH2017NPL289961) – a Section 8 Company (A Company not for profits) was incorporated on 27th January 2017 as a Wholly-owned Subsidiary of Sunflag Iron and Steel Company Limited. The said Company 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.

Accordingly, Sunflag Foundation will implement, monitor all CSR activities, budget and accounts for the same, the manner in which the CSR amount has been spent / to be spent etc and in turn shall furnish 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** and the same is attached to this Report.

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

Your 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 Policy;

vi) Risk Management Policy;

vii) Policy on Document Preservations (Regulation 9 of the SEBI (LODR) Regulations, 2015);

viii) Policy for determining of 'material' Subsidiary (Regulation 16 of the SEBI (LODR) Regulations, 2015);

ix) Policy on materiality of related party transaction/s and on dealing with related party transactions (Regulation 23 of the SEBI (LODR) Regulations, 2015); and

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).

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

26. MATERIAL DEVELOPMENT IN HUMAN RESOURCES

INDUSTRIAL RELATIONS

During the financial year under review, industrial relations remained cordial. Employees' competencies and skills were enhanced by exposing them to several internal and external training programmes. Various measures were taken to improve motivation level of employees. Additional efforts are continued to be implemented with a view to obtain commitment and loyalty towards the organisation.

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 the Workplace (Prevention, Prohibition & 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 Certificate by Deputy Managing Director and Chairman, Audit Committee of the Company to that effect is enclosed herewith as an **Annex - E** and forms part of this report.

HEALTH AND SAFETY

Departmental safety coordinators are identified for monitoring & training on safety related matter at shop-floor. Safety Committee and Apex Committee are available for periodical review on safety, health & environment of all departments.

Regular Training on Safety is being organised for New Joinee, regular employees & contract labour. Mock-drills are conducted for practical exposure to meet emergency need on quarterly basis.

Hand book on safety awareness are distributed to all employees.

27. 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.

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

During the financial year 2016-2017 under review, there are 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 to which the financial statements relates and the date of this report. As such, no specific details are required to be given or provided.

29. 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 2016-2017 under review, no significant and material order is passed by any of the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future. As such, no specific details are required to be given or provided.

30. OTHER DISCLOSURES

The details regarding Board and its Committee meetings, Evaluation of Board performance, Declaration by Independent Directors, Remuneration policy for Directors and KMP's, Induction, training and familiarisation programmes for Directors including Independent Directors and such other related information has been provided under the Corporate Governance Report, which forms part and parcel of the Board's Report.

31. ENCLOSURES

a) Annex – A : Annual Report on Corporate Social Responsibility (CSR) activities together with expenditure details;

b) Annex – B : Secretarial Auditors Report in Form No. MR-3;

c) Annex – C : Report on Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo;

d) Annex – D : Extract of Annual Return as of 31st March, 2017 in the prescribed Form No. MGT-9; and

e) Annex – E : Certificate on Sexual Harassment of Women at the Workplace and its Prevention, Prohibition & Redressal.

32. ACKNOWLEDGEMENT

The Directors acknowledge with thanks co-operation and assistance received by the Company from the Members, Central & State Government and Banks.

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

For and on behalf of the Board

Dr. E.R.C. Shekar
Director
DIN : 00013670

Surendra Kumar Gupta
Deputy Managing Director
DIN : 00054836

Nagpur
14.08.2017

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. :
   1. CSR activities at *SUNFLAG STEEL* are carried out and monitored mainly through in-house Departments.
   2. Contribution or donation made to such other Organisation or Institutions as may be permitted under the applicable provisions from time-to-time.
   3. Directly by the Company for fulfilling its responsibilities towards various stakeholders.
   4. Incorporated a Section 8 Company, namely "Sunflag Foundation" which is a Wholly-owned Subsidiary of the Company for its CSR activities.

   The Company has framed a CSR Policy in compliance with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended) and Listing Regulations, and 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
   3. Mr. Surendra Kumar Gupta - Deputy Managing Director
3. Average net profit of the company for last three financial years (Amount in ₹) : ₹ 52,24,11,430
4. Prescribed CSR Expenditure [two percent (2%) of the amount as in item 1 above] : ₹ 1,04,48,229
5. Details of amt. spent during the financial year on CSR activities
   1. Total amount to be spent for the Financial Year : ₹ 1,04,48,229
   2. Amount unspent, if any; : The Company has spent ₹ 1,04,60,020 against the mandated ₹ 1,04,48,229 during the Financial year 2016 - 2017. Hence, there is no unspent amount.
   3. Manner in which the amount spent during the financial year : The manner in which the amount spent is detailed in the Annex I

Annex – I

CORPORATE SOCIAL RESPONSIBILITY - EXPENDITURE : FY 2016 - 2017

(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 was undertaken	Amount outlay (budget) project or programs 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 Development around the manufacturing site of the Company as well as Company's Coal Block at Belgaon, both in the state of Maharashtra	Health Care	In the nearby Villages of Company's Works & Belgaon Coal blocks viz Villages Warthi, Sirsi, Eklari, Atmurdi, Dongargaon	44,831	44,831	44,831	During the year the Company has allocated ₹ 1,04,48,229 for spending towards CSR program, out of which ₹ 29,60,020 spent directly by the Company itself & balance of ₹ 75,00,000 through its implementing agency viz. Sunflag Foundation, Section 8 & Wholly-owned subsidiary Company incorporated specifically for CSR. Sunflag Foundation has spent an amount of ₹ 63,40,748 for CSR activities and ₹ 11,59,252 as advances for upcoming projects.
	Education & Skill development - Upgradation of skills of local youths		1,21,259	1,21,259	1,66,090	
	Environment Sustainability and Protection of Flora & Fauna		58,506	58,506	2,24,596	
	Rural Development viz Drinking water, rural health & sanitation, construction of roads participation in Swachha Bharat Abhiyan etc.		10,235,424 (Advances paid ₹ 11,59,252 for proposed projects)	10,235,424	1,04,60,020	

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

Dr. E.R.C. Shekar Director - DIN : 00013670	Mr. Surendra Kumar Gupta Deputy Managing Director - DIN : 00054836

ANNEX 'B' TO BOARD'S REPORT

Form No. MR – 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

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

To
The Members
Sunflag Iron and Steel Company Limited
C I N - L 27100 MH 1984 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 / 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, review of management representation letter along with quarterly compliance reports by respective department heads, Company Secretary, Chief Financial Officer, Chief Executive Officer noted and taken on record by the Board of Directors of the Company at their meeting/s and also the information and explanation provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year 2016-2017 ended on 31 March 2017 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 2016-2017 ended on 31 March 2017 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) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 – Not Applicable to the Company during the audit period;
   d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 – Not Applicable to the Company during the audit period;
   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – Not Applicable to the Company during the audit period;
   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – Not Applicable to the Company during the audit period;
   h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998 – Not Applicable to the Company during the audit period;
   i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
   j) The other Regulations and Guidelines of the Securities and Exchange Board of India to the extent and as may be applicable to the Company.

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

i) Secretarial Standards (SS–1 for Meetings of the Board of Directors and SS–2 for General Meetings) issued by the Institute of Company Secretaries of India; and
ii) The Listing Agreement/s (Listing Regulations) entered into by the Company with the BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the audit period under review, the Company has complied with the provisions of the Act, Rules, Regulations, 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 and the Rules made there under;
ii) The Explosives Act, 1884 and the Rules made there under;
iii) The Environment (Protection) Act, 1986 and the Rules made there under;
iv) The Water (Prevention and Control of Pollution) Act, 1974; the allied Act and Rules made there under;
v) The Air (Prevention and Control of Pollution) Act, 1981 and the Rules made there under;
vi) The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 and The Manufacture, Storage and Import of Hazardous Chemical Rules, 1989
vii) The Boilers Act, 1923
viii) The Indian Electricity Act, 1910; The Electricity Act, 2003; and the Rules made there under;
ix) The Legal Metrology Act, 2009

We further report that :-

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

Adequate notice of at least seven days in advance, except where consent of the director/s was received for scheduling meeting at a shorter notice, was given to all directors to schedule the Board and Committee meetings. Agenda and detailed notes on agenda were sent well in advance. 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 meetings duly recorded and signed by the Chairman, all decisions at the Board and Committee meetings, as the case may be, are carried out unanimously and no dissenting views have been recorded.

We further report that as per the information / 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, Guidelines, Standards, etc. to the Company.

We further report that during the audit period, the Company has following specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc. :-

Changes in Promoter/s and their Shareholding

i) Mr. P. B. Bhardwaj, Director (Category – Promoter, Non-executive Chairman) ceased to be a Director due to death on 6 November 2016;

ii) Mr. Ravi Bhushan Bhardwaj, Director (Category – Promoter, Non-executive Vice-Chairman) was elevated (appointed) as a Director (Category – Promoter, Non-executive Chairman) of the Company effective 12 December 2016;

iii) Mr. Suhrit Ravi Bhushan Bhardwaj was appointed as an Additional Director (Category – Promoter, Non-executive, Non-independent) of the Company effective 27 March 2017;

iv) Transfer of 700000 (0.39%) Equity Shares in the capital of the Company from Mr. Ravi Bhushan Bhardwaj, Promoter and Non-executive Chairman of the Company to Mr. Pranav Bhardwaj, Promoter and Managing Director of the Company through inter-se transfer (off-market transaction by way of gift) on 28 December 2016. As such, there is no change in aggregate shareholding of the Promoters and Promoters Group in the Company.

For M/s. Mukesh Parakh & Associates
Company Secretaries

CS Mukesh D. Parakh
Proprietor
M. No. FCS - 4343 CoP No. 13693

Nagpur
14.08.2017

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

For M/s. Mukesh Parakh & Associates
Company Secretaries

CS Mukesh D. Parakh
Proprietor
M. No. FCS - 4343 CoP No. 13693

Nagpur
14.08.2017

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 year under review for conservation of energy :

i. Kiln shell air Fan (SAF's) RPM reduced through Inverter to save power.

ii. Reduction of Idle running time of Mould Oscillation , Ladle heating furnace -2 & continuous casting machine-1. Hydraulic pump in SMS to save power consumption.

iii. New Recuperator & Partition wall installed at soaking zone and heating zone of Blooming mill walking beam furnace to save Fuel

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 equipments :

There was no capital investment on energy conservation equipments during the reporting year

B) RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPRION, ADAPTION AND INNOVATION :

New grade developed. New Sections developed.

BENEFITS

New market Development for critical auto components

FUTURE PLAN :

i. Down stream of Blooming mill
ii. New Vaccum Degasing
iii. Refurbishing of Mini Blast Furnace
iv. Capacity Enhancement of Sinter Plant

Expenditure on Research and Development :

Sr. No.	Particulars	2016- 2017	2015 - 2016
1	Capital (₹ in Lakhs)	70.00	-
2	Recurring (₹ in Lakhs)	14.22	-
3	Total (₹ in Lakhs)	**84.22**	-
4	Total R&D Expenditure as a percentage of net turnover	**0.049%**	-

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in Lakh)

Particulars	2016 - 2017	2015 - 2016
i) Earnings : Export of Goods	**3,445**	5,187
ii) Out Go		
a) CIF Value of imports	**9,575**	7,187
b) Others including Technical Services	**199**	252

For and on behalf of the Board

Dr. E.R.C. Shekar
Director
DIN : 00013670

Surendra Kumar Gupta
Deputy Managing Director
DIN : 00054836

Nagpur
14.08.2017

ANNEX 'D' TO BOARD'S REPORT

Form No. MGT - 9

EXTRACT OF ANNUAL RETURN AS ON 31st MARCH 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I . REGISTRATION AND OTHER DETAILS :

1.	CIN	-	L27100MH1984PLC034003
2.	Registration Date	-	12th September, 1984
3.	Name of the Company	-	Sunflag Iron and Steel Company Limited
4.	Category / Sub-Category of the Company	-	Public Limited (Listed) Company having Share Capital, Company Limited by Shares, Indian Non-Government Company
5.	Address of the Registered office and contact details	-	33, Mount Road, Sadar, Nagpur - 440001 (Maharashtra)
6.	Whether listed Company Yes / No	-	Yes (BSE & NSE)
7.	Name, Address and Contact details of Registrar and Tranfer Agent, if any	-	M/s Bigshare Services Private Limited 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Appartments, Makwana Road, Marol, Andheri (East), Mumbai - 400059

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

All the business activities contributing 10% or more of the total turnover of the Company shall be stated :

Name and Description of Main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Steel & Steel Products (Rolled Products)	2410	97%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sr. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Sunflag Power Limited B-203, Mount View Apartment, Nr Ansal Green Valley Bhagirathipuram, Jakhan, Pajpur Road, Dehradun, UR-248001	U31200UR2003PLC027802	Subsidiary	99.88	2(87)
2.	Khappa Coal Company Private Limited 33, Mount Road, Sadar, Nagpur, Maharashtra - 440001	U10100MH2009PTC191907	Subsidiary	63.27	2(87)
3.	Sunflag Foundation 33, Mount Road, Sadar, Nagpur, Maharashtra - 440001	U74999MH2017NPL289961	Wholly Owned Subsidiary (Section 8 Company)	100	2(87)
4.	C T Mining Private Limited Datma More, Behind CCL GM's Bungalow, P.S. - Kuju Ramgarh, Jharkhand - 825316	U10100JH2008PTC013329	Associate	31.80	2(6)
5.	Madanpur (North) Coal Company Pvt Ltd Navbharat Udyog Bhawan Ring Road, No.1 Telibandha, Raipur, Chhatisgarh - 492006	U10101CT2007PTC020161	Associate	11.7318	2(6)
6.	Daido D.M.S. India Private Limited Plot No. 255, Sector-24, Faridabad, Haryana - 121005	U28113HR2015FTC054839	Associate	20.00	2(6)
7.	Ramesh Sunwire Private Limited Shastri Ward, Near Singh Colony, Warthi, Bhandara - 441905	U28999MH2016PTC287281	Associate	49.00	2(6)

Note :

1) Sunflag Special Steels Limited (U27102OR2003PLC007099) – wholly owned subsidiary of Sunflag Iron and Steel Company Limited holding 99.88% of Issued, Subscribed and Paid-up Share Capital, has passed a Special Resolution for Application for Striking-off the Name pursuant to the provisions of Section 248(2) of the Companies Act, 2013 read with the Companies (Removal of Names of Companies from the Registrar of Companies) Rules, 2016 at the Extra-ordinary General Meeting held on 27th March 2017 and accordingly the said Company has filed e-Form No. STK-2 with the Office of the Registrar of Companies, Odisha at Cuttack and its approval is awaited.

2) Sunflag Foundation (U74999MH2017NPL289961) – a Section 8 Company (a Company not for profits) was incorporated on 27th January 2017 as a Wholly-owned subsidiary of Sunflag Iron and Steel Company Limited. The said Company 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.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding :

Category of Shareholder	No of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
A. Promoters									
1) Indian									
a) Individual/HUF	1612140	--	1612140	0.89	1612140	--	1612140	0.89	No Change
b) Central Govt.	--	--	--	--	--	--	--	--	--
c) State Govt.(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corporate	8333356	--	8333356	4.62	8333356	--	8333356	4.62	No Change
e) Banks/FI	--	--	--	--	--	--	--	--	--
f) Any Other	--	--	--	--	--	--	--	--	--
Sub-total (A-1)	**9945496**	**--**	**9945496**	**5.51**	**9945496**	**--**	**9945496**	**5.51**	**No Change**
2) Foreign									
a) NRIs- Individuals	13217398	--	13217398	7.33	13217398	--	13217398	7.33	No Change
b) Other Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corporate	--	65253582	65253582	36.21	--	65253582	65253582	36.21	No Change
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any Other...	--	--	--	--	--	--	--	--	--
Sub-total (A-2)	**13217398**	**65253582**	**78470980**	**43.54**	**13217398**	**65253582**	**78470980**	**43.54**	**No Change**
Total shareholding of Promoter(A) (A-1 + A-2)	**23162894**	**65253582**	**88416476**	**49.06**	**23162894**	**65253582**	**88416476**	**49.06**	**No Change**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	--	88000	88000	0.049	--	88000	88000	0.049	No Change
b) Banks / FI	1015	88700	89715	0.050	69299	88700	157999	0.088	0.038
c) Central Govt.	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	600	600	0.0003	0.0003
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	1100	1100	0.0006	--	1100	1100	0.0006	No Change
g) FIIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
Sub-total (B-1)	**1015**	**177800**	**178815**	**0.099**	**69299**	**178400**	**247699**	**0.138**	**0.038**
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	4118968	69020	4187988	2.324	5301294	68970	5370264	2.980	0.656
ii) Overseas	18021945	--	18021945	10.000	18021945	--	18021945	10.000	No Change
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	1909182	7274017	26365999	14.629	21868523	7167105	29035628	16.111	1.482
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs	42288615	58250	42346865	23.497	37776006	58250	37834256	20.993	(2.504)
c) Others (specify) (NRIs, Trust, Clearing Members/Corp.), NBFC	694308	7052	701360	0.389	1283788	7052	1293180	0.718	0.329
Sub-total (B-2)	**84215818**	**7408339**	**91624157**	**50.840**	**84253896**	**7301377**	**91555273**	**50.802**	**(0.038)**
Total Public Shareholding (B) = (B-1 + B-2)	**84216833**	**7586139**	**91802972**	**50.940**	**84323195**	**7479777**	**91802972**	**50.940**	**No Change**
C. Shares held by Custodian for GDRs & ADRs	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
Grand Total (A+B+C)	**107379727**	**72839721**	**180219448**	**100.000**	**107486089**	**72733359**	**180219448**	**100.000**	**No Change**

ii) Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change Share holding during the year
	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	
Sunflag Ltd., Channel Islands, UK	65253582	36.21	-	65253582	36.21	-	No change
Suhrit Ravi Bhushan Bhardwaj	13217398	7.33	-	13217398	7.33	-	No change
Supra Corporation Limited	8333356	4.62	-	8333356	4.62	-	No change
Pranav Bhardwaj	912140	0.51	-	1612140	0.89	-	0.39
Ravi Bhushan Bhardwaj	700000	0.39	-	-	-	-	(0.39)
Total	**88416476**	**49.06**	**-**	**88416476**	**49.06**	**-**	

iii) a) Change in Promoters' Shareholding (please specify, if there is no change) : Mr. Ravi Bhushan Bhardwaj

Particulars	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	700000	0.39		
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	(700000) (inter-se transfer on 28.12.2016)	(0.39)		
At the End of the year			-	-

iii) b) Change in Promoters' Shareholding (please specify, if there is no change) : Mr. Pranav Ravi Bhardwaj

Shareholding at the Particulars	Shareholding at the beginning of the year		end of the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	912140	0.51		
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	700000 (acquisition by inter-se transfer on 28.12.2016)	0.39		
At the End of the year			1612140	0.89

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :

Name of the Top 10 (ten) Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Change in Shareholding during the year	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1. Daido Steel Co. Ltd., Japan	18021945	10.00	18021945	10.00	-	-
2. Usha B Sanghavi	9757668	5.41	7726891	4.29	(2030777)	(1.13)
3. Bhupendra G Sanghavi	7111203	3.95	7397495	4.10	286292	0.16
4. Kanwaljit Singh Bakshi	5000000	2.77	4150000	2.30	(850000)	(0.47)
5. Dhirendra B Sanghavi	4301951	2.39	3760233	2.09	(541718)	(0.30)
6. Bhupendra G Sanghavi	2767502	1.54	1358649	0.75	(1408853)	(0.78)
7. Errol Fernandes	-	-	1050000	0.58	1050000	0.58
8. Bhavini D Sanghavi	787106	0.44	745384	0.41	(41722)	(0.02)
9 Dhirendra Bhupendra Sanghavi	580412	0.32	580412	0.32	-	-
10 Dhirajlal V Shah	386000	0.21	524500	0.29	138500	0.08
11. S.N. Damani Holdings Private Limited	800000	0.44	446000	0.25	(354000)	(0.20)
12. Sangita Rajesh Jogani	506897	0.28	291897	0.16	(215000)	(0.12)
13. Anil Kantiprasad Poddar	573494	0.32	-	-	(573494)	(0.32)

v) Shareholding of Directors and Key Managerial Personnel & their relatives :

Names	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of shares of the Company	% of total shares of the Company	No. of shares of the Company	% of total shares of the Company
1. Mr. Ravi Bhushan Bhardwaj, Chairman	700000	0.388	-	-
2. Mr. Pranav Bhardwaj, Managing Director	912140	0.506	1612140	0.89
3. Mr. Suhrit Ravi Bhushan Bhardwaj	13217398	7.33	13217398	7.33
4. Mr. Surendra Kumar Gupta, Deputy Managing Director	-	-	-	-
5. Dr. E.R.C. Shekar, Independent Director	2000	0.0011	2000	0.0011
6. CA R. Muralidhar, Executive Director (Finance) & CFO (KMP)	8000	0.0044	-	-
7. CS Pranab Panigrahi, Company Secretary (KMP)	-	-	-	-
8. Mrs. Rajyalakshmi Rambhatla (Relative to CFO - KMP)	900	0.0005	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	193,80,96,532	53,27,97,161	-	247,08,93,693
ii) Interest due but not paid	-	-	-	-
iii) Interest accured but not due	-	-	-	-
Total (i + ii + iii)	**193,80,96,532**	**53,27,97,161**	**-**	**247,08,93,693**
Change in Indebtedness during the financial year				
i) Addition	37,20,66,673	-	-	37,20,66,673
ii) Reduction	-	2,60,11,698	-	2,60,11,698
Net Change	37,20,66,673	2,60,11,698	-	34,60,54,975
Indebtedness at the end of the financial year				
i) Principal Amount	231,01,63,205	50,67,85,463	-	281,69,48,668
ii) Interest due but not paid	-	-	-	-
iii) Interest accured but not due	16,33,792	-	-	16,33,792
Total (i + ii + iii)	**231,17,96,997**	**50,67,85,463**	**-**	**281,85,82,460**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration paid to Managing Director, Whole-time Directors and/or Manager :

(Amount in ₹)

SN	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		Mr. Pranav Bhardwaj	Mr. S. K. Gupta	
1.	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12,881,374	8,818,233	21,699,607
	b) Value of perquisites u/s 17(2) Income-tax Act,1961	223,824	137,510	361,334
	c) Profits in liue of salary under section 17(3) Income-tax Act, 1961	--	--	--
2.	Stock Option	--	--	--
3.	Sweat Equity	--	--	--
4.	Commission	18,265,214	--	18,265,214
	- as % of profit	--	--	--
	- others, specify	--	--	--
5.	Others, please specify	--	--	--
	Grand Total (A)	**31,370,412**	**8,955,743**	**40,326,155**
	Overall Ceiling as per the Act : 10% of Net Profits calculated in accordance with Section 198 of the Companies Act, 2013			

B. Remuneration to other Directors:

(Amount in ₹)

Name of Directors	Sitting Fees	Commission	Others	Total Amount
A. Independent Directors				
1. Dr. E.R.C. Shekar	111,500	120,000	-	231,500
2. Mr. S. Gajendran	83,500	120,000	-	203,500
3. CA Jayesh M Parmar	91,500	120,000	-	211,500
4. Mr. Kumar Jitendra Singh	77,500	120,000	-	197,500
5. Mrs. Neelam Kothari	47,500	120,000	-	167,500
Total A	**411,500**	**600,000**	**-**	**1011,500**
B. Other Non-Executive Directors				
Mr. P.B. Bhardwaj	-	2,571,470	-	2,571,470
Mr. Ravi Bhushan Bhardwaj	-	5,961,137	-	5,961,137
Mr. Suhrit Ravi Bhushan Bhardwaj	-	-	-	-
Total B	**-**	**8,532,607**	**-**	**8,532,607**
Total A + B	**411,500**	**9,132,607**	**-**	**9,544,107**
Total Remuneration paid to the Non-Executive Directors (excluding sitting fees)				**9,132,607**
Overall Ceiling as per the Act : 1% of Net Profits calculated in accordance with Section 198 of the Companies Act, 2013				

C. Remuneration paid to Key Managerial Personnel other than MD / Manager / WTD :

(Amount in ₹)

Particulars of Remuneration	CA R. Muralidhar Chief Financial Officer	CS Pranab Panigrahi Company Secretary	Total
Gross salary			
a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,412,600	2,308,916	9,721,516
b) Value of perquisites u/s 17(2) Income-tax Act,1961	312,000	162,000	474,000
c) Profits in lieu of salary under section 17(3) Income-tax Act,1961	-	-	-
Stock Option	-	-	-
Sweat Equity	-	-	-
Commission			
- as % of profit	-	-	-
- others, specify	-	-	-
Others, please specify			
Total	**7,724,600**	**2,470,916**	**10,195,516**

VII. Penalties / Punishments / Compounding of offences :

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment Compounding fees imposed	Authority [RD/NCLT/ Court]	Appeal made if any (give Details)
A. COMPANY Penalty Punishment Compounding	**Nil, hence not applicable**				
B. DIRECTORS Penalty Punishment Compounding	**Nil, hence not applicable**				
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding	**Nil, hence not applicable**				

For and on behalf of the Board

Dr. E.R.C. Shekar
Director
DIN : 00013670

Surendra Kumar Gupta
Deputy Managing Director
DIN : 00054836

Nagpur
14.08.2017

ANNEX 'E' TO BOARD'S REPORT

CERTIFICATE

Sexual Harassment of Women at the Workplace and its Prevention, Prohibition & Redressal

[Pursuant to Section 22 & 28 of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & 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 the Workplace (Prevention, Prohibition & 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 year under review i.e. Financial Year 2016 - 2017 :

Number of Complaints received	**NIL**
Number of Complaints disposed off	**NIL**

For and on behalf of the Board

Dr. E.R.C. Shekar
Director
DIN : 00013670

Surendra Kumar Gupta
Deputy Managing Director
DIN : 00054836

Nagpur
14.08.2017

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 to produce high quality Special Steel with manufacturing facilities like Sponge Iron Plant, Mini Blast Furnace, Sinter Plant, Captive Power Plant, Steel melting shop and Rolling Mills.

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, Rolled Products for higher sections 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, African, Middle East and South American countries.

GLOBAL ECONOMIC SCENARIO & OUTLOOK

With buoyant financial markets and a long-awaited cyclical recovery in manufacturing and trade under way, world growth is projected to rise from 3.1 percent in 2016 to 3.5 percent in 2017 and 3.6 percent in 2018, slightly above the October 2016 World Economic Outlook (WEO) forecast. The world economy gained speed in the fourth quarter of 2016 and the momentum is expected to persist.

A renewed multilateral effort is also needed to tackle common challenges in an integrated global economy.

INDIAN ECONOMIC SCENARIO & OUTLOOK

The Government of India has forecasted that the Indian economy will grow by 7.1 per cent in FY 2016-17. As per the Economic Survey 2016-17, the Indian economy should grow between 6.75 and 7.5 per cent in FY 2017-18.

Government of India has introduced Goods & Service Tax (GST) effective 1st July 2017 biggest ever tax reform in the country, possesses a hope in the industry for better growth in the years to come.

INDIAN STEEL INDUSTRY

India's crude steel output grew 10.7 per cent year-on-year to 25.76 million tonnes (MT) during January-March 2017. India's crude steel output during April 2017 grew by 5.4 per cent year-on-year to 8.107 MT.

AUTOMOBILE AND AUTO COMPONENT INDUSTRY

The automobile industry in India is expected to be the world's third largest by 2020, with the country currently being the world's second largest two-wheeler manufacturer. Two-wheeler production is projected to rise from 18.5 million in FY15 to 34 million by FY20. Passenger vehicle market in India is expected to cross the three million unit milestone during FY 2016-17, and further increase to 10 million units in FY 2019-20.

The government aims to develop India as a global manufacturing as well as a research and development (R&D) hub. It has set up National Automotive Testing and R&D Infrastructure Project (NATRiP) centres as well as a National Automotive Board to act as facilitator between the government and the industry.

COSTS - STEEL BUSINESS

During the year under review, the Company continued to focus on costs, improvements through Total Productive Maintenance (TPM) and various cost reduction policies, wherever applicable.

STEEL SECTOR – THREATS AND CHALLENGES

Shift towards relatively lower steel demand growth in most of the heavy-weight economies.

The franchisee route or the smaller producers perhaps are the biggest threat to the industry. They are able to use the name of big players and use the re-cycle material.

OPPORTUNITIES

India is expected to become the second largest steel producer in the world by 2020, based on increased capacity addition in anticipation of upcoming demand, and the new steel policy, that has been approved by the Union Cabinet in May 2017, is expected to boost India's steel production.

Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile, steel and infrastructure sectors.

SUNFLAG STEEL will see 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 material will help in decreasing in the cost of production and enhancing the profitability. This has even proved advantageous during the recessionary period which is very good sign for the Company.

MATERIAL DEVELOPMENT

SUNFLAG STEEL was not able to maintain its profitability mainly due to marginal rise in selling prices of its products versus abnormal rise in the cost of inputs such as iron ore, coke and largely due to overall decelerated global and Indian economic growth.

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 year under review.

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.

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 and other statutes and other incidental factors.

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 (the 'SEBI') (Listing Obligations and Disclosure Requirements) ('LODR') Regulations, 2015 ("Listing Regulations"). Your Company has in its place 'SISCO Code of Business Principles and Conduct' for its Board members (including Non-executive Independent Directors) as well as members of senior management. The Company is also following various Codes viz. 'SISCO Code for Prevention of Insider Trading' as per the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Company has also formulated various Policy(ies) 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 formulated 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.

The Company always believes in compliances 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 and SS-2 for General Meetings) in true sense and spirits.

MANDATORY REQUIREMENTS

1) SUNFLAG PHILOSOPHY ON CORPORATE GOVERNANCE

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

i) Strive hard towards enhancement of shareholders' value through
   - sound business decisions
   - prudent financial management and
   - high standard of ethics throughout the organisation.

ii) Ensure transparency and professionalism in all decisions and transactions of the Company.

iii) Achieve excellence in Corporate Governance by
   - conforming to and exceeding wherever possible, the prevalent mandatory guidelines on Corporate Governance.
   - regularly reviewing the Board processes and management systems for further improvement.

iv) Ensure safety, health and environment management by making it an integral part of the Company's business strategy and to actively promote awareness of safety, health and environment issues throughout the Company and to our business partners.

v) Implement, maintain and continuously improve an environment management system.

vi) 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**"

2) BOARD OF DIRECTORS

a) Composition : The Board of Directors of the Company as of 31st March, 2017 consisted of :

Non-executive Directors	Executive Directors
Promoter Group	**Promoter Group**
Mr. Ravi Bhushan Bhardwaj (DIN : 00054700) Mr. Suhrit Ravi Bhushan Bhardwaj (DIN : 02318190)	Mr. Pranav Bhardwaj (DIN : 00054805)
Non-Promoter Group - Independent	**Non-Promoter Group**
Dr. E.R.C. Shekar (DIN : 00013670) Mr. S. Gajendran (DIN : 00250136) CA Jayesh M Parmar (DIN : 00802843) Mr. Kumar Jitendra Singh (DIN : 00626836) Mrs. Neelam Kothari (DIN : 06709241)	Mr. Surendra Kumar Gupta (DIN : 00054836)

Note : During the financial year under review :

Mr Suhrit Ravi Bhushan Bhardwaj (DIN : 02318190) who has been appointed as an Alternate Director to Mr. Ravi Bhushan Bhardwaj, Non-executive Vice Chairman (DIN : 00054700) effective 7th November 2015, ceased to be an Alternate Director effective 28th May 2016.

Mr. P. B. Bhardwaj (DIN : 00136076) ceased to be a Non-executive Chairman of the Company effective 6th November 2016 due to death. Accordingly, Mr. Vinod Kumar Kapur (DIN : 05256912) who was appointed as an Alternate Director to Mr. P. B. Bhardwaj (DIN: 00136076), has consequently ceased to an Alternate Director due to death of the original Director.

In view the above, Mr. Ravi Bhushan Bhardwaj was elevated (appointed) as a Non-executive Chairman of the Company effective 12th December 2016 in place of Mr. P. B. Bhardwaj (DIN : 00136076).

Mr Suhrit Ravi Bhushan Bhardwaj (DIN : 02318190) has been appointed as an Additional Director effective 27th March 2017.

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

The attendance of Directors at the Board Meetings and Thirtieth (30th) Annual General Meeting, details of their Directorship in other Companies, Partnership in other Firms or LLP and Membership in the Board Committees of the Company :

- Five (5) meetings of the Board of Directors were held on 28th May 2016, 19th August 2016, 12th December 2016, 28th January 2017, and 27th March 2017 during the financial year under review.
- Previous Thirtieth (30th) **A**nnual **G**eneral **M**eeting (**AGM**) was held on 23rd September 2016

Sr. No.	Name of Director	No. of Board Meetings Attended	Whether Attended last AGM	Directorship in other Companies *	Partnership in LLP	Committee Membership of SISCO
1	Mr. P. B. Bhardwaj	-	-	3	-	1
2	Mr. Ravi Bhushan Bhardwaj	2	Yes	3	-	4
3	Mr. Pranav Bhardwaj	3	Yes	6	-	2
4	Dr. E. R. C. Shekar	5	-	3	-	7
5	Mr. S. Gajendran	5	Yes	1	-	3
6	CA Jayesh M Parmar	4	-	3	3	4
7	Mr. Kumar Jitendra Singh	5	Yes	1	-	2
8	Mrs. Neelam Kothari	3	Yes	-	2	1
9	Mr. Surendra Kumar Gupta	5	Yes	7	-	6
10	Mr. Suhrit Ravi Bhushan Bhardwaj	-	NA	1	-	-
11	Mr. Vinod Kumar Kapur	2	-	3	-	-

* Membership in other Companies denotes other than Foreign Companies.

None of the Independent Directors have any material pecuniary relationship or transactions with the Company other than receiving Sitting Fees for the Board and its Committee Meetings and also profit based Commission.

The Company ensures that all statutory, significant material information are placed before the Board or Committees of Directors for their noting, consideration, review and approval, if any, to enable them to discharge their responsibilities as trustees of the large family of stakeholders. During the financial year, all the information on matters mentioned in terms of Regulation 17(3), Regulation 27 Schedule - II Part - E of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been placed before the Board for their considerations and approval, if any. The Board periodically reviews compliance of all laws applicable to the Company.

Scheduling and selection of Agenda items for the Board Meetings :

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

Post meeting follow-up mechanism

All important decisions taken at the Board or its Committee Meetings are promptly communicated to the concerned departments. Action Taken Report on decisions and minutes of previous meetings are placed at the succeeding meetings of the Board and its Committee for noting, ratification and approval, if any.

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

The Code of Conduct has already been communicated to all the Board members and members of the senior management. The Code is also available on the Company's website *www.sunflagsteel.com*. All the Board members and senior management personnel have confirmed compliance with the Code for the financial year 2016-2017 ended 31st March, 2017. [The Annual Report contains a declaration to this effect signed by Deputy Managing Director of the Company.]

c) Woman Director :

As per the provisions of the Companies Act, 2013 read with Listing Regulations, Mrs. Neelam Kothari (DIN : 06709241), a qualified Chartered Accountant and Cost Accountant from Mumbai, continued to be a Women Director on the Board of the Company.

d) Separate Meeting of Independent Directors :

As stipulated by Schedule IV - Code of Independent Directors to the Companies Act, 2013 and the Regulations 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of

the Company was held on 4th March, 2017 to review 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, the Board and its Committees, which is necessary to effectively and reasonably perform and discharge their duties.

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

The provision of an appropriate induction programme for new Directors and ongoing training for existing Directors is a major contributor to the maintenance of high Corporate Governance standards of the Company. Every such newly appointed Director is required to undergone 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 Chief Financial Officer and the Company Secretary are jointly responsible for ensuring that such induction and training programmes are provided to all such Directors. The Independent Directors, 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 include 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 Directors with the operations and business model of the Company. The Directors are also appraised 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 meetings. The Board members are also appraised 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 SEBI (LODR) Regulations, 2015 (Listing Regulations),

f) Evaluation of the Board's Performance :

During the financial year, the Board continued with a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairman and Vice 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 Committees, experience & competencies, performance of specific duties and obligations, governance issues, etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Chairman and Vice 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 Directors was carried out by the entire Board and that of the Chairman, Vice Chairman and the Non-Independent Directors were carried out by the Independent Directors. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees 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 price sensitive information, which is circulated at the meeting itself) to enable the Board and its Committee to take informed decisions. The agenda also includes item related to ratification, confirmation and approval, if any, of minutes of the previous meetings of the Board, its Committees and Subsidiary Companies. Additional agenda items, if any, in the form of "Other Business" are included with the permission of the Chairman and with the consent of a majority of the Directors present in the meeting, which shall include at least one Independent Director, if any. The agenda including notes thereof are generally circulated together with seven clear days Notice prior to the Board and its Committee Meetings. In addition, the resolutions are passed by circulation for any business exigencies, were later placed in the ensuing Board Meeting for ratification and approval, if any.

The Companies Act, 2013 read with the relevant rules made there under, now facilitates the participation of Directors in the Board and its Committee Meetings 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 Directors except in respect of such meetings and items 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 quarterly and half yearly unaudited statements of financial results and the audited statements of 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 items 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 SEBI (LODR) Regulations, 2015 (Listing Regulations) to the extent these are relevant and applicable to the Company.

h) Invitees and Proceedings :

Apart from the Board members, the Company Secretary is a Secretary to the Board and all its Committees while the Chief Financial Officer (CFO) is invited to attend the Board Meetings as well as its Committee Meetings. Other senior management

executives are called, as and when necessary, to provide additional inputs for the items being discussed by the Board and its Committees. The CFO makes presentation on the quarterly and annual operating - financial performance and capital expenditure budget. The Managing Directors, CFO and other senior executives make presentations on capital expenditure proposals and progress, operational health, safety and other business issues. The Chairman of various Board Committees brief the Board on all the important matters discussed and decided at their respective Committee meetings, which are generally held prior to the Board meeting.

i) Post Meeting Action :

Post meetings, all important decisions taken at the meeting were communicated to all the concerned officials and departments. An Action Taken Report is prepared and reviewed periodically by the Company Secretary for the action taken and pending for further action.

j) Support and Role of Company Secretary :

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

k) Brief Profile of Directors :

Mr. P. B. Bhardwaj - Non-executive Chairman (DIN : 00136076)

Mr. P. B. Bhardwaj, 79, Non-executive Chairman ceased to be a Director (Category - Promoter, Non-executive Chairman) due to death on 6th November 2016 at London. He was from the renowned Industrial family. He was instrumental in setting up the state of the art integrated Steel plant of Sunflag Iron and Steel Company Limited at Warthi, Bhandara Road, Bhandara in the state of Maharashtra and was associated with the Company since its inception in the year 1984. He was having rich and varied experience in various fields of Steel, Textiles, Knitting, etc. He was a Chairman in Share Transfer Committee of the Company. He was not holding any equity shares in the capital of the Company.

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

Mr. Ravi Bhushan Bhardwaj, 74, has been appointed as a Director (Category - Promoter, Non-executive Chairman) of the Company in place of Late Mr. P.B. Bhardwaj, effective 12th December 2016. He hails from a renowned family of industrialists and an industrial entrepreneur himself. He has vast experience in various industries and 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 year 1998 and on ceasing as the Managing Director effective 12th August 2015, continued as the Non-executive Vice Chairman of the Company before elevated (appointed) as a Director (Category - Promoter, Non-executive Chairman) of the Company.

He is a Chairman of Corporate Social Responsibility (CSR) and Share Transfer Committee; and member of Stakeholders' Relationship Committee and Nomination & Remuneration Committee and is an Invitee to Audit Committee of the Company. His entire share holding of 700,000 (0.39%) equity shares in the capital of the Company has been *inter-se* transferred to Mr. Pranav Bhardwaj, Managing Director on 28th December 2016.

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

Mr. Pranav Bhardwaj, 43, is a British National and person of India 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 turnaround overall performance. The Company had made remarkable growth under his leadership.

He is a member of Stakeholders' Relationship Committee and Share Transfer Committee of the Company. He is holding 16,12,140 (0.89%) equity shares in the capital of the Company. He is also holding the position of Vice-Chairman at the prestigious Alloy Steel Producers Association of India (ASPA).

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

Dr. E. R. C. Shekar, 85, is 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 gained nearly five decades of experience in steel making and marketing. He is associated with Sunflag since year 1991 as a Non-executive, Independent Director. He is a Chairman of the Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, Project Monitoring Committee and Risk Management Committee. He is also a member of Share Transfer Committee and Corporate Social Responsibility (CSR) Committee of the Board. He is holding 2,000 (0.001%) equity shares in the capital of the Company.

Mr. S. Gajendran - Non-executive, Independent Director (DIN : 00250136)

Mr. S. Gajendran, 73, is graduated from Madras University as Electrical Engineer and started his career with Bharat Earth Movers Limited, Bangalore in the year 1969. After that, he joined Tamilnadu Electricity Board in the year 1970 and served the Board in various capacities in rural areas and Chennai. He then joined IDBI in the year 1979 and served in various capacities and handling projects appraisal, follow-up of large industrial concerns, etc. He retired from the services of IDBI in the year 2004 as a Director JNIDB.

He is associated with Sunflag effective 16th June 2008 as a Non-executive, Independent Director. Presently, he is a member of Audit Committee, Nomination & Remuneration Committee and Stakeholders' Relationship Committee of the Company. He is not holding any equity shares in the capital of the Company.

CA Jayesh M Parmar - Non-executive, Independent Director (DIN : 00802843)

CA Jayesh M Parmar, 52, a Fellow Member of the Institute of the Chartered Accountants of India (the ICAI), in Practice as a Chartered Accountant, a Partner with M/s. Kanu Doshi Associates, Chartered Accountants, Mumbai since year 1993. He is a member of Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility (CSR) Committee and Risk Management Committee of the Board. He is not holding any equity shares in the capital of the Company.

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

Mr. Kumar Jitendra Singh, 65, is B.Sc. Engineering (Mechanical) from Bihar College of Engineering and pursued 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 31 years of experience in varied industries such as maintenance of steel plant, project management andequipment procurement for steel plant, refractory industry, refractory application and management in steel plants, metal and mining industry, etc. He is s member of Project Monitoring Committee & Audit Committee of the Board. He does not hold any equity shares in the capital of the Company.

Mrs. Neelam Kothari - Non-executive, Independent Director (DIN : 06709241)

Mrs. Neelam Kothari is a qualified Chartered Accountant and Cost Accountant, also stood rank in both the professional course examinations. She has earlier 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 member of Audit Committee of the Board. She is not holding any equity shares in the capital of the Company.

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

Mr. Surendra Kumar Gupta, 69, is graduated in Mechanical Engineering (B.E.) and thereafter pursued Diploma in Business Management. He has wide experience of over 38 years in Steel & Steel making industry. He was appointed as Whole-time Director in July, 2007 designated as the Director & CEO of the Company. He is a member of Share Transfer Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility (CSR) Committee, Project Monitoring Committee and Risk Management Committee of the Company. He is not holding any equity shares in the capital of the Company.

Mr. Suhrit Ravi Bhushan Bhardwaj - Additional Director (DIN : 02318190)

Mr Suhrit Ravi Bhushan Bhardwaj, 43, a Kenyan National and person of Indian origin. He has been appointed as an Additional Director effective 27th March 2017. He has graduated as B.Sc. Majoring in Chemistry and Business Management (Joint Honors Degree) from the world renowned Kings College of London University.

Though he belongs to Promoter group, he preferred to join Sunflag group companies as 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 R. Muralidhar Whole-time Director designated as the Executive Director (Finance) & CFO (DIN : 00982212)

CA R. Muralidhar, 62, an Indian national, is a Fellow Member of the Institute of Chartered Accountants of India (the ICAI) (Membership No.24725). He joined Sunflag in the year 1993 as Manager (Finance) posted at Works and thereafter rose to the position of Executive Director (Finance) in the year 2010, one level below the Board of Directors of the Company. During his service tenure, he was the Chief Financial Officer (CFO) of the Company from the year 2001. Further, he was re-designated / re-classified as the Key Managerial Personnel (KMP) of the Company from 1st April 2014. Prior to joining Sunflag, he was associated with various manufacturing companies viz. Cement Corporation of India Limited, Priyadarshani Cements Limited, Hindustan Fluorocarbons Limited and Bharat Aluminum Company Limited and had gained rich & varied experience of about 37 years in all fields of Accounts and Finance.

He holds directorship in Khappa Coal Company Private Limited, Ramesh Sunwire Private Limited and Surjagarh Metals and Minerals Limited. He does not hold any shares in the capital of the Company.

Mr. Ramchandra Vasant Dalvi - Whole-time Director designated as the Executive Director (Works) (DIN : 00012065)

Mr. Ramchandra Vasant Dalvi, 67, an Indian National, has been appointed as an Additional Director & Whole-time Director designated as the Executive Director (Works) effective 14th August 2017. He has graduated as B.Tech (Hons) in Metallurgical Engineering from Indian Institute of Technology (IIT), Mumbai. Thereafter, he joined various Steel Industries such as Mukand Limited (1972-2001), Facor Steel (2001-2004) & 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. Also, he had started his own ventures viz. Sanika Hospitality and Saidham Schemes at Pune and held Directorship / Partnership in these ventures. 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.

Presently, he holds directorship in Sanika Hospitality (India) Private Limited, Pune & Sunflag Foundation and acting as Partner in Saidham Schemes, Pune. He 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 Directors. They possess requisite knowledge of accounts, audit, finance, taxation, internal controls etc.

b) Terms of Reference, Roles & Responsibility :

I Pursuant to Regulation 18(3) read with Part C of Schedule - II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the terms of reference, roles and responsibilities of the audit committee shall includes, amongst others, the followings :

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

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/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 chief internal auditor 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 statements, 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 their meetings shall review with the management and the 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 the 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 - Independent, Non-executive Director

Members : Mr. S. Gajendran and CA Jayesh M Parmar, Mr. Kumar Jitendra Singh & Mrs. Neelam Kothari, Non-executive, Independent Directors of the Company.

Secretary : CS Pranab Panigrahi, Company Secretary

d) 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) & CFO
iv) Statutory Auditors
v) Secretarial Auditors
vi) Internal Auditors
vii) Cost Auditors

e) Meetings and Attendance :

Four (4) meetings of the Audit Committee were held on 28th May 2016, 19th August 2016, 12th December 2016 and 28th January 2017 during the financial year.

Attendance :

Name of Director	Dr. E.R.C. Shekar	Mr. S. Gajendran	CA Jayesh Parmar	Mr. Kumar Jitendra Singh	Mrs. Neelam Kothari
No. of Meetings Attended	4	4	4	3	2

4) NOMINATION & REMUNERATION COMMITTEE

a) Composition : Nomination and Remuneration Committee consists of following Directors viz.

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

Members : Mr. S. Gajendran, CA Jayesh M Parmar, (Non-executive, Independent Director/s), Mr. Ravi Bhushan Bhardwaj, Non-executive, Chairman and Mr. Surendra Kumar Gupta, Deputy Managing Director (upto 28th May 2016)

Secretary : CS Pranab Panigrahi, Company Secretary

b) Terms of Reference of the Nomination & Remuneration Committee :

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

a) identify persons who are qualified to become directors 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 every director's performance ;
b) formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
c) while formulating the policy under (b) above, ensure that :
   i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully ;
   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:
d) 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 the Listing Regulations.

c) Meeting and attendance

Two (2) meetings of the Nomination and Remuneration Committee were held on 28th May 2016 and 26th March 2017

Attendance :

Name of Director	Dr. E.R.C. Shekar	Mr. S. Gajendran	CA Jayesh Parmar	Mr. Ravi Bhardwaj	Mr. S.K. Gupta
No. of Meetings Attended	2	2	1	1	1

d) The Committee looks after appointment / re-appointment, review and finalisation of the annual increments (remuneration) payable to the Executive Directors and Key Managerial Personnel (KMP) of the Company within the prescribed limits of the Companies Act, 2013 read with the rules made thereunder.

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 paid to the Managing Director of the Company.
- No commission was paid to the Deputy Managing Director of the Company.
- No sitting fees was paid to the Executive Directors for attending Board and its Committee Meetings.

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

ii) For Independent Director(s) :

The committee looks after the selection of candidates to be recommended for appointment as an Independent Director on the Board of the Company.

The Sitting Fees @ ₹ 10,000/- and @ ₹ 5,000/- per meeting of the Board and its Committee thereof (except for Board & Committee Meetings held on 28th May 2016, for which the sitting fees paid @ ₹ 7,500/- and @ ₹ 3,000/-), as the case may be, respectively, have been paid to the Non-executive Independent Directors together with reimbursement of actual travel and out-of-pocket expenses incurred for attending such meetings.

iii) Commission to Independent Director/s and Non-executive Chairman :

The members at its 30th Annual General Meeting held on 23rd September 2016 has approved the payment of remuneration by way of commission @1% (one percent) of the net profits of the Company to the Non-executive Directors or some or any of them in such amounts or proportions and in such manner and in all respects as may be decided and directed by the Board of Directors of the Company. In turn, the Board of Directors of the Company at its meeting held on 14th August, 2017 has resolved and finalised fixed and proportion for payment of remuneration by way of commission @1% (one percent) of the net profits of the Company to each of the Non-executive Directors of the Company.

Accordingly, a provision for a sum of ₹ 91,32,607/- equivalent to 1% (one percent) of net profits of the Company payable to the Non-executive Independent Directors and Non-executive Chairman for the financial year 2016-2017 is made as follows :

Dr. E.R.C. Shekar : ₹ 120,000
Mr. S. Gajendran : ₹ 120,000
CA Jayesh M Parmar : ₹ 120,000
Mr. Kumar Jitendra Singh : ₹ 120,000
Mrs. Neelam Kothari : ₹ 120,000

and the balance sum of ₹ 85,32,607/- to Late Mr. P.B. Bhardwaj, then Non-executive Chairman and Mr Ravi Bhushan Bhardwaj, presently Non-executive Chairman of the Company.

e) The details of Sitting fees, Remuneration for the financial year 2016 - 2017 and Commission for the financial 2015-2016 paid to all the Directors during the financial year 2016-2017 are as under :

Amount in ₹

Name	Designation	Sitting Fees	Remuneration and perquisites	Commission for the FY 2015 - 2016	Total Amount
Mr. P.B. Bhardwaj	Non-executive Chairman	-	-	86,37,317	86,37,317
Mr. Ravi Bhushan Bhardwaj	Vice-Chairman	-	-	66,90,713	66,90,713
Mr. Pranav Bhardwaj	Managing Director	-	1,31,05,198	1,82,74,635	3,13,79,833
Dr. E.R.C. Shekar	Non-executive, Independent Director	1,11,500	-	1,00,000	2,11,500
Mr. S. Gajendran	Non-executive, Independent Director	83,500	-	1,00,000	1,83,500
CA Jayesh M Parmar	Non-executive, Independent Director	91,500	-	1,00,000	1,91,500
Mr. Kumar Jitendra Singh	Non-executive, Independent Director	77,500	-	1,00,000	1,77,500
Mrs. Neelam Kothari	Non-executive, Independent Director	47,500	-	1,00,000	1,47,500
Mr. Surendra Kumar Gupta	Deputy Managing Director	-	89,55,743	-	89,55,743

f) The details of proposed Commission payable to all the Directors in respect of financial year 2016 - 2017 are as under :

Name	Designation	Proposed Commission for the Financial Year 2016 - 2017 (₹)
Mr. P.B. Bhardwaj	(Former) Non-executive Chairman	25,71,470
Mr. Ravi Bhushan Bhardwaj	Non-executive Chairman	59,61,137
Mr. Pranav Bhardwaj	Managing Director	1,82,65,214
Dr. E R C Shekar	Non-executive Independent Director	1,20,000
Mr. S Gajendran	Non-executive Independent Director	1,20,000
CA Jayesh M Parmar	Non-executive Independent Director	1,20,000
Mr. Kumar Jitendra Singh	Non-executive Independent Director	1,20,000
Mrs. Neelam Kothari	Non-executive Independent Director	1,20,000
Mr. Surendra Kumar Gupta	Deputy Managing Director	-
Mr. Surhit Ravi Bhushan Bhardwaj	Non-executive Non-independent Director	-

5) STAKEHOLDERS' RELATIONSHIP COMMITTEE

Objective :

This Committee is responsible for the satisfactory redressal of investors' and shareholders' complaints and recommends measures for overall improvement in the quality of investor services. Especially, it looks after grievances of shareholders and investors complaints like dematerialisation or rematerialisation of shares, transfer of shares, transmission of shares, non-receipt of share certificates, annual report, dividend(s) etc. and timely redressal of their grievance thereto and such other functions as Regulation 20(4) read with Part D of Schedule - II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Composition :

The Stakeholders' Relationship Committee is consisting of Dr. E. R. C. Shekar, Independent, Non-executive Director as its Chairman and Mr. Ravi Bhushan Bhardwaj, Mr. Pranav Bhardwaj, Mr. S. Gajendran and Mr. Surendra Kumar Gupta, as the Committee members while CS Pranab Panigrahi, is a Secretary to the Committee.

Meetings :

During the financial year, the committee had three (3) meetings and reviewed :

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

b) The complaint letters received from Shareholders / Investors, Stock Exchanges, SEBI, Depositories viz. NSDL & CDSIL and responses thereto.

At the beginning of the year	Received during the year	Resolved during the year	At the end of the year
NIL	17	17	NIL

6) SHARE TRANSFER COMMITTEE

The Share Transfer Committee consists of five (5) members, viz. three (3) Non-executive Directors and two (2) Executive Directors, as per details given below :

Composition :

Chairman : Mr. P B Bhardwaj, Non-executive Chairman (up to 6th November 2016)
Mr. Ravi Bhushan Bhardwaj, Non-executive Chairman (effective 12th December 2016)

Members : Mr. Ravi Bhushan Bhardwaj, Mr. Surendra Kumar Gupta, Deputy Managing Director and Dr. E. R. C. Shekar, Non-executive, Independent Director.

Secretary : CS Pranab Panigrahi, 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 time-line for registration of transfer of Equity Shares by the Listed Companies to fifteen (15) days.

In view of above, the Board considered and granted the authorisation (sub-delegation) to CS Pranab Panigrahi, Company Secretary of the Company and in his absence, CA R. Muralidhar, Executive Director (Finance) & CFO 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) & CFO 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 Regulation 39 of the SEBI (LODR) Regulations, 2015, the Company has transferred 28,050 equity shares to "**Unclaimed Suspense Account**" effective 3rd August 2015, as these shares were lying unclaimed since respective date of allotments. The Shareholders of these unclaimed shares can contact the Company to claim their shares. The voting rights on these shares shall remain frozen till the rightful owner of such shares claim the shares. During the financial year under review, no rightful shareholder has claimed any shares from this account. The detailed list of shares transferred to this suspense account is available on the Company's website *www.sunflagsteel.com*.

Green Initiative – Electronic copy of full Annual Report is being sent to all the members whose e-mail IDs are registered with the Company or Depository Participants. For members who have not registered their e-mail IDs with the Company or Depository Participants, a hard copy of Abridged Annual Report is being sent. The Company will send a hard copy of the full Annual Report, if requested by the Member. The Members are requested to support this green initiative and register their e-mail IDs promptly with DPs in case of electronic shares or with the RTA, in case of physical shares.

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 2016- 2017.

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 and Mr. Surendra Kumar Gupta as its members.

During the financial year ended on 31st March 2017, the CSR Committee had 4 (four) meetings held on 28th May 2016, 19th August 2016, 12th December 2016 & 28th January 2017, which were attended by the members as under :

S N	Name of Director	Designation	No. of meetings held / Attended
1	Mr. Ravi Bhushan Bhardwaj	Non-executive Chairman	4 / 2
2	Dr. E. R. C. Shekar	Non-executive Independent Director	4 / 4
3	CA Jayesh M Parmar	Non-executive Independent Director	4 / 4
4	Mr. Surendra Kumar Gupta	Deputy Managing Director	4 / 4

Secretary : CS Pranab Panigrahi is Secretary to the Committee.

The Terms of Reference of the Committee are as follows :

i. formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013 as amended from time to time;

ii. recommend the amount of expenditure to be incurred on the activities referred to in clause (*a*);

iii. monitor the Corporate Social Responsibility (CSR) Policy of the Company from time to time; and

iv. such other functions / activities as may be assigned / 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.

Disclosure/s :

S N	Headings	Particulars
1	Average net profits of the Company for last three (3) financial years	₹52,24,11,430
2	Prescribed CSR Expenditure [two percent (2%) of the amount as in item 1 above]	₹ 1,04,48,229
3	Details of CSR spent during the financial year (2016-2017) :	
	a) Total amount to be spent for the FY 2016-2017	₹ 1,04,48,229
	b) Amount unspent, if any;	The Company has spent ₹ 1,04,60,020 against the mandated ₹ 1,04,48,229 during the Financial year 2016 - 2017. Hence, there is no unspent amount.
	c) Manner in which the amount spent during the FY 2016-2017	The manner in which the amount spent is detailed in the Annex-A to Board's Report.

Further, the Company has already constituted sub-committee of the executives of the Company in order to look after the day to day 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 of executives meets at regular intervals to ascertain the accomplishment of work and consequent release of payment.

Further, the Company has formed and incorporated **Sunflag Foundation** (U74999MH2017NPL289961) – a Section 8 Company (A Company not for Profits) on 27th January 2017 as a Wholly-owned Subsidiary, appointed as an Implementing Agency to carry out the Corporate Social Responsibility (**CSR**) activities as per the CSR Policy of the Company within the framework of law. Sunflag Foundation will implement, monitor all CSR activities keep budget and accounts for the same, the manner in which the CSR amount has been spent / to be spent etc and in turn, shall furnish 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** 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 minimise risks as also identify business opportunities. The objectives and scope of the Risk Management Committee broadly comprises :-

a) Oversight of risk management performed by the executive management; Reviewing the BREM policy and framework in line with local & legal requirements and SEBI guidelines;

b) Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;

c) 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 Risk management committee met once in the financial year 2016-2017.

The Risk Management Committee comprises of the Directors and Senior Executives as members, as per details given below together with their attendance :

Members – Directors :

S N	Name of Director	Designation	No. of meetings held / Attended
1	Dr. E.R.C. Shekar	Non-executive, Independent Director	1/1
2	CA Jayesh M Parmar	Non-executive, Independent Director	1/1
3	Mr. Surendra Kumar Gupta	Deputy Managing Director	1/1

Members – Senior Executives :

S N	Name of Senior Executives	Designation	No. of meetings held / Attended
1	CA R. Muralidhar	Executive Director (Finance) & CFO	1/1
2	Mr. R.K. Malhotra(*)	Executive Director (Marketing)	0/0

(*) - Ceased to be a Member effective 31st July 2016

9) PROJECT MONITORING COMMITTEE (PMC)

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

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

Members : Mr. Kumar Jitendra Singh (Non-executive, Independent Director) & Mr. Surendra Kumar Gupta, Deputy Managing Director.

Secretary : CS Pranab Panigrahi, Company Secretary

Meeting and attendance

One (1) meeting of Project Monitoring Committee (PMC) was held on 4th March 2017.

S N	Name of Director	Designation	No. of meetings held / Attended
1	Dr. E.R.C. Shekar	Non-executive Independent Director	1/1
2	Mr. Kumar Jitendra Singh	Non-executive Independent Director	1/1
3	Mr. Surendra Kumar Gupta	Deputy Managing Director	1/1

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 & misconduct. The Audit Committee is committed to

ensure fraud-free work environment and in this directions, the Audit Committee had 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 and direct access to the Chairman of the Audit Committee is also available in exceptional cases.

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

The main objectives of the policy are as under :

i) to protect the brand, reputation and assets of the Company from loss or damage, resulting from suspected or confirmed incidents of fraud / misconduct.

ii) to provide guidance to the employees, vendors and customers on reporting any suspicious activity and handling critical information and evidence.

iii) to provide healthy and fraud-free work culture.

iv) to recommend to the management for taking appropriate actions such as disciplinary action, termination of service, changes in policies & procedure and review of internal control systems;

v) to review the policy from time to time

11) GENERAL BODY MEETINGS

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

S. No.	Year	Location	Date	Time
1	30th AGM - 2016	Indian Medical Association's J. R. Shaw Auditorium, North Ambazari Road, Nagpur - 440010	23.09.2016	15:00 Hrs.
2	29th AGM - 2015		25.09.2015	15:00 Hrs.
3	28th AGM - 2014		26.09.2014	15:00 Hrs.

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 28th, 29th and 30th Annual General Meeting held during financial year 2014-2015, 2015-2016, 2016-2017, apart from an Extra-ordinary General Meeting held during the financial year 2014-2015.

12) DISCLOSURES

a) **Related Party Disclosures :**

Related Party	Relationship
Sunflag Power Limited Sunflag Special Steels Limited (1) Khappa Coal Company Private Limited Sunflag Foundation (Section 8 Company) (2)	Subsidiary Companies
Haryana Television Limited	Associate Enterprise
Sunflag Limited, Channel Islands, UK	Enterprise which have significant influence (Promoter and Promoter Group)
Mr. P. B. Bhardwaj Mr. Ravi Bhushan Bhardwaj	Promoter and Promoter Group
Mr. Pranav Bhardwaj Mr. Surendra Kumar Gupta CA R. Muralidhar CS Pranab Panigrahi	Key Managerial Personnel (KMP)
Mr. Suhrit Ravi Bhushan Bhardwaj	Director / Relative of Key Managerial Personnel (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

1) Sunflag Special Steels Limited (U27102OR2003PLC007099) – a Wholly-owned Subsidiary of Sunflag Iron and Steel Company Limited holding 99.88% of Issued, Subscribed and Paid-up Share Capital, has passed a Special Resolution for Application for Striking-off the Name pursuant to the provisions of Section 248(2) of the Companies Act, 2013 read with the Companies (Removal of Names of Companies from the Registrar of Companies) Rules, 2016 at the Extra-ordinary General Meeting held on 27th March 2017 and accordingly the said Company has filed e-Form No. STK-2 with the Office of the Registrar of Companies, Odisha at Cuttack and its approval is awaited.

2) Sunflag Foundation (U74999MH2017NPL289961) – a Section 8 Company (A Company not for Profits) was incorporated on 27th January 2017 as a Wholly-owned Subsidiary of Sunflag Iron and Steel Company Limited, 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 law, Sunflag Foundation will implement, monitor all CSR activities, keep budget and accounts for the same, the manner in which the CSR amount has been spent / to be spent etc and in turn, shall furnish its report to the Company on regular basis.

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

Sr. No.	Particulars			Amount (₹)
a)	Wholly Owned Subsidiary Company	-	Unsecured Loan or Advances	12,12,405
b)	Associate Enterprise	-	Security Deposit	21,07,573
		-	Rent	48,26,500
c)	Director (Beneficiary)	-	Security Deposit	10,00,000
		-	Rent	20,68,500
d)	Joint Venture - Ramesh Sunwire Pvt. Ltd.	-	Investment	2,20,50,000
e)	Key Managerial Personnel, Promoter & Promoter Group - Remuneration and Commission			5,90,54,278

c) **Disclosure/s under Section 22 & 28 of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & 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 & 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 2016-2017 :

Number of Complaints received	**NIL**	Number of Complaints disposed off	**N.A.**

d) **Compliance with Regulators :**

The Company has complied with the all the requirements of regulatory authorities on capital markets. There have 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 Accounting Standard 18, are disclosed in notes to accounts annexed to the financial statements.

ii. There are no materially significant transactions with the related parties viz. Promoters, Directors, KMP, their relatives or Subsidiaries that had potential conflict with the Company's interest. Suitable disclosures as required by the Accounting Standard (AS 18) has been made in the Annual Report.

iii. The Company has followed all relevant Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 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 ended 31st March 2017, the Company does not have any material listed and unlisted Subsidiary Company(ies) as defined in Regulation 16(1)(c) of the Listing Regulations, 2015. In-spite of that, One Independent Director was appointed on the Board of all Unlisted Subsidiary Companies. The Audit Committee and Board review the financial statements of Unlisted Subsidiary Companies and the Minutes of the meetings of the Board of Directors and Members of the Unlisted Subsidiary Companies have been placed at the meeting of the Board of Directors of the Listed Entity for their information and review.

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

13) MEANS OF COMMUNICATION

a) The quarterly and annual financial results are being furnished to Stock Exchanges and published either 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 first (31st) Annual General Meeting - Thursday, the 28th September, 2017 at 3.00 P.M.

b) Book Closure Dates - From Saturday, the16th September, 2017 to Thursday, the 28th September, 2017 (both days inclusive)

c) **Financial Calender** — **Tentative Schedule**

i) Unaudited Results for the Quarter ending on 30.06.2017 - July / August 2017

ii) Unaudited Results for the Quarter / half year ending on 30.09.2017 - October / November 2017

iii) Unaudited Results for the Quarter ending on 31.12.2017 - January / February 2018

iv) Audited Results for the Quarter / year ending on 31.03.2018 - May 2018

d) **Listing of Equity Shares**

For the year 2016 - 2017, Equity Shares of the Company were listed with (1) BSE Limited and (2) The National Stock Exchnage of the India Limited

- BSE Limited (BSE)
- The National Stock Exchange of India Limited (NSE)

e) **Equity Shares - Stock Codes :**

Trading Symbol at **S**tock **E**xchanges - 500404 (BSE) & SUNFLAG (NSE)

Demat ISI Number in NSDL & CDSIL - INE947A01014 - Sunflag Iron - Equity

f) **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				BSE SENSEX		S & P CNX NIFTY	
	BSE		NSE					
	High (₹)	Low (₹)	High (₹)	Low (₹)	High	Low	High	Low
April 2016	25.05	19.50	25.00	19.60	26101	24523	7992	7517
May 2016	26.75	22.25	26.90	22.25	26837	25058	8214	7678
June 2016	27.90	23.30	27.80	23.20	27105	25911	8308	7927
July 2016	33.00	24.80	33.30	24.70	28240	27034	8675	8288
August 2016	32.90	28.00	32.80	28.00	28532	27628	8819	8518
September 2016	37.30	29.50	37.40	29.30	29077	27717	8969	8555
October 2016	41.75	35.55	41.90	35.45	28478	27488	8807	8506
November 2016	40.50	31.85	40.65	31.85	28030	25718	8679	7916
December 2016	39.90	31.50	38.65	31.15	26804	25754	8275	7894
January 2017	42.05	32.50	42.15	32.50	27980	26447	8673	8134
February 2017	37.75	34.00	37.80	34.00	29065	27590	8982	8538
March 2017	39.20	34.85	39.25	34.75	29825	28716	9218	8860

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

g) **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, Makwana Road, Marol, Andheri (East), Mumbai - 400 059** 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.

h) **a) Distribution of Shareholding as on 31st March, 2017 :**

Shareholding of nominal value of		Shareholders		Value of Shares	
₹	₹	Number	%	Amount (₹)	%
Upto 5000		57,072	83.63	104,885,100	5.82
5001	10000	6,133	8.99	50,595,650	2.81
10001	20000	2,622	3.84	40,891,090	2.27
20001	30000	843	1.24	22,013,360	1.22
30001	40000	322	0.47	11,738,830	0.65
40001	50000	391	0.57	18,963,640	1.05
50001	100000	448	0.66	34,448,140	1.91
100001	1802194480	410	0.61	1,518,658,670	84.27
Total		**68,241**	**100.00**	**1,802,194,480**	**100.00**

h) **b) Pattern of Shareholdings as on 31st March, 2017 :**

S N	Category	No. of Holders	No. of Shares	%
1	Promoters and Promotor Group - Foreign	2	78,470,980	43.543
2	Promoters and Promotor Group - Indian	2	9,945,496	5.519
3	Non Resident Indians and FIIs	330	1,005,913	0.558
4	Financial Institutions	4	103,184	0.057
5	Bodies Corporate	651	5,370,264	2.979
6	Banks (Nationalised and Others)	16	54,815	0.030
7	Mutual Funds / UTI / Trust	18	98,930	0.055
8	Bodies Corporate (Foreign)	1	18,021,945	10.00
9	Indian Public including the Directors, KMPs and their Relatives	67099	66,871,884	37.106
10	Clearing Members / Corporations	114	271,997	0.151
11	Others (Insurance / State Gov. / NBFC)	4	4,040	0.002
	Total	**68,241**	**180,219,448**	**100.00**

i) **Dematerialisation of Shares and Trading at Stock Exchanges (Liquidity) :**

The equity shares of the Company are compulsorily traded in electronic form only. As on 31st March 2017, there were approximately 1075 lakh equity shares dematerialised through depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited, which represents about 59.64% of the total paid-up capital of the Company.

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

j) **Plant Location :** Sunflag Iron and Steel Company Limited
Works: P.O.: Bhandara Road, Warthi, BHANDARA - 441905 (Maharashtra)
Phone Nos : 07184 - 285551 to 285555

ADDRESS FOR CORRESPONDENCE OF SHAREHOLDERS / INVESTORS	
For all matters relating to Shares & Dematerialisation of shares be sent to :	**For all matters relating to Annual Reports / Dividend / Grievances :**
M/s. Bigshare Services Private Limited 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apts, Makwana Road, Marol Andheri (E), MUMBAI - 400059 Phone : 022 - 62638200 Fax : 022 - 62638299 E-mail : investor@bigshareonline.com Website : http://www.bigshareonline.com	Company Secretary Sunflag Iron and Steel Company Limited 33, Mount Road, Sadar, Nagpur - 440001 Phone : 0712-2524 661 / 2520 356 Fax : 0712-2520 360 E-Mail : investor@sunflagsteel.com Website : http://www.sunflagsteel.com

15) CEO / CFO Certificate on Corporate Governance :

The Company has also obtained a certificate from the CEO / CFO of the Company regarding compliance stipulation of Corporate Governance as stipulated in the Listing Regulations, 2015.

16) Certificate on Corporate Governance :

The Company has obtained a certificate from the Company Secretary in Practice regarding compliance stipulation of Corporate Governance as stipulated in the Listing Regulations, 2015 and the same is reproduced hereunder.

NON-MANDATORY REQUIREMENTS

1. **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 as well as displayed on the Company's *website www.sunflagsteel.com.*
2. **Postal Ballot :**
The Company has had no occasion to exercise the postal ballot so far.
3. **Report on Corporate Governance :**
This chapter of the Annual Report – together with the information given under "Management Discussion and Analysis" – constitutes a detailed compliance report on Corporate Governance during the year under review.
4. **Separate posts of Chairman and Managing Director :**
The Chairman of the Board is a Non-executive Director and his position is separate from that of the Managing Director/s of the Company.

5. **Reporting of Internal Auditors :**
   The Internal Auditors report to the Audit Committee of the Board of Directors of the Company.
6. **Audit Qualifications :**
   The Company's financial statement for the year ended 31st March, 2017 does not contain any audit qualification.

For and on behalf of the Board

Nagpur	**Dr. E.R.C. Shekar**	**Surendra Kumar Gupta**
14.08.2017	Director	Deputy Managing Director
	DIN : 00013670	DIN : 00054836

AUDITORS' CERTIFICATE

Auditors Certificate on compliance with the conditions of Corporate Governance

To

The Members
Sunflag Iron and Steel Company Limited
CIN - L27100 MH1984 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** ('**the Company**') for the financial year 2016-2017 ended 31st March 2017, as stipulated in Regulation 15(2) [Regulation 17 to 27, Clauses (b) to (i) of Regulation 46(2) & Para C and D of Schedule V] of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**Listing Regulations**').

Managements' Responsibility

The compliance of conditions of the Corporate Governance is the responsibility of the Management. 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 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 15(2) [Regulation 17 to 27, Clauses (b) to (i) of Regulation 46(2) & Para C and D of Schedule V] of the Listing Regulations for the financial year 2016-2017 ended 31st March 2017

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 Monday, the 14th August 2017 at Nagpur.

For M/s. Mukesh Parakh & Associates
Company Secretaries

CS Mukesh D. Parakh
Proprietor
M. No. FCS - 4343 CoP No. 13693

Declaration from Managing Director regarding the adherence to the Code of Business Conduct and Principles by the Board of Directors and Senior Management

To

The Members
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 the relevant provisions of Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (to the extent applicable), we hereby certify that the Members of the Board of Directors and the Senior Management Personnel of the Company have affirmed compliance with the Code of Business Principles and Conduct of the Company during the financial year ended 31st March 2017.

For and on behalf of the Board

Nagpur	**Dr. E.R.C. Shekar**	**Surendra Kumar Gupta**
14.08.2017	Director	Deputy Managing Director
	DIN : 00013670	DIN : 00054836

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

To

The Members
Sunflag Iron and Steel Company Limited
C I N - L 27100 MH 1984 PLC 034003
33, Mount Road, Sadar, Nagpur - 440001

Report on Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Sunflag Iron and Steel Company Limited **("the Company")**, which comprise the balance sheet as at March 31, 2017, the statement of profit and loss, including the statement of other comprehensive income, the cash flow statement and the statement of changes in equity for the year then ended, and a summary of significant accounting policies.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 **("the Act")** with respect to the preparation of these standalone Ind AS 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Instituteof Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements.The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matters

The financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 01, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules,2006 (as amended) which were audited by predecessor auditors whose report for the year ended March 31, 2016 & March 31, 2015 dated May 26, 2016 & May 30, 2015 respectively expressed an unmodified opinion on those standalone financial statements. The adjustments to those standalone financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

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 sub-section (11) of section 143 of the Act, we give in the "Annexure -1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, statement of profit and loss including the statement of other comprehensive income, the cash flow statement and statement of changes in equity dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standards) Rules, 2015, as amended;

e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 2" to this report;

g) 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 on its financial position in its standalone Ind AS financial statements – Refer Note 32 to the standalone Ind AS financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Company.

   iv. The Company has provided requisite disclosures in Note 9 to these standalone Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

	For S.S. Kothari Mehta & Co. *Chartered Accountants* Firm Regn. No. 000756N	For Patel, Shah & Joshi *Chartered Accountants* Firm Regn. No. 107768W
Nagpur 26th May, 2017	CA Sunil Wahal *Partner* Membership Number - 087294	CA Jayant I. Mehta *Partner* Membership Number - 042630

"ANNEXURE - 1" TO INDEPENDENT AUDITOR'S REPORT

"Annexure – 1" to the Independent Auditor's Report to the members of Sunflag Iron & Steel Company Limited dated May 26, 2017 on standalone financial statements.

On the basis of sample checks and according to the information and explanations given to us during the course of our audit, we report that;

i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

   c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company.

ii) The Management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification

iii) a) The Company has granted unsecured loans to its subsidiaries Sunflag Power Limited and Khappa Coal Co. Pvt. Ltd., covered in the register maintained under Section 189 of the Act;

   b) The terms and conditions of the grant of such loans are not prejudicial to the Company's interest;

   c) The loan given is repayable on demand and hence there is no overdue amount as on the date and the relevant reporting is not applicable.

iv) In our opinion and according to the information and explanations given to us, 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 have been complied with by the Company.

v) 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.

vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, regarding activities of the Company and are of the opinion that prima facie, the specified accounts and records have been made and maintained. However, we are not required to carry out detailed examination of the same.

vii) a) In our opinion and according to the information and explanations given to us, according to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Sales tax, Wealth-tax, Custom Duty, Excise Duty, Cess and other material statutory dues, wherever applicable, have been generally regularly deposited with the appropriate authorities during the year. However, there are no such undisputed statutory dues payable for a period of more than six months from the date they became payable as at March 31, 2017.

b) According to the information and explanations given to us and as per the books and records examined by us, details of dues of Income Tax, Excise duty and Sales tax which have not been deposited on account of any dispute and the forum where the dispute is pending is as follows:

Statement of unpaid disputed statutory dues and annexure to report as at 31st March, 2017				
Particulars of Statutory Dues	**Amount (₹ in Lakhs)**	**Period to which the amount related**	**Forum where dispute is pending**	**Whether paid or unpaid**
Excise Duty				
Deptt.'s show cause	27	2009 - 2010	Commissioner, Central Excise	Not Deposited
Departmental appeal (penalty)	38	2013 - 2014	Tax Appellate Tribunal	Deposited
Total	**65**			
Income Tax				
Company's appeals	211	2006 - 2007	Income Tax Appellate Tribunal	Deposited
	103	2007 - 2008	Income Tax Appellate Tribunal	Deposited
	240	2009 - 2010	Income Tax Appellate Tribunal	Deposited
	12	2010 - 2011	Commissioner of Income Tax (Appeal)	Deposited
	47	2015 - 2016	Commissioner of Income Tax (Appeal)	Deposited
Total	**613**			

viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

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

x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

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 the Act, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit and hence not commented upon.

xv) According to the information and explanations given by the management, 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 & Co.
Chartered Accountants
Firm Regn. No. 000756N

CA Sunil Wahal
Partner
Membership Number - 087294

For Patel, Shah & Joshi
Chartered Accountants
Firm Regn. No. 107768W

CA Jayant I. Mehta
Partner
Membership Number - 042630

Nagpur
26th May, 2017

"ANNEXURE - 2" TO INDEPENDENT AUDITOR'S REPORT

"Annexure -2" to the Independent Auditor's Report of even date on the standalone Financial Statements of Sunflag Iron & Steel Company Limited,

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Sunflag Iron & Steel Company Limited ("the Company") as of March 31, 2017 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's 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 as specified 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 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 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the 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, 2017, 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

	For S.S. Kothari Mehta & Co. ***Chartered Accountants*** **Firm Regn. No. 000756N**	**For Patel, Shah & Joshi** ***Chartered Accountants*** **Firm Regn. No. 107768W**
Nagpur **26th May, 2017**	**CA Sunil Wahal** ***Partner*** **Membership Number - 087294**	**CA Jayant I. Mehta** ***Partner*** **Membership Number - 042630**

SUNFLAG IRON AND STEEL COMPANY LIMITED, NAGPUR
BALANCE SHEET AS AT 31st MARCH 2017

Particulars	Note No.	As at 31.03.2017 (₹ in Lakhs)	As at 31.03.2016 (₹ in Lakhs)	As at 31.03.2015 (₹ in Lakhs)
A. ASSETS				
1. Non-current Assets				
a) Property, plant and equipment	3	51,067	54,150	57,022
b) Capital work-in progress		3,215	398	284
c) Financial Assets				
i. Investments	4	1,172	983	766
ii. Bank Balances	5	35	-	-
iii. Loans	6	4,340	3,087	3,710
Total non-current assets		**59,829**	**58,618**	**61,782**
2. Current Assets				
a) Inventories	7	40,554	31,489	39,414
b) Financial assets				
i. Trade Receivables	8	20,471	22,047	19,963
ii. Cash and cash equivalents	9	337	596	449
iii. Bank balances	9	7,155	5,756	4,877
iv. Other financial assets	10	60	172	288
c) Current tax assets (net)	11	1,016	1,199	1,163
d) Other current assets	12	3,720	4,374	7,421
Total current assets		**73,313**	**65,633**	**73,575**
TOTAL ASSETS		**133,142**	**124,251**	**135,357**
B. EQUITY AND LIABILITIES				
1. Shareholders' funds				
a) Share Capital	13	**18,022**	18,022	18,022
b) Other equity	14	52,801	46,284	40,411
Total Shareholders' Funds		**70,823**	**64,306**	**58,433**
2. Non-current Liabilities				
a) Financial liabilities				
i. Borrowings	15	4,347	5,754	12,282
ii Other financial liabilities	16	453	307	409
b) Deferred Tax Liabilities (Net)	17	7,773	7,660	6,515
c) Provisions	18	1,690	1,569	1,389
d) Other non-current liabilities	19	984	1,217	1,463
Total non-current liabilites		**15,247**	**16,507**	**22,058**
3. Current Liabilities				
a) Financial liabilities				
i. Borrowings	20	22,126	11,172	19,777
ii. Trade payables	21	-	-	-
iii. Total outstanding dues of micro & small enterprises		-	-	-
iv. Total outstanding dues of creditors other than micro & small enterprises		14,053	15,599	21,110
v. Other financial liabilities	22	1,754	7,844	8,309
b) Other current liabilities	23	9,139	8,823	5,670
Total current liabilities		**47,072**	**43,438**	**54,866**
TOTAL EQUITY AND LIABILITIES		**133,142**	**124,251**	**135,357**
Corporate information and Significant accounting policies and Notes forming part of Financial Statements	1 & 2			

As per our attached report of even date

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

SUNIL WAHAL
PARTNER
M. No. - 087294

For PATEL, SHAH & JOSHI
Chartered Accountants
FRN : 107768W

CA JAYANT I. MEHTA
PARTNER
M. No. - 42630

PRANAV BHARDWAJ
MANAGING DIRECTOR

SURENDRA KUMAR GUPTA
Dy. MANAGING DIRECTOR

CA R. MURALIDHAR
EXECUTIVE DIRECTOR (FINANCE) & CFO

CS PRANAB PANIGRAHI
COMPANY SECRETARY

DR. E.R.C. SHEKAR

S. GAJENDRAN

CA JAYESH M. PARMAR

K. J. SINGH

MRS. NEELAM KOTHARI

DIRECTORS

Nagpur
26th May 2017

SUNFLAG IRON AND STEEL COMPANY LIMITED, NAGPUR

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2017

	Particulars	Note No.	Year Ended 31.03.2017 (₹ in Lakhs)	Year Ended 31.03.2016 (₹ in Lakhs)
1.	Revenue from Operations	24	**171,323**	179,192
2.	Other Income	25	**775**	924
3.	Total Income (1+2)		**172,098**	180,116
4.	Expenses :			
	Cost of raw Materials & Components Consumed	26 (a)	**89,705**	87,834
	Other Manufacturing Expenses	26 (b)	**32,598**	32,000
	Excise duty		**20,357**	20,204
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	27	**(4,158)**	1,118
	Employee Benefits Expense	28	**9,426**	9,827
	Finance Costs	29	**3,506**	6,495
	Depreciation and Amortisation Expense	30	**3,319**	3,564
	Other Expenses	31	**8,854**	10,405
	Total Expenses		**163,607**	171,447
5.	Profit / (loss) before exceptional items and tax		**8,491**	8,669
6.	Less : Exceptional Items		-	-
7.	Profit / (loss) before tax (5 - 6)		**8,491**	8,669
8.	Tax Expense :			
	a) Current tax expense for current year		**1,861**	1,843
	b) Deferred tax	17	**113**	1,145
	c) Income tax pertaining to earlier years		**-**	--
9.	Profit / (Loss) for the year from continuing operations after tax		**6,517**	5,681
10.	Profit/(loss) from discontinued operations		**-**	-
11.	Tax expense of discontinued operations		**-**	-
12.	Profit/(loss) from discontinued operations (after tax)		**-**	-
13.	Profit (Loss) for the period		**6,517**	5,681
14.	Other comprehensive Income			
	Items that will not be reclassified to profit or loss		**-**	-
	Income tax relating to items that will not be reclassified to profit or loss		**-**	-
	Items that will be reclassified to profit or loss		**-**	-
	Income tax relating to items that will be reclassified to profit or loss		**-**	-
15.	Total comprehensive Income for the period		**6,517**	5,681
16.	Earning per equity share (for continuing operations)			
	Basic	37	3.62	3.15
	Diluted	37	3.62	3.15
17.	Earnings per equity share (for discontinued operations)			
	Basic	-	-	-
	Diluted	-	-	-
18.	Earnings per equity share (for discontinued & continuing operations)			
	Basic	37	3.62	3.15
	Diluted	37	3.62	3.15

As per our attached report of even date

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

SUNIL WAHAL
PARTNER
M. No. - 087294

For PATEL, SHAH & JOSHI
Chartered Accountants
FRN : 107768W

CA JAYANT I. MEHTA
PARTNER
M. No. - 42630

PRANAV BHARDWAJ
MANAGING DIRECTOR

SURENDRA KUMAR GUPTA
Dy. MANAGING DIRECTOR

CA R. MURALIDHAR
EXECUTIVE DIRECTOR (FINANCE) & CFO

CS PRANAB PANIGRAHI
COMPANY SECRETARY

DR. E.R.C. SHEKAR

S. GAJENDRAN

CA JAYESH M. PARMAR

K. J. SINGH

MRS. NEELAM KOTHARI

DIRECTORS

Nagpur
26th May 2017

SUNFLAG IRON AND STEEL COMPANY LIMITED, NAGPUR
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2017

Particulars	For the year ended 31.03.2017 (₹ in Lakhs)		For the year ended 31.03.2016 (₹ in Lakhs)	
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		**8,491**		8,669
Remeasurement earnings		**-**		147
Adjustments for :				
Depreciation and amortisation		**3,320**	**-**	3,564
(Profit) / loss on sale / write off of assets		**(1)**	-	(1)
Finance costs		**3,506**	**-**	6,495
Interest income	**-**	**-**	-	-
Exceptional adjustment	**-**	**-**	**-**	**-**
Provision for doubtful trade and other receivables, loans and advances	-	**-**	-	-
Operating profit / (loss) before working capital changes		**15,316**		18,874
Changes in working capital :				
Adjustments for (increase) / decrease in operating assets :				
Inventories	**(9,065)**		7,926	
Trade receivables	**1,576**		(2,084)	
Short-term loans and advances	**654**		3,052	
Long-term loans and advances	**(1,253)**		617	
Other current assets	**294**		82	
	-	**(7,794)**	**-**	9,593
Adjustments for increase / (decrease) in operating liabilities :				
Trade payables	**(1,546)**		(5,510)	
Other current liabilities	**(5,775)**		2,687	
Short-term provisions	**-**		-	
Other long-term liabilities	**(88)**		(387)	
Long-term provisons	**121**	**(7,288)**	180	(3,030)
Cash flow from extraordinary items		**-**		-
Cash generated from operations		**(1862)**		(1843)
Net income tax (paid) / refunds				
Net cash flow from / (used in) operating activities (A)		**(1,628)**		23,594
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances		**(3,048)**		(1,209)
Proceeds from sale of fixed assets		**-**	-	-
Long-term investments in - Joint ventures		**(189)**		(75)
Net cash flow from / (used in) investing activities (B)		**(3,237)**		(1,284)
C. Cash flow from financing activities				
Proceeds from issue of equity shares		**-**		-
Proceeds from long-term borrowings		**-**		-
Repayment of long-term borrowings		**(1,408)**		(6,184)
Net increase / (decrease) in working capital borrowings		**10,954**		(8,605)
Proceeds from other short-term borrowings		**-**		-
Repayment of unsecured Defered Sales Tax Loan		**-**		-
Finance cost		**(3,506)**		(6,495)
Dividends paid		**-**		-
Tax on dividend		**-**		-
Cash flow from extraordinary items				
Net cash flow from / (used in) financing activities (C)		**6,040**		(21,284)
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**1,175**		1,026
Cash and cash equivalents at the beginning of the year		**6,352**		5,326
Effect of exchange differences on restatement of foreign currency cash and cash equivalents		**-**		-
Cash and cash equivalents at the end of the year		**7,527**		6,352

As per our attached report of even date

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

SUNIL WAHAL
PARTNER
M. No. - 087294

For PATEL, SHAH & JOSHI
Chartered Accountants
FRN : 107768W

CA JAYANT I. MEHTA
PARTNER
M. No. - 42630

Nagpur
26th May 2017

PRANAV BHARDWAJ
MANAGING DIRECTOR

SURENDRA KUMAR GUPTA
Dy. MANAGING DIRECTOR

CA R. MURALIDHAR
EXECUTIVE DIRECTOR (FINANCE) & CFO

CS PRANAB PANIGRAHI
COMPANY SECRETARY

DR. E.R.C. SHEKAR

S. GAJENDRAN

CA JAYESH M. PARMAR

K. J. SINGH

MRS. NEELAM KOTHARI

DIRECTORS

Statement of changes in equity for the year ended 31.03.2017

(₹ in Lakh)

	Reserves and Surplus					Items of other comprehensive Income					
Particulars	Capital	Securities premium account	General Reserve	Retained earning	Retained Earnings Account Remesurement	Debt instruments through other comprehensive income	Revalution Surplus	Equity instruments through other comprehensive income	Effective portion of cash flow hedges	Other Items of other comprehensive Income (specify nature)	Total
As at 01.04.2015	**-**	**3,785**	**256**	**36,290**	**80**	**-**	**-**	**-**	**-**	**-**	**40,411**
Changes in accounting policy	-	-	-	-	-	-	-	-	-	-	-
Prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at 1.04.2015	**-**	**3,785**	**256**	**36,290**	**80**	**-**	**-**	**-**	**-**	**-**	**40,411**
Total comprehensive income for the year											-
Profit of the year	-	-	-	5,726	147	-	-	-	-	-	5,873
As at 31.03.2016	**-**	**3,785**	**256**	**42,016**	**227**	**-**	**-**	**-**	**-**	**-**	**46,284**
Total comprehensive income for the year											-
Profit of the year	-	-	-	6,517	-	-	-	-	-	-	6,517
As at 31.03.2017	**-**	**3,785**	**256**	**48,533**	**227**	**-**	**-**	**-**	**-**	**-**	**52,801**
Nature of reserves											

Retained earnings represent the undistributed profits of the Company.

Other Comprehensive Income Reserve represent the balance in equity for items to be accounted in Other Comprehensive income. OCI is classified into (i) items that will not be reclassified to profit and loss, and (ii) itehs that will be reclassified to profit and loss.

General reserve represent 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 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 Capital Reserve represents difference between net assets purchase & purchase consideration.

As per our attached report of even date

For S S KOTHARI MEHTA & CO.
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Notes forming part of the Financial Statements for the year ended 31st March, 2017

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

Ministry of Corporate Affairs notified roadmap to implement Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules 2015 as amended by the Companies (Indian Accounting Standards) (Amendments) Rules, 2016. As per the said roadmap, the Company is required to apply Ind AS starting from the financial year beginning on or after 1st April, 2016. Accordingly, the financial statements of the Company have been prepared in accordance with Ind AS.

For all the periods upto and including the year ended March 31, 2016, the Company has prepared its financial statements in accordance with the Accounting Standards notified under the Section 133 of the Companies Act 2013, read together with Companies (Accounts) Rules 2014 (Indian GAAP). These financial statements for the year ended 31st March, 2017 are the first the Company has prepared in accordance with Ind AS.

The financial statements have been prepared on historical cost basis, except as stated otherwise.

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

The financial statements are presented in Indian Rupees (Rs.) and all vlaues are rounded to the nearest lacs (NR 00,000), except when otherwise indicated.

II Property, plant and equipment

Property, plant and equipment 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 company 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 expecfte 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.

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 and equipment and is 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 a 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.

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 straght 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 :

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 produced and purchased by the Company	At lower of cost or net realisable value
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 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 have been computed to include all cost of purchases, cost of conversion and other related.

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 csh equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdraft as they are beinmg considered as integral part of the Company's cash management.

VIII. Leases

For arrangements entered into prior to 1 April 2015, the company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Weher the Company is the lessee

Operationg lease payments are recognized as an operating expense in the statement of profit and loss on a straight-line basis over the lease term.

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.

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 acturial 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 acturial 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 relects, 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-occurence of one or more uncertain future events not wholly within the control of the Company.
* A present obligation arrising 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, contigent 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 asssets 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 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 Company.

v. Segment assets and Liabilities include those directly idenfifiable with the respective segments. Assets and liabilities not allocable to any segment are classified under unllocable category.

XIII. Investment in joint ventures & associates

Investment in subsidiaries 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 IND AS 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 applicalbe 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 Companmy 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 defferences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certianty 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 is ssuch 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.

XVII Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue from sale of manufactured goods i.e. steel rolled products is recognised in accordance with Ind AS 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 exluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must be met before revenue is recognized :

i. 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.

ii 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.

iii 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.

XVIII. Foreign currency translation / conversion

Standalone financial statements have been presented in Indian Rupees (Rs), which is the Company's functional and presentation currency.

i. Initial recognition

Foreign currency transactions are recorded in initial recognition in the functional currency, using the exchange rate at the date if the transaction.

ii. Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences

Exchnage 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.

iv. 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.

v. 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 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 costs are expensed in the period in which they are incurred

XIX. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materilaized.

XX Equity shares

Ordinary shares are classified as equity. Incremental cost net of taxes directly attributable to the issue of new equity shares are reduced from retained earnings, net of taxes.

XXI. Standards issued but not yet effective :

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share based payment', respectively. The amendments are applicable to the Company from April 1, 2017

Amendment to Ind AS 7

The amendment to Ind As 7 requires the entities to provides disclosures that enables users of financial statements to evaluate charges in liabilities arising from financing activities, including both charges arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financial activities, to meet the disclosure requirement.

The company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendment to Ind AS 102

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settlted awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair-values', but non-market performace conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash paymant to the tax authority is treated as if it was part of an equity settlement.

XXII. Critical accounting estimates, assumptions and judgements

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognised in the financial statement :

i. 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.

ii. 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.

iii. 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 accurancy.

iv. 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. Indiviual 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.

v. Mine restoration obligation

In determining the fair value of the mine restoration obligation the company uses technical estimates to determine the expected cost to restore the mines and the expected timing of these costs. Discount rates are determined based on the government bond of similar tenure.

XXIII 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 is their economic best interest.

A fair value measurment 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, maximising the use of relevant observable inputs and minimising 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 inpuit 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 hirarchy 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.

XXIV Financial Instruments

i Initial recognition

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivable which are initially measured at transaction price. Transaction costs that are directly attributable to the acquistion 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.

ii Subsequent measurement

Non-derivative financial instruments

Financial assets carried at amortized cost-debt

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

* **Financial assets at fair value through other comprehensive income-debt**

A financial asset is subsequently measured at fair value through other comprehensive income it it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

* **Financial assets at fair value through profit or loss-debt**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

* **Financial assets at fair value through profit or loss (FVPL) - equity**

A financial asset i.e. equity which is not classified as FVOCL, are subsequently fair valued through profit or loss.

* **Financial guarantee contracts**

Financial gaurantee 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 gaurantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirement of Ind AS 109 and the amount recognised less cumulative amortisation.

* **Impairment of Financial Assets**

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss profit or loss.

* **Investment in subsidiaries / associates / joint ventures**

Investment in subsidiaries/associates/joint venture is carried at cost in the financial statements.

* **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 insignficant risk of changes in value.

* **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.

iii De-recognition

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of financial liability) is derecognized from the company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

iv. Reclassification of financial assets

The company determines classification of financial assets and liabilities on intial 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.

v. 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 liabilties simultaneously.

vi. 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 reportinmg 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.

Notes forming part of the financial statement for the year ended March 31, 2017

3. Property, plant and equipment

	Tangible Assets										
	Free-hold land	Lease Hold land	Building including roads	Railway siding	Plant & machinery	Furniture fixtures & others	Vehicles	Office equipment	Development of mines	Total	Capital Work in Progress
Gross Block (at cost or revalued amount)											
As at 01.04.2015	372	89	22,572	375	104,911	224	285	411	1,579	130,818	284
Additions/(Disposals)	(184)	-	93	-	1,307	-	20	-	463	1,699	114
Adjustment of revaluation reserve	-	-	-	-	-	-	-	-	-	-	-
Adjustment of impairment	-	-	-	-	(2,234)	-	-	-	-	(2,234)	-
As at 31.03.2016	**188**	**89**	**22,665**	**375**	**103,983**	**224**	**305**	**411**	**2,042**	**130,282**	**398**
Additions/(Disposals)	-	-	-	-	188	-	21	1	-	210	2,817
Adjustment of revaluation reserve	-	-	-	-	-	-	-	-	-	-	-
Adjustment of impairment	-	-	-	-	-	-	-	-	-	-	-
As at 31.03.2017	**188**	**89**	**22,665**	**375**	**104,171**	**224**	**326**	**412**	**2,042**	**130,492**	**3,215**
Accumulated Depreciation											-
As at 01.04.2015	-	25	9,026	356	63,041	208	267	389	484	73,796	-
Charge for the year	-	1	515	-	4,554	2	6	-	98	5,176	-
Adjustment of impairment	-	-	-	-	(1,216)	-	-	-	-	(1,216)	-
Depreciation adjustments	-	-	-	-	(1,612)	-	-	-	-	(1,612)	-
Disposals	-	-	-	-	-	-	(15)	-	3	(12)	-
As at 31.03.2016	**-**	**26**	**9,541**	**356**	**64,767**	**210**	**258**	**389**	**585**	**76,132**	**-**
Charge for the year	-	1	514	-	2,684	1	17	-	102	3,319	-
Adjustment of impairment	-	-	-	-	-	-	-	-	-	-	-
Depreciation adjustments	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	(26)	-	-	(26)	-
As at 31.03.2017	**-**	**27**	**10,055**	**356**	**67,451**	**211**	**249**	**389**	**687**	**79,425**	**-**
Net Block as at 01.04.2015	372	64	13,546	19	41,870	16	18	22	1,095	57,022	284
Net Block as at 31.03.2016	188	63	13,124	19	39,216	14	47	22	1,457	54,150	398
Net Block as at 31.03.2017	**188**	**62**	**12,610**	**19**	**36,720**	**13**	**77**	**23**	**1,355**	**51,067**	**3,215**

Notes :

(i) Addition to capital work in progress include ₹ Nil of the finance cost capitalised during the year. (Previous Year - ₹ Nil, 1st April 2014 : ₹ Nil).

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

(iii) The Company has elected to measure the items of Property, plant and equipment at their cost on the date of transition.

(iv) The impact for change in depreciation for 2015-16 due to change in life is ₹ 1612 Lakhs.

Additional information

Asset under construction

Capital work in progress incurred as at 31st March 2017 amounted ₹ 3215 lakhs (Previous Year ₹ 398 lakhs) in view of implementation of new projects viz.

(i) New sinter plant

(ii) Gas combuster

(iii) Short blasting machine

(iv) Pulverized coal injection system

All creditors towards CWIP has been classified under other financial liabilities

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.

Notes forming part of the financial statement for the year ended 31st March, 2017

4 Non- Current Investments (₹ in Lakh)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 1.04.2015
Non trade investment in equity instruments	1,172	983	766
Less : Provision for dimunition in the value of investments	-	-	-
Total	**1,172**	**983**	**766**
Aggregate amount of unquoted investments	1,172	983	766

Details of Non Trade Investments in Equity instruments

Name of the Body Corporate	No. of Shares / Units			Extent of Holding (%)			Amount		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Investement in equity instruments (at cost, unquoted & fully paid)									
Subsidiary									
Sunflag Special Steels Limited	-	49,940	49,940	-	99.88	99.88	-	4	4
Sunflag Power Limited	49,940	49,940	49,940	99.88	99.88	99.88	5	5	5
Khappa Coal Company Private Limited	3,163,500	3,163,500	3,163,500	63.27	63.27	63.27	252	250	316
Joint Ventures							-	-	-
Madanpur (North) Coal Co.Pvt Limited	1,210,188	1,210,188	1,210,188	11.73	11.73	11.73	110	110	121
C T Mining Private Limited	3,180,000	3,180,000	3,180,000	31.80	31.80	31.80	295	290	318
Gujarat State Mining & Resources Corp. Ltd.	-	-	24,500	-	-	49.00	-	-	2
Daido DMS India Private Limited	3,600,000	3,600,000	-	20.00	20.00	-	297	324	-
Ramesh Sunwire Private Limited	2,205,000	-	-	49.00	-	-	212	-	-
Sunflag Foundation	10,000	-	-	100.00	-	-	1	-	-
Others							-	-	-
India Bulls CSEB Bhaiyathan Power Ltd.	74	74	74	-	-	-	-	-	-
							1,172	**983**	**766**
Additional Information :									
Aggregate amount of quoted investments									
Market value of quoted investments							-	-	-
Aggregate amount of unquoted investments							1,172	983	766
Aggregate amount of impairment in value of investments							32	142	1

During the year the company acquired a 49% stake in Ramesh Sunwire Private Limited on 18th March 2017.

It also applied to ROC Bhubaneshwar for striking off the name of Sunflag Special Steels Limited on 17th April 2017.

Pursuant to the Supreme Court Order dated 24th September, 2014, the Coal Block allocated to the Company with other JV partners in the names of Khappa Coal Company Pvt. Ltd, Madanpur (North) Coal Co. Pvt Ltd, and CT Mining Pvt. Ltd., 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 Company's above mines, is pending, as the re-auctioning process of these mines are not yet completed.

During the previous year, the company had written off an amount of ` 2.45 Lakhs investment in Gujarat State Mining & Resources Corporation Ltd pursuant to that company applied for striking off of its name from ROC, Gujarat. The Company had received a letter dated 03.05.2016 from RoC, Ahmedabad confirming receipt of application.

5 Non- Current bank balances	As at 31.03.2017 (₹ in Lakh)	As at 31.03.2016 (₹ in Lakh)	As at 01.04.2015 (₹ in Lakh)
Escrow account - Mine restoration obligation	**35**	-	-
	35	-	-
6 Non- current loans (unsecured)			
Capital advances	1,467	64	823
Security deposits	1,123	1,285	1,146
Loans and advances to related parties [refer Note. 39]	1,750	1,738	1,741
Secured, considered good			
Total	**4,340**	**3,087**	**3,710**

During the year the company has written off an amount of ₹ 2.47 lakhs unsecured loan given to Gujarat State Mining Resources Corporation Ltd. Dues from related parties has been shown in Related Party Disclosures.

7 Inventories			
Raw materials and components	8,181	5,084	10,359
Goods-in transit (raw material)	63	163	961
Work-in-progress	9,030	8,164	8,219
Finished goods	20,245	16,953	18,015
Consumables, stores and spares	3,035	1,125	1,860
Total	**40,554**	**31,489**	**39,414**
8 Trade receivables			
Unsecured, considered good	20,471	22,047	19,963
Unsecured, considered doubtful	164	48	-
	20,635	**22,095**	**19,963**
Less: Provision for doubtful debts	(164)	(48)	-
	20,471	**22,047**	**19,963**

Trade receivables are non interest bearing and receivable in normal operating cycle

9 Cash and bank balances			
a) Cash and cash equivalents			
Cash on hand*	8	15	4
Balances in current accounts	329	581	445
Total (a)	**337**	**596**	**449**
b) Other Bank Balances			
Margin money deposit against LC & BG	7,114	5,693	4,795
Unclaimed dividend accounts	41	63	82
Total (b)	**7,155**	**5,756**	**4,877**
Total (a+b)	**7,492**	**6,352**	**5,326**

Disclosure of Specified bank note

	SBN's*	Other denomination notes	Total	Cummulative Total
Closing cash in hand as on 08.11.2016 **	**8**	**3**	**11**	**11**
Add: Permitted receipts	-	17	17	28
Less: Permitted payments	-	(13)	(13)	15
Less: Amount deposited in Banks	(8)	-	(8)	7
Closing cash in hand as on 30.12.2016	**-**	**7**	**7**	

** including imprest with employees

* For the purposes of this clause, the term 'Specified Bank Note' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Departmet of Economic Affairs number S.O. 3407 E-dated the 8th November, 2016.

	As at 31.03.2017 (₹ in Lakh)	As at 31.03.2016 (₹ in Lakh)	As at 01.04.2015 (₹ in Lakh)
10 Other current financial assets			
Accruals - Interest accrued on deposits	36	140	225
Loans & advances to employees	13	22	22
Export incentives receivable	11	4	36
Claims receivables	-	6	5
	60	**172**	**288**
11 Current tax assets (net)			
TDS recoverable	308	286	300
Advance tax	708	913	862
	1,016	**1,199**	**1,163**
Additional information as per Ind AS 12 : Taxes on Income			
i) From countinued operation	1,016	1,199	1,163
From discountinued operation	NA	NA	NA

ii) Effective tax reconcliation

Numerical reconciliation of tax expense applicable to profit before tax at the latest statutory enacted tax rate in India to Income Tax expense is reported as follows :

Particulars	2016-2017	2015-2016
Net income before taxes	**8,491**	**8,500**
Enacted tax rates for parent company	21.34%	34.61%
Computed tax expense	1,812	2,942
Increase/(reduction) in taxes on account of :		
Previous year tax adjustments	-	(1,797)
Deferred tax of previous years	-	(1,287)
Other non deductible expenses	49	1,985
Income tax expense reported	**1,861**	**1,843**

iii Reconciliation of changes in the applicable tax rate compared to the previous accounting period - N.A.

iv Component of current tax accounted

	2016-17	2015-16
- In Equity	1,861	1,843
- In OCI	-	-

12 Other current assets			
Advance to vendors	2,349	3,168	5,759
Prepaid Expenses	328	134	184
Balances with Statutory / Govt Authorities			
Excise Duty	784	758	601
Advance Royalty	25	42	-
Claims Receivable	232	265	864
Others	1	-	3
Others	1	7	10
	3,720	**4,374**	**7,421**

13 Share capital

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	Number	Amount	Number	Amount	Number	Amount
Authorised						
Equity Shares of ₹ 10 each	205,000,000	20,500	205,000,000	20,500	205,000,000	20,500
Total	**205,000,000**	**20,500**	**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	180,219,448	18,022
Total	**180,219,448**	**18,022**	**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 share outstanding

Movement of Shares	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015
Opening number of shares issued	**18,02,19,448**	**18,02,19,448**	**18,02,19,448**
Shares issued during the year	-	-	-
Shares bought back during the year	-	-	-
Closing number of shares issued	**18,02,19,448**	**18,02,19,448**	**18,02,19,448**

c) Details of share holders holding more than 5% shares in the company.

Name of shareholder	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	Number of shares	% Holding	Number shares	% Holding	Number of shares	% Holding
Sunflag Limited, Channel Islands, UK	6,52,53,582	36.21%	6,52,53,582	36.21%	6,52,53,582	36.21%
Daido Steel Co. Ltd. Japan	1,80,21,945	10.00%	1,80,21,945	10.00%	1,80,21,945	10.00%
Mr. Suhrit Ravi Bhushan Bhardwaj	1,32,17,398	7.33%	1,32,17,398	7.33%	1,32,17,398	7.33%
Mrs. Usha B Sanghavi	77,26,891	4.29%	97,57,668	5.41%	75,40,160	4.18%

The company has neither issued any bonus share or share for consideration other than cash neither bought back any shares during the period of five years immediately preceeding the reporting date

14 Other equity

Statement of changes in equity for the year ended 31.03.2017

	Reserves and Surplus						Items of other comprehensive Income				
Particulars	Capital	Securities premium account	General Reserve	Retained earning	Retained Earnings Account Remesurement	Debt instruments through other comprehensive income	Revalution Surplus	Equity instruments through other comprehensive income	Effective portion of cash flow hedges	Other Items of other comprehensive Income (specify nature)	Total
As at 01.04.2015	**-**	**3,785**	**256**	**36,290**	**80**	**-**	**-**	**-**	**-**	**-**	**40,411**
Changes in accounting policy	-	-	-	-	-	-	-	-	-	-	-
Prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at 1.04.2015	**-**	**3,785**	**256**	**36,290**	**80**	**-**	**-**	**-**	**-**	**-**	**40,411**
Total comprehensive income for the year											-
Profit of the year	-	-	-	5,726	147	-	-	-	-	-	5,873
As at 31.03.2016	**-**	**3,785**	**256**	**42,016**	**227**	**-**	**-**	**-**	**-**	**-**	**46,284**
Total comprehensive income for the year											-
Profit of the year	-	-	-	6,517	-	-	-	-	-	-	6,517
As at 31.03.2017	**-**	**3,785**	**256**	**48,533**	**227**	**-**	**-**	**-**	**-**	**-**	**52,801**
Nature of reserves											

15 Non current borrowings

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Secured			
(a) Term loans - from banks	-	1,007	7,297
	-	**1,007**	**7,297**
Unsecured			
(a) From promoters (interest free) @	1,375	1,375	1,375
(b) Other loans and advances #			
Interest free Sales Tax loan	2,972	3,372	3,610
	4,347	**4,747**	**4,985**
	4,347	**5,754**	**12,282**

i. Term Loans from Banks are Secured by a first mortgage of the Company's Immovable properties situated at Village Warthi Eklari and Sirsi, 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. Term loan of ₹ 2000 lakhs (outstanding ₹ 542 lakhs) borrowed from State Bank of India is further secured by Personal Guarantee of Shri. Ravi Bhushan Bhardwaj, Chairman of the Company.

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 has occured in repayment during the period.

v. # The Unsecured loans comprising Interest free Sales Tax Loan valued on NPV basis. Actual liability is ₹ 4574 Lakhs. The repayment of the sales tax loan is made as per the schedule and no default has occured in repayment during the period.

Maturity Profile	1 - 2 year	2- 3 years	3 - 4 years	Beyond 4 years
Term loan from banks	-	-	-	-
Unsecured Interest Free Sales Tax Loan	820	860	812	480

16 Other non - current financial liabilities	As at 31.03.2017 (₹ in Lakh)	As at 31.03.2016 (₹ in Lakh)	As at 01.04.2015 (₹ in Lakh)
Payables for capital goods	150	-	76
Security deposit refundable	127	127	128
Security Deposit #	176	180	205
	453	**307**	**409**

Note: # Deposit recovered from contractors continue to remain over one year.

17 Deferred tax liabilities

Particulars	Balances as on 31.03.2017	Balances as on 31.03.2016	Balances as on 1.04.2015
Temporary Difference			
Deferred Tax Liabilities			
Opening balance	8,211	7,934	7,111
Addition			
Depreciation	260	277	823
Total Deferred tax liabilities	**8,471**	**8,211**	**7,934**
Deferred Tax Assets			
Opening balance	551	1,419	2,251
Addition			
Disallowances	147	72	7
Deletion			
Set off of carried forward losses	-	(940)	(839)
Total Deferred Tax Asset	**698**	**551**	**1,419**
Net deferred tax Liabilities	**7,773**	**7,660**	**6,515**

Charge/(credit) during the year	**113**	**1,145**

Additional information as per Ind AS 37 : Provisions, Contingent Liabilities and Contingent Assets

Component of Deffered tax accounted

- In Equity	**7,773**	**7,660**
- In OCI	-	-

Aggregate amount of temporary differences associated with investments in subsidiaries, branches and associates and interests in joint ventures, for which deferred tax liabilities have not been recognized - NA

Amount and expiry date, if any of deductible temporary differences, unused losses and credits for which no DTA recognized - NA

18 Non - current provisions

Particulars			
Provision for employee benefits			
Employees Benefit including leave encashment	681	569	488
Provision for contingencies	1,009	1,000	901
	1,690	**1,569**	**1,389**

Movement in each class of provision as required by Ind As - 37 during the financial year are provided below:

	Labour & Other dues	Mine Restoration Obligation	Total
As at April 1, 2015	**901**	**-**	**901**
Provision during the year	-	91	91
Remeasurement losses accounted in OCI	-	-	-
Payment during the year	-	-	-
Interest Charge	-	8	8
As at March 31, 2016	**901**	**99**	**1,000**
Provision during the year	-	-	-
Remeasurement losses accounted in OCI	-	-	-
Payment during the year	-	-	-
Interest Charge	-	9	9
As at March 31, 2017	**901**	**108**	**1,009**

	As at 31 .03.2017 (₹ in Lakh)	As at 31.03.2016 (₹ in Lakh)	As at 01.04.2015 (₹ in Lakh)
19 Other non - current liabilities			
Unsecured			
Government grant	984	1,217	1,463
	984	**1,217**	**1,463**
20 Current borrowings			
Secured			
Loans repayable on demand			
Borrowings for working capital from banks	22,126	11,172	19,777
	22,126	**11,172**	**19,777**

i. Working capital borrowings are secured by way of hypothecation of Inventories and book debts and further secured by way of second charge ranking pari passu over the fixed assets situated at Village Warthi, Eklari & Sirsi 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. The Company has not defaulted in either repayment of principal or interest during the year.

21 Trade payables			
Trade payables			
(a) Acceptances	5,791	5,522	9,534
(b) Other than acceptances	8,262	10,077	11,576
	14,053	**15,599**	**21,110**

Based on the information so far obtained by the Company, payment to enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) has been made within 45 days and disclosure in accordance with section 22 of the MSMED Act is as under:

The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	30	-	-
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	-	-	-
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.			
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-	-
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	-	-	-
	30	**-**	**-**

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. Moreover the Company is in the process of updating its suppliers data, as to the status as a Micro Small & Medium Enterprise with a copy of the Memorandum filed as per the provisions of Section 8 of the Micro Small & Medium Enterprises Development Act, 2006.

22 Other current financial liabilities			
Current maturities of long-term debt			
i) Term loan from banks	976	7,113	7,555
ii) Unsecured Interest free Sales Tax loan	721	580	556
Interest accrued but not due on borrowings	16	88	112
Unclaimed dividends*	41	63	82
Advance received from customers	-	-	4
	1,754	**7,844**	**8,309**

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

23 Other Current Liabilities	As at 31.03.2017 (₹ in Lakh)	As at 31.03.2016 (₹ in Lakh)	As at 01.04.2015 (₹ in Lakh)
a) Employee benefits			
Salary & Reimbursements	928	291	183
b) Others			
Other payables	-	-	691
Power	72	12	-
Excise Duty Payable on WIP & Finished goods stock	3,896	3,224	2,900
Statutory dues payable	485	548	66
Selling expenses	838	625	615
Managerial commission	274	341	53
TDS payable	50	44	28
Other expenses	2,595	3,737	1,134
	9,139	**8,823**	**5,670**

24 Revenue From Operations	For the Year Ended 31.03.2017 (₹ in Lakh)	For the Year Ended 31.03.2016 (₹ in Lakh)
Sale of manufacutured goods	171,107	179,087
Sub Total	**171,107**	**179,087**
Other operating income		
Conversion charges received	141	-
Duty drawback & export incentives	75	105
	171,323	**179,192**
25 Other Income		
Interest Income	479	440
Insurance claims received	41	141
Amortization of government grant	233	343
Others	22	-
	775	**924**
26 (a) Cost of raw material and components consumed		
Inventory at the beginning of the year	6,372	13,180
Add: Purchases	94,612	81,026
Less: Inventory at the end of the Year	11,279	6,372
Total raw material consumption (a)	**89,705**	**87,834**
26 (b) Other Manufacturing Expenses		
Consumption of fuel	3,930	3,258
Consumption of power(Net of captive consumption)	8,333	9,038
Coal mine freight and other expenses #	5,079	4,835
Freight & Forwarding	7,237	7,034
Contract expenses	8,019	7,835
Total Other Manufacturing Expenses (b)	32,598	32,000
Total Expenses	**122,303**	**119,834**
Details of raw material & components consumed		
Iron ore & iron ore fines	18,377	21,973
Coal & coal fines #	5,330	3,592
Coke	24,336	22,132
Sponge iron	-	202
Scrap & HBI	1,580	2,110
Ferro alloys	16,236	16,228
Fluxes, minerals & additives	5,672	5,392
Electrodes	1,262	1,533
Others	16,912	14,672
Total	**89,705**	**87,834**

Net of Consumption of Coal from Captive Mines

Note 26(b) to be continued….

	For the Year Ended 31.03.2017 (₹ in Lakh)	For the Year Ended 31.03.2016 (₹ in Lakh)
Details of Inventory Raw Material & Components		
Iron Ore & Iron Ore Fines	2,784	1,166
Coal & Coal Fines #	470	438
Coke	1,332	1,259
Scrap & HBI	81	18
Ferro Alloys	1,974	1,169
Fluxes, Minerals & Additives	324	628
Electrodes	108	110
Goods in Transit	63	163
Others	4,143	1,421
Total	**11,279**	**6,372**
27 (Increase) / Decrease in Inventories		
Inventories at the end of the year:		
Finished goods	20,245	16,953
Work-in-progress	9,030	8,164
	29,275	**25,117**
Inventories at the beginning of the year:		
Finished goods	16,953	18,015
Work-in-progress	8,164	8,219
	25,117	**26,234**
Net (increase) / decrease	**(4,158)**	**1,118**
28 Employee Benefit Expenses		
Salaries, Wages and Bonus	7,618	8,183
Contribution to Provident and other Funds	1,247	1,089
Staff Welfare Expenses	561	555
	9,426	**9,827**
29 Finance Cost		
Interest on term loans	603	1,548
Interest on working capital loans	2,316	2,264
Interest on bills discounted	147	505
Other borrowing costs	440	2,178
	3,506	**6,495**
30 Depreciation and amortization expense		
Depreciation of tangible assets	3,319	3,564
Amortization of intangible assets	-	-
	3,319	**3,564**
31 Other Expenses		
31.1 **Administration & selling Expenses**		
Travelling expenses	396	327
Insurance charges	184	196
Rent, rates and taxes	272	248
Repairs & maintanance	145	117
Printing & stationary	31	31
Loss on foreign exchange fluctuation	105	-
Postage & telephones	97	66
Loss on impairment of property, plant & equipment	-	1,353
Corporate social responsibility	105	42
Admin Expenses	528	496
Legal & professional expenses	516	515
Payment to statutory auditors (Refer Details below)	17	16
Commission	154	158
Discounts	6,012	6,628
Provision for doubtful debts	116	48
Other Selling overheads	176	164
	8,854	**10,405**
31.2 **Payments to Auditor**		
a) Statutory Audit Fees		
Statutory Audit fees	15	14
Tax audit fees	2	2
Total	**17**	16

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

Particulars	As at 31.03.2017	As at 31.03.2016
i) Contingent liabilities		
(a) Unexpired letter of credit	3,201	3,277
(b) Guarantees issued by Company's bankers on behalf of the Company	7,324	7,692
(c) Bonds/ undertakings given by the Company under duty exemption scheme to the custom authorities	616	1,546
(d) Bills discounted	4,417	4,681
(e) Excise duty & custom duty against which company has preferred an appeal	65	65
(f) Income Tax Liability - Disputed but paid	613	902
(g) Corporate Guarantee issued to Banks on behalf of Subsidiaries	-	400
ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for : - tangible assets	4,954	1,681

33 Disclosure under Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties:

Name of the party	Relationship	Amount outstanding as at 31 March, 2017	Maximum balance outstanding during the year
Khappa Coal Company Private Limited	Subsidiary	**737** (737)	**737** (737)
Sunflag Power Limited	Subsidiary	**982** (970)	**982** (970)

Note: Figures in bracket relate to the previous year.

33.1 Value of imports calculated on CIF basis:	As at 31.03.2017	As at 31.03.2016
Raw materials	7,715	6,751
Spare parts & Components	654	436
Capital goods	1,206	-
33.2 Expenditure in foreign currency		
Technical services	43	181
Subscription & membership fees	2	2
Foreign travelling	73	22
Other matters	81	47

34 Details of consumption of imported and indigenous items *

Particulars	For the year ended		For the year ended	
	31.03.2017	31.03.2016	**31.03.2017**	31.03.2016
	(₹ in Lakh)		**%**	**%**
Imported				
Raw materials	**9,260**	10,749	**10.32**	12.24
Components & Spare Parts	**777**	436	**0.87**	0.50
Sub Total	**10,037**	11,185	**11.19**	12.73
Indigenous				
Raw materials	**78,030**	62,414	**86.99**	71.06
Components & Spare Parts	**1,638**	14,236	**1.83**	16.21
Sub Total	**79,668**	76,650	**88.81**	87.27
Total	**89,705**	87,835	**100.00**	100.00

35 Earnings in foreign exchange:

Export of goods calculated on FOB basis	3,445	5,187
	3,445	**5,187**

36 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'.

i. Entity wide disclosure required by IND AS 108 are made as follows:

	Year ended March 31, 2017		Year ended March 31, 2016	
	Domestic	Foreign	Domestic	Foreign
	(₹ in Lakh)	(₹ in Lakh)	(₹ in Lakh)	(₹ in Lakh)
Revenues from sale of products to external customers	167,612	3,495	173,847	5,240
Non - Current assets :				
Property, Plant and Equipment	51,067	-	54,150	-
Capital work in progress	3,215	-	398	-
Other non current assets	4,375	-	3,087	-

ii. Major customers

2016-17 Revenues from 2 major customers represented 5.71% and % 7.26 (12.97% in aggregate) of the Total Sales of the Company.

Particulars	As at 31.03.2017	As at 31.03.2016
Units consumed (kWh'000)	145,500	138,475
Value (₹)	10,242	9,891

37 Earnings Per Share

Basic Earnings per Share	Year Ended 31.03.2017	Year Ended 31.03.2016
Continuing Operations		
Proft / (Loss) after Tax (₹)	6,517	5,681
Weighted Average shares shares outstanding at the end of Year	1,802	1,802
Number of Shares outstanding at the end of year	1,802	1,802
Basic and diluted Earnings ₹ per Share	3.62	3.15

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.

38 Disclosure of Employee Benefit

In view of the mandatory applicability of the revised Accounting Standard on Employess Benefits (AS 15 Revised) to the Company, effective 1st January, 2007 the additional charges are paid and charged to the statement of Profit and Loss according to the provisions of AS-15 (revised) as under :

i) Employee Provident Fund, the Company has made good the shortfall of interest on fund ₹ NIL (Previous Year ₹ 39 Lakhs)

Further, the following table sets out Employees Benefits plan as required under Ind AS 19

(₹ in Lakhs)

Particulars	Gratuity		Provident Fund		Superannuation	
	31.03.2017	31.03.2016	**31.03.2017**	31.03.2016	**31.03.2017**	31.03.2016
Statement showing changes in Present Value of obligation :						
Present value of obligations at the beginning of the year	**1,456**	1,232	**4,899**	4,395	**2,286**	2,079
Interest Cost	**12**	6	**469**	395	**170**	164
Current Service Cost	**128**	390	**884**	815	**204**	209
Benefits paid	**(207)**	(172)	**(905)**	(706)	**(263)**	(166)
Actuarial Loss on Obligations	**778**	-	**-**	-	**-**	-
Present value of obligations as at the end of the year	**2,167**	1,456	**5,347**	4,899	**2,397**	2,286
Table showing changes in the fair value of Plan Assets :						
Fair value of Plan Assets at the beginning of year	**1,456**	1,234	**4,899**	4,395	**2,286**	2,079
Expected return on Plan Assets	**13**	6	**469**	395	**170**	164
Contributions	**566**	389	**884**	815	**204**	209
Benefits paid	**(207)**	(172)	**(905)**	(706)	**(263)**	(166)
Actuarial Gain / (Loss) on Plan Assets	**339**	(1)	**-**	-	**-**	**-**
Fair value of Plan Assets at the end of the year	**2,167**	1,456	**5,346**	4,899	**2,397**	2,286
Funded Status	**-**	-	**1**	-	**-**	-
Excess of Actual over estimated return on Plan Assets						
Actuarial Gain / (Loss) recognised :						
Actuarial Gain / (Loss) for the year - Obligation	**778**	-	**-**	-	**-**	-
Actuarial Gain / (Loss) for the year - Plan Assets	**-**	-	**1**	-	**-**	-
Total Loss for the year	**-**	-	**-**	-	**-**	-
Actuarial Gain / (Loss) recognised in the year	**778**	-	**1**	-	**-**	-
Amounts to be recognised in the Balance Sheet :						
Present value of obligations as at the end of the year	**2,167**	1,456	**5,346**	4,899	**2,397**	2,286
Fair value of Plan Assets as at the end of the year	**2,167**	1,456	**5,346**	4,899	**2,397**	2,286
Funded Status	**-**	-	**1**	-	**-**	-
Net Asset / (Liability) Recognised in the Balance Sheet	**-**	-	**1**	-	**-**	-
Expenses Recognised in the statement of Profit and Loss Account :						
Current Service Cost	**128**	390	**469**	395	**-**	-
Interest Cost	**-**	-	**-**	-	**-**	-
Expected Return on Plan Assets	**-**	-	**469**	395	**-**	-
Net Actuarial (Gain) / Loss Recognised in the Statement of Profit & Loss	**778**	-	**-**	-	**-**	-
Expenses Recognised in Statement of Profit & Loss	**566**	389	**1**	-	**-**	-
Actuarial Assumptions :						
Discount Rate	**7.30%**	8.50%	**8.80%**	8.75%	**-**	-
Salary Escalation	**5.00%**	5.00%	**5.00%**	5.00%	**-**	-
Investment Details (%) :						
GOI Securities	**-**	-	**37%**	42%	**-**	-
State Government Securities	**-**	-	**30%**	25%	**-**	-
Approved Marketable Securities	**-**	-	**--**	--	**-**	-
Bonds / Debentures etc	**-**	-	**31%**	32%	**-**	-
Loans	**-**	-	**--**	--	**-**	-
Equity	**-**	-	**--**	--	**-**	-
Liquid fund / Money Market Instrument	**-**	-	**--**	--	**-**	-
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. Eventhough 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.

SENSITIVITY ANALYSIS

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

	31.03.2017	
Defined benefit obligation	2167	
	Increase	Decrease
Discount Rate +/- 1%	2360	1999
(% change compared to base due to sensitivity)	8.90%	(7.80%)
Salary Growth Rate +/- 1%	1993	2363
(% change compared to base due to sensitivity)	(8%)	9%
Attrition rate (-/+ 50% of attritions rates)	2146	2187
(% change compared to base due to sensitivity)	(1%)	(0.90%)
Mortality Rate (-/+10% of the mortality rate)	2166	2169
(% change compared to base due to sensitivity)	(0.10%)	0.10%

39 Related Party Disclosure (as identified by the Management)

(₹ in Lakhs)

Related party	Account	Transactions Year ended		Outstanding As on	
		31.03.2017	31.03.2016	31.03.2017	31.03.2016
Subsidiaries					
Sunflag Power Limited	Unsecured Loan	**12**	12	**982**	970
Khappa Coal Company Private Limited	Advance Paid	**-**	-	**737**	737
Associate Enterprises					
Haryana Televisions Limited	Rent	**48**	48	**21**	21
Key Managerial Personnel					
Mr. P.B. Bhardwaj	Commission	**26**	86	**-**	-
Mr. Ravi Bhushan Bhardwaj		**60**	147*	**-**	-
Mr. Pranav Bhardwaj	Remuneration & Commission	**314**	308	**-**	-
Mr. Surendra Kumar Gupta	Remuneration	**90**	83	**-**	-
Relative to Key Managerial Personnel					
Mr. Suhrit Ravi Bhushan Bhardwaj	Rent Paid	**21**	21	**-**	-
	Refundable Security Deposit	**-**	-	**10**	10
Joint Ventures					
Daido D.M.S. India Private Limited	Share Capital	**-**	**360**	**-**	-
Ramesh Sunwire Private Limited	Share Capital	221	-	-	-
	Total			**1,750**	1,738

* (Last year including Remuneration for part of the year)

40. INTEREST IN JOINT VENTURES

The Company has interests in the following jointly controlled entities:

(₹ in Lacs)

Name of Company	% of Shareholding	Amount of Interest based on accounts for the year ended 31.03.2017					
		Assets	Liabilities	Income	Expenditure	Contingent Liabilities	Capital Commitments
Daido D.M.S. India Pvt. Ltd.	**20.00** (20.00)	**322** (375)	**322** (375)	**96** (22)	**134** (72)	**-** -	**-** -
Madanpur (North) Coal Company Private Limited	**11.73** (11.73)	**110** (110)	**110** (110)	**3** (3)	**14** (14)	**389** (389)	**-** -
Ramesh Sunwire Private Limited	49.00	217	217	-	8	-	-
C T Mining Private Limited	**31.80** (31.80)	**302** (299)	**302** (299)	**8** (9)	**4** (41)	**-** (489)	**-** -

Note : Figures in brackets relate to the previous year.

41 A Financial Instrument (₹ in Lakhs)

Financial Assets	Fair value hierarchy	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets designated at fair value through profit and loss							
Long term investments	Level-1						
Long term investments	Level-2	1,173	1,173	983	983	767	767
Current investments	Level-1						
Financial assets designated at fair value through other comprehensive income							
Financial assets designated at amortised cost							
Long term loans and advances		4,339	4,339	3,087	3,087	3,710	3,710
Other financial non current assets							
Trade receivables		20,471	20,471	22,047	22,047	19,963	19,963
Cash and Bank balances		7,492	7,492	6,352	6,352	5,326	5,326
Short Term loans							
Other financial current assets		60	60	171	171	289	289
		33,535	33,535	**32,640**	32,640	**30,055**	30,055

Financial Liabilities	Fair value hierarchy	As at 31.03.2017		As at 31.03.3016		As at 01.04.2015	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liability designated at fair value through profit and loss							
Derivatives - not designated as hedging instruments	Level-2						
Financial liability designated at amortised cost							
Long term borrowings		4,347	4,347	5,755	5,755	12,282	12,282
Short term borrowings		22,126	22,126	11,172	11,172	19,777	19,777
Trade Payables		14,053	14,053	15,599	15,599	21,109	21,109
Other Financial current liabilities (excluding Derivatives)		1,754	1,754	7,845	7,845	8,309	8,309

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.

i) The fair values of derivatives are on MTM as per Bank

ii) Company has opted to fair value its Long term and Current investments through profit & loss

iii) 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).

41 B Information related to Consolidated Financial

The company is listed on stock exchange in India, the Company has prepared consolidated financial 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.

41 C Events occuring after the Balance Sheet Date

No adjusting or significant non adjusting events have occurred between the reporting date and date of authorization of financial statements

42 The Company do not have any unhedged foreign currency exposure as at the year end.

43 Subsequent events : There are no reportable events

44 Financial statements for the year ended March 31, 2016 were audited by M/s. Patel, Shah & Joshi, Chartered Accountants, Mumbai.

45 Previous year's figures have been regrouped / re-classified wherever necessary to make them more comparable.

*The Company's manufacturing activity at Bhandara has been granted the status of "Mega Project" by the Government of Maharastra and therefore is eligible for Industrial Promotion Subsidy (IPS) under Packaged Scheme of Incentive (PSI) 2007. The purpose of the scheme is for intensifying and accelerating the process of dispersal of industries to the less developed regions and promoting high tech industries in the developed areas of the state occupied with the object of generating mass employment opportunities.Entitlements under the scheme consists of the following :-(a) Electricity duty exemption for a period of 7 years from the date of commencement of commercial production from September 10, 2009 to September 9, 2015 (b) 100% exemption from payment of stamp duty (c) VAT and CST payable to the State Government (on sales made from Bhandara plant within a period of 7 years starting from September 10, 2009) IPS will be payable so as to restrict upto 75% of the eligible fixed capital investments made from September 13, 2007 to September 10, 2009. The eligible certificate issued allows maximum fixed capital investment of ₹ 35000 lakhs and restricts IPS to 75% of ₹ 35000 lakhs i.e. ₹ 26.250 lakhs

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]

Part - A : Subsidiaries

Statement containing salient features of the financial statement of subsidiaries / associates companies / joint ventures

(₹ in Lakhs)

Particulars	Sunflag Power Limited	Khappa Coal Company Private Limited	Sunflag Foundation
% of Shareholding of Sunflag Iron and Steel Company Limited	**99.88%**	**63.27%**	**100%**
Latest audited Balance Sheet date	31st March, 2017	31st March, 2017	31st March, 2017
Paid-up Share Capital	5.00	500.00	1.00
Interest Free Unsecured Loan	981.82	1,165.00	-
Share Application Money	-	-	-
Other Equity	-	-	74.00
Reserves & Surplus	-	(101.00)	-
Other Liabilities	-	4.00	-
Total Assets	986.82	1,567.00	75.00
Total Liabilities	986.82	1,567.00	75.00
Investments	-	-	-
Turnover	-	-	-
Profit / (Loss) before Taxation	-	6.18	-
Profit / (Loss) after Taxation	-	4.05	-
Proposed Dividend	-	-	-

Note : All the three subsidiaries mentioned above have yet to commence the 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 & Joint Ventures

(₹ in Lakhs)

Particulars	Daido D.M.S. India Private Limited	Madanpur (North) Coal Company Private Limited	C T Mining Private Limited	Ramesh Sunwire Private Limited
1. Latest audited Balance Sheet date	31st March, 2017	31st March, 2017	31st March, 2017	31st March, 2017
2. Shares of Associate / Joint Ventures held by the Company on the year end	20.00%	11.73%	31.80%	49.00%
Number of Shares	36,00,000	12,10,188	31,80,000	22,05,000
Amount of investment in Associate / Joint Ventures	360.00	121.00	318.00	220.50
Extent of holding %	20.00%	11.73%	31.80%	49.00%
3. Description of how there is significant influence	Part of decision making	Part of decision making	Shareholding exceeding 20%	Part of decision making
4. Reason why the Associate / Joint Ventures not consolidated	Not applicable	Not applicable	Not applicable	Not applicable
5. Networth attributable to Shareholding as per latest audited Balance Sheet	297.44	110.00	294.91	212.48
6. Profit / (Loss) for the year	(27.05)	(97.19)	4.48	(8.01)
Considered in consolidation	Equity Accounted	Equity Accounted	Equity Accounted	Equity Accounted
Not Considered in consolidation	Not applicable	Not applicable	Not applicable	Not applicable

Note : All the Joint - Ventures mentioned above, except Daido D.M.S. India Pvt. Ltd., have yet to commence the business / operations

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

To
The Board of Directors,
Sunflag Iron and Steel Company Limited
C I N - L 27100 MH 1984 PLC 034003
33, Mount Road, Sadar, Nagpur - 440001

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **Sunflag Iron & Steel Company Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries& joint ventures (collectively referred to as "the Group"), comprising of the consolidated balance sheet as at 31st March, 2017, the consolidated statement of profit and loss including other comprehensive income, the consolidated cash flow statement and consolidated change in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India,including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standards) Amendment Rules, 2015 as amended.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities, the selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at 31st March, 2017 and their consolidated profit including other comprehensive income, its consolidated cash flows and consolidated change in equity for the year ended on that date.

Other Matters

i. We did not audit the Ind AS financial statements/financial information of 4 joint ventures whose Group's share of Loss of ₹ 35 Lakhs for the year ended 31st March, 2017 has been included in the consolidated Ind AS financial statements. These Ind AS financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and

disclosures included in respect of these joint ventures, and our report in terms of sub-sections (3) of Section 143 of the Act, insofar as it relates to the aforesaid joint ventures is solely based on the reports of the other auditors.

ii. The consolidated financial statements also includes theGroups share of total assets of ₹ 2629 Lakhs, total revenue of ₹ 6 Lakhs and net cash outflows amounting to ₹ 79 Lakhs for the year ended on that date, as considered in the consolidated financial statements, in respect of three subsidiaries whose financial statements have been audited by one of the joint auditors and our opinion on the consolidated financial statements, in so far as it relates the aforesaid subsidiaries is based solely on such reports.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to the our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 Section 143 of the Act, we report, to the extend applicable, that:

a) We have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

c) The consolidated balance sheet, the consolidated statement of profit and lossincluding the statement of other comprehensive income, the consolidated cash flow statement 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 Ind AS financial statements;

d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Amendment Rules, 2015, as am;

e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiaries and joint ventures incorporated in India, none of the directors of the Group incorporated in India is disqualified as on 31stMarch, 2017 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 Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group– Refer Note 31 to the consolidated Ind AS financial statements.

ii. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiaries incorporated in India.

iv. The Group has provided requisite disclosures in note 9 to these consolidated Ind AS financial statements as to the holding of Specified Bank Notes on 8th November, 2016 and 30th December, 2016 as well as dealing in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016. Based on audit procedures and relying on the reports of the other auditors submitted to us by the management regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of account maintained by the Group and as produced to us by the management.

	For S.S. Kothari Mehta & Co. ***Chartered Accountants*** **Firm Regn. No. 000756N**	**For Patel, Shah & Joshi** ***Chartered Accountants*** **Firm Regn. No. 107768W**
Nagpur **26th May, 2017**	**CA Sunil Wahal** ***Partner*** **Membership Number - 087294**	**CA Jayant I. Mehta** ***Partner*** **Membership Number - 042630**

Annexure A to the Independent Auditor's Report to the Members of Sunflag Iron & Steel Company Limited dated May 26, 2017 on its consolidated Ind AS 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 Ind AS financial statements of **Sunflag Iron & Steel Company Limited**as of and for the year ended March 31, 2017.We have audited the Internal Financial Controls Over Financial Reporting of **Sunflag Iron & Steel Company Limited** (hereinafter referred to as the "Holding Company") and its subsidiary companies & joint ventures (together referred to as "the Group"), which are 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 of the Holding Company, its subsidiary companies 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, 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's Responsibility

Our responsibility is to express an opinion on the Group'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 judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS 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 Group'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 Holding Company, its subsidiary companies and joint ventures which are 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 31st March, 2017, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

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 insofar as it relates tosubsidiaries and joint ventures, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our report is not qualified in respect of this matter.

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

CA Sunil Wahal
Partner
Membership Number - 087294

For Patel, Shah & Joshi
Chartered Accountants
Firm Regn. No. 107768W

CA Jayant I. Mehta
Partner
Membership Number - 042630

Nagpur
26th May, 2017

SUNFLAG IRON AND STEEL COMPANY LIMITED, ITS SUBSIDIARIES AND JOINT VENTURES
CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2017

Particulars	Note No.	As at 31.03.2017 (₹ in Lakhs)	As at 31.03.2016 (₹ in Lakhs)	As at 31.03.2015 (₹ in Lakhs)
A. ASSETS				
1. Non-current Assets				
a) Property, plant and equipment	3	51,252	54,338	57,213
b) Capital work-in progress		5,451	2,624	2,602
c) Financial Assets				
i. Investments	4	914	724	441
ii. Bank Balances	5	35	-	-
iii. Loans	6	2,645	1,405	2,040
Total non-current assets		**60,297**	**59,091**	**62,296**
2. Current Assets				
a) Inventories	7	40,554	31,489	39,414
b) Financial assets				
i. Trade Receivables	8	20,471	22,047	19,963
ii. Cash and cash equivalents	9	429	613	465
iii. Bank balances	9	7,244	5,842	4,959
iv. Other financial assets	10	61	172	289
c) Current tax assets (net)	11	1,012	1,197	1,163
d) Other current assets	12	3,720	4,375	7,421
Total current assets		**73,491**	**65,735**	**73,674**
Total Assets		**133,788**	**124,826**	**135,970**
B. EQUITY AND LIABILITIES				
1. Shareholders' funds				
a) Share Capital	13	**18,022**	18,022	18,022
b) Other equity		52,873	46,284	40,411
Total Shareholders' Funds		**70,895**	**64,306**	**58,433**
Non controlling interest		**146**	**145**	**184**
2. Non-current Liabilities				
a) Financial liabilities				
i. Borrowings	14	4,775	6,183	12,710
ii Other financial liabilities	15	453	307	409
b) Deferred Tax Liabilities (Net)	16	7,773	7,660	6,515
c) Provisions	17	1,690	1,569	1,389
d) Other non-current liabilities	18	984	1,217	1,463
Total non-current liabilites		**15,675**	**16,936**	**22,486**
3. Current Liabilities				
a) Financial liabilities				
i. Borrowings	19	22,126	11,172	19,779
ii. Trade payables		-	-	-
iii. Total outstanding dues of micro enterprises and small enterprises		30	-	-
iv. Total outstanding dues of creditors other than micro enterprises and small enterprises	20	14,023	15,599	21,110
v. Other financial liabilities	21	1,754	7,844	8,309
b) Other current liabilities	22	9,139	8,824	5,669
Total current liabilities		**47,072**	**43,439**	**54,867**
TOTAL EQUITY AND LIABILITIES		**133,788**	**124,826**	**135,970**
Corporate information and Significant accounting policies and Notes forming part of Financial Statements	1 & 2			

As per our attached report of even date

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

SUNIL WAHAL
PARTNER
M. No. - 087294

For PATEL, SHAH & JOSHI
Chartered Accountants
FRN : 107768W

CA JAYANT I. MEHTA
PARTNER
M. No. - 42630

PRANAV BHARDWAJ
MANAGING DIRECTOR

SURENDRA KUMAR GUPTA
Dy. MANAGING DIRECTOR

CA R. MURALIDHAR
EXECUTIVE DIRECTOR (FINANCE) & CFO

CS PRANAB PANIGRAHI
COMPANY SECRETARY

DR. E.R.C. SHEKAR

S. GAJENDRAN

CA JAYESH M. PARMAR

K. J. SINGH

MRS. NEELAM KOTHARI

DIRECTORS

Nagpur
26th May 2017

SUNFLAG IRON AND STEEL COMPANY LIMITED, ITS SUBSIDIARIES AND JOINT VENTURES
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2017

	Particulars	Note No.	Year Ended 31.03.2017 (₹ in Lakhs)	Year Ended 31.03.2016 (₹ in Lakhs)
1.	Revenue from Operations	23	**171,323**	179,192
2.	Other Income	24	**781**	977
3.	**Total Income**		**172,104**	180,169
4.	Expenses :			
	Cost of raw Materials & components Consumed	25 (a)	**89,705**	87,834
	Other Manufacturing Expenses	25 (b)	**32,598**	32,000
	Excise duty		20,357	20,204
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	26	**(4,158)**	1,118
	Employee Benefits Expense	27	**9,426**	9,871
	Finance Costs	28	**3,506**	6,549
	Depreciation and Amortisation Expense	29	**3,320**	3,566
	Other Expenses	30	**8,818**	10,389
	Total Expenses		**163,572**	171,531
5.	Profit / (loss) before exceptional items and tax		8,532	8,638
6.	Less : Exceptional Items		-	-
7.	Share in profit / (loss) in Joint Venture and Associates		(35)	(65)
8.	**Profit before extraordinary items and tax :**		**8,497**	8,573
	Extraordinary tax		-	-
	Profit before tax		**8,497**	8,573
	Tax Expenses			
	a) Current tax expense for current year		**1,862**	1,851
	b) Deferred tax	16	**113**	1,145
	c) Income tax pertaining to earlier years		**--**	--
9.	**Profit / (Loss) for the year from continuing operations after tax**		**6,522**	5,577
10.	Profit for the year from continuing operations attributable to :			
	Owners of the parent		6,523	5,616
	Non-controlling interest		(1)	(39)
11.	Profit / (loss) from discontinued operations		-	-
11.	Tax expense of discontinued operations		-	-
12.	Profit / (loss) from discontinued operations (after tax)		-	-
13.	**Profit for the period**		**6,522**	5,577
14.	Other comprehensive Income			
	Items that will not be reclassified to profit or loss		-	-
	Income tax relating to items that will not be reclassified to profit or loss		-	-
	Items that will be reclassifies to profit or loss		-	-
	Income tax relating to items that will be reclassified to profit or loss		-	-
15.	**Total comprehensive Income for the period (XIII + XIV)**		**6,522**	5,577
16.	Earning per equity share (for continuing operations)			
	Basic	40	3.64	3.13
	Diluted	40	3.64	3.13
17.	Earnings per equity share (for discontinued operations)			
	Basic		-	-
	Diluted		-	-
18.	Earnings per equity share (for discontinued & continuing operations)			
	Basic		3.64	3.13
	Diluted		3.64	3.13

As per our attached report of even date

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

SUNIL WAHAL
PARTNER
M. No. - 087294

For PATEL, SHAH & JOSHI
Chartered Accountants
FRN : 107768W

CA JAYANT I. MEHTA
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DIRECTORS

Nagpur
26th May 2017

SUNFLAG IRON AND STEEL COMPANY LIMITED, ITS SUBSIDIARIES AND JOINT VENTURES
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2017

Particulars	For the year ended 31.03.2017 (₹ in Lakhs)		For the year ended 31.03.2016 (₹ in Lakhs)	
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		**8,499**		8,573
Remeasurement earnings		**70**		252
Adjustments for :				
Depreciation and amortisation		**3,320**	-	3,566
(Profit) / loss on sale / write off of assets		**(1)**	-	(1)
Finance costs		**3,506**	-	6,549
Interest income	**-**	**-**	-	-
Provision for doubtful trade and other receivables, loans and advances	**-**	**-**	-	-
Operating profit / (loss) before working capital changes		**15,394**		18,939
Changes in working capital :				
Adjustments for (increase) / decrease in operating assets :				
Inventories		**(9,065)**		7,926
Trade receivables		**1,576**		(2,084)
Other financial asset		**(943)**		712
Other current assets		**654**		3,052
Adjustments for increase / (decrease) in operating liabilities :				
Trade payables		**(1,546)**		(5,510)
Other current financial liabilities		**(5,648)**		2,687
Provisions (includis tax provisions)		**121**		180
Other long-term liabilities		**(214)**		(426)
Net income tax (paid) / refunds		**(1,864)**		(1,851)
Net cash flow from / (used in) operating activities (A)		**(1,535)**		23,625
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances		**(3,062)**		(1,115)
Proceeds from sale of fixed assets		**-**		-
Long-term investments in - Joint ventures		**(190)**		(142)
Net cash flow from / (used in) investing activities (B)		**(3,252)**		(1,257)
C. Cash flow from financing activities				
Repayment of long-term borrowings		**(1,408)**		(6,184)
Proceeds from other short-term borrowings		**10,954**		(8,604)
Finance cost		**(3,506)**	**-**	(6,549)
Interest income		**-**		-
Cash flow from extraordinary items				
Net cash flow from / (used in) financing activities (C)		**6,040**		(21,337)
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**1,253**		1,031
Cash and cash equivalents at the beginning of the year		**6,455**		5,424
Effect of exchange differences on restatement of foreign currency		**-**		-
Cash and cash equivalents at the end of the year		**7,708**		6,455

In terms of our report attached even date

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

SUNIL WAHAL
PARTNER
M. No. - 087294

For PATEL, SHAH & JOSHI
Chartered Accountants
FRN : 107768W

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MRS. NEELAM KOTHARI

DIRECTORS

Nagpur
26th May 2017

Statement of changes in equity for the year ended March 31, 2017

Balance of Equity Share Capital	As at 1st April, 2015	Change during the year	As at 31st March, 2016	Changes during the year	As at 31st March, 2017
	18,022	-	18,022	-	18,022

Particulars	Reserves and Surplus					Items of other comprehensive Income						
	Capital Reserve	Securities premium account	General Reserve	Retained earning	Retained Earnings Account Remesurement	Debt instruments through other comprehensive income	Revalution Surplus	Equity instruments through other comprehensive income	Effective portion of cash flow hedges	Other Items of other comprehensive Income (specify nature)	Total	Non controlling Interest
As at 01.04.2015	**-**	**3,785**	**256**	**36,290**	**80**	**-**	**-**	**-**	**-**	**-**	**40,411**	**184**
Restated balance as at 01.04.2015	**-**	**3,785**	**256**	**36,290**	**80**	**-**	**-**	**-**	**-**	**-**	**40,411**	**184**
Total comprehensive income for the year											-	-
Profit of the year	-	-	-	5,577	296	-	-	-	-	-	5,873	(39)
Transfer to retained earnings											-	-
As at 31.03.2016	**-**	**3,785**	**256**	**41,867**	**376**	**-**	**-**	**-**	**-**	**-**	**46,284**	**145**
Total comprehensive income for the year											-	-
Profit of the year	-	-	-	6,522	(7)	-	-	-	-	-	6,515	
Additions during the period	74	-	-	-							74	1
As at 31.03.2017	**74**	**3,785**	**256**	**48,389**	**369**	**-**	**-**	**-**	**-**	**-**	**52,873**	**146**

Nature of reserves

Retained earnings represent the undistributed profits of the Company.

Other Comprehensive Income Reserve represent the balance in equity for items to be accounted in Other Comprehensive income. OCI is classified into (i) items that will not be reclassified to profit and loss, and (ii) itehs that will be reclassified to profit and loss.

General reserve represent 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 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 Capital Reserve represents difference between net assets purchase & purchase consideration.

As per our attached report of even date

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

SUNIL WAHAL
PARTNER
M. No. - 087294

Nagpur
26th May 2017

For PATEL, SHAH & JOSHI
Chartered Accountants
FRN : 107768W

CA JAYANT I. MEHTA
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CS PRANAB PANIGRAHI
COMPANY SECRETARY

DR. E.R.C. SHEKAR

S. GAJENDRAN

CA JAYESH M. PARMAR

K. J. SINGH

MRS. NEELAM KOTHARI

DIRECTORS

Notes forming part of the financial statement for the year ended March 31, 2017

3. Property, plant and equipment

	Tangible Assets										
	Free-hold land	Lease Hold land	Building including roads	Railway siding	Plant & machinery	Furniture fixtures & others	Vehicles	Office equipment	Development of mines	Total	Capital Work in Progress
Gross Block (at cost or revalued amount)											
As at 01.04.2015	553	89	22,572	375	104,912	227	310	410	1,579	131,027	2602
Additions/(Disposals)	(184)	-	93	-	1,307	-	19	-	463	1,698	22
Adjustment of revaluation reserve	-	-	-	-	-	-	-	-	-	-	-
Adjustment of impairment	-	-	-	-	(2,234)	-	-	-	-	(2,234)	-
As at 31.03.2016	**369**	**89**	**22,665**	**375**	**103,985**	**227**	**329**	**410**	**2,042**	**130,491**	**2,624**
Additions/(Disposals)	-	-	-	-	187	-	22	2	-	211	2,827
Adjustment of revaluation reserve	-	-	-	-	-	-	-	-	-	-	-
Adjustment of impairment	-	-	-	-	-	-	-	-	-	-	-
As at 31.03.2017	**369**	**89**	**22,665**	**375**	**104,172**	**227**	**351**	**412**	**2,042**	**130,702**	**5,451**
Accumulated Depreciation											-
As at 01.04.2015	-	25	9,026	356	63,042	209	284	389	483	73,814	-
Charge for the year	-	1	515	-	4,554	2	8	-	98	5,178	-
Adjustment of impairment	-	-	-	-	(1,216)	-	-	-	5	(1,211)	-
Depreciation adjustments	-	-	-	-	(1,613)	-	-	-	-	(1,613)	-
Disposals	-	-	-	-	-	-	(15)	-	-	(15)	-
As at 31.03.2016	**-**	**26**	**9,541**	**356**	**64,767**	**211**	**277**	**389**	**586**	**76,153**	**-**
Charge for the year	-	1	514	-	2,684	1	19	-	101	3,320	-
Adjustment of impairment	-	-	-	-	-	-	-	-	-	-	-
Depreciation adjustments	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	(23)	-	-	(23)	-
As at 31.03.2017	**-**	**27**	**10,055**	**356**	**67,451**	**212**	**273**	**389**	**687**	**79,450**	**-**
Net Block as at 01.04.2015	553	64	13,546	19	41,870	18	26	21	1,096	57,213	2,602
Net Block as at 31.03.2016	369	63	13,124	19	39,218	16	52	21	1,456	54,338	2,624
Net Block as at 31.03.2017	**369**	**62**	**12,610**	**19**	**36,722**	**15**	**78**	**23**	**1,355**	**51,252**	**5,451**

Notes :

i) Addition to capital work in progress include ₹ Nil of the finance cost capitalised during the year. (Previous Year - ₹ Nil, 1st April 2014 : ₹ Nil).

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

iii) The Company has elected to measure the items of Property, plant and equipment at their cost on the date of transition.

iv) The impact for change in depreciation for 2015-16 due to change in life is ₹ 1,612 Lakhs.

Additional information

Asset under construction

Capital work in progress incurred as at 31st March 2017 amounted ₹ 5,451 lakhs (Previous Year ₹ 2,624 lakhs) in view of implementation of new projects viz.

i) New sinter plant

ii) Gas combuster

iii) Short blasting machine

iv) Pulverized coal injection system

All creditors towards CWIP has been classified under other financial liabilities

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

Notes forming part of the financial statement for the year ended 31st March, 2017

4 Non- Current Investments

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Non trade investment in equity instruments	914	724	441
Less : Provision for dimunition in the value of investments	-	-	-
Total	**914**	**724**	**441**
Aggregate amount of unquoted investments	914	724	441

Details of Non Trade Investments in Equity instruments

Name of the Body Corporate	No. of Shares / Units			Extent of Holding (%)			Amount		
	As at 31.03.2017	As at 31.03.2016	As at 1.04.2015	As at 31.03.2017	As at 31.03.2016	As at 1.04.2015	As at 31.03.2017	As at 31.03.2016	As at 1.04.2015
Investement in equity instruments (at cost, unquoted & fully paid)									
Joint Ventures							-	-	-
Madanpur (North) Coal Co.Pvt. Ltd.	1,210,188	1,210,188	1,210,188	11.73	11.73	11.73	110	110	121
C T Mining Private Limited	3,180,000	3,180,000	3,180,000	31.80	31.80	31.80	295	290	318
Gujarat State Mining & Resources Corporation Ltd	-	-	24,500	-	-	49.00	-	-	2
Daido DMS India Pvt. Ltd.	3,600,000	3,600,000	-	20.00	20.00	-	297	324	-
Ramesh Sunwire Pvt. Ltd.	2,205,000			49.00			212	-	-
Sunflag Foundation	10,000			10,000.00				-	-
Others							-	-	-
India Bulls CSEB Bhaiyathan Power Ltd.	74	74	74				-	-	-
Total							**914**	**724**	**441**
Additional Information :									
Aggregate amount of quoted investments									
Market value of quoted investments							-	-	-
Aggregate amount of unquoted investments							914	724	441
Aggregate amount of impairment in value of investments							36	142	1

During the year the company acquired a 49% stake in Ramesh Sunwire Private Limited on 18th March 2017. It also applied to ROC Bhubaneshwar for striking off the name of Sunflag Special Steels Limited on 17th April 2017.

During the previous year, the company had written off an amount of ₹ 2.45 Lakhs investment in Gujarat State Mining & Resources Corporation Limited pursuant to that company applied for striking off of its name from ROC, Gujarat. The Company had received a letter dated 3rd May 2016 from RoC, Ahmedabad confirming receipt of application.

5 Non- Current bank balances	As at 31.03.2017 (₹ in Lakh)	As at 31.03.2016 (₹ in Lakh)	As at 01.04.2015 (₹ in Lakh)
Escrow account - Mine restoration obligation	**35**	-	-
	35	-	-
6 Non- current loans (unsecured)			
Capital advances	1,491	90	848
Security deposits	1,123	1,284	1,146
Loans and advances to related parties [refer Note. 42]	31	31	46
Total	**2,645**	**1,405**	**2,040**

During the year the company has written off an amount of Rs 2.47 Lakhs unsecured loan given to Gujarat State Mining Resources Corporation Ltd. parsuant to that company applied for striking off of its name from ROC, Gujarat. The same is under process. Hence, advance given to the company has been written off during the year.

7 Inventories			
Raw materials and components	8,181	5,084	10,359
Goods-in transit (raw material)	63	163	961
Work-in-progress	9,030	8,164	7,794
Finished goods	20,245	16,953	18,440
Consumables, stores and spares	3,035	1,125	1,860
	40,554	**31,489**	**39,414**
8 Trade receivables			
Unsecured, considered good	20,471	22,047	19,963
Unsecured, considered doubtful	164	48	-
	20,635	**22,095**	**19,963**
Less: Provision for doubtful debts	(164)	(48)	-
Total	**20,471**	**22,047**	**19,963**

Trade receivables are non interest bearing and receivable in normal operating cycle

9 Cash and bank balances			
Cash and cash equivalents			
Cash on hand*	8	17	7
Balances in current accounts	421	596	458
	429	**613**	**465**
Other Bank Balances			
Margin money deposit against LC & BG	7,203	5,779	4,877
Unclaimed dividend accounts	41	63	82
	7,244	**5,842**	**4,959**
	7,673	**6,455**	**5,424**

Disclosure of Specified bank note

	SBN's*	Other denomination notes	Total	Cummulative Total
Closing cash in hand as on 08.11.2016 **	**8**	**3**	**11**	**11**
Add: Permitted receipts	-	17	17	28
Less: Permitted payments	-	(13)	(13)	15
Less: Amount deposited in Banks	(8)	-	(8)	7
Closing cash in hand as on 30.12.2016	**-**	**7**	**7**	

** including imprest with employees

* For the purposes of this clause, the term 'Specified Bank Note' shall have te same meaning provided in the notification of the Government of India, in the Ministry of Finance, Departmet of Economic Affairs number S.O. 3407 E-dated the 8th November, 2016.

	As at 31.03.2017 (₹ in Lakh)	As at 31.03.2016 (₹ in Lakh)	As at 01.04.2015 (₹ in Lakh)
10 Other current financial assets			
Accruals - Interest accrued on deposits	37	141	226
Loans & advances to employees	13	22	22
Export incentives receivable	11	4	36
Claims receivables	-	5	5
	61	**172**	**289**
11 Current tax assets (net)			
Opening balance	1,197	1,163	1,669
Addition			
TDS recoverable	20	(14)	58
Advance tax	1,272	1,893	523
Less :			
Current tax expenses	1,477	1,845	1,087
Income Tax pertaining to earlier years			
Current tax assets (net)	**1,012**	**1,197**	**1,163**

Additional information as per Ind AS 12 : Taxes on Income

i) From countinued operation	1,012	1,197	-
From discountinued operation	NA	NA	-

- the gain or loss on discontinuance;
- the profit or loss from the ordinary activities of the discontinued operation for the period, and corresponding amounts for each prior presented;

ii) Effective tax reconcliation

Numerical reconciliation of tax expense applicable to profit before tax at the latest statutory enacted tax rate in India to Income Tax expense is reported as follows :

Particulars	2016-17	2015-16
Net income before taxes	**8,497**	**8,438**
Enacted tax rates for parent company	34.61%	34.61%
Computed tax expense	2,941	2,920
Increase/(reduction) in taxes on account of:		
Previous year tax adjustments	-	6
Other non deductible expenses	-	82
Income not taxable/exempt in admissible	112	323
Tax on which no deduction is admissible	(1,078)	(335)
Change in rate of tax	-	-
Income tax expense reported	**1,975**	**2,997**

iii Reconciliation of changes in the applicable tax rate compared to the previous accounting period - N.A.

iv Component of current tax accounted

	2016-17	2015-16
- In Equity	1,975	2,997
- In OCI	-	-

12 Other current assets			
Advance to vendors	2,349	3,168	5,759
Prepaid Expenses	328	134	184
Balances with Statutory / Govt Authorities			
Excise Duty	784	758	601
Advance Royalty	25	42	-
Claims Receivable	232	266	864
Others	1	-	3
Others	1	7	10
	3,720	**4,375**	**7,421**

13 Share capital

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	Number	₹ in Lakh	Number	₹ in Lakh	Number	₹ in Lakh
Authorised						
Equity Shares of ₹ 10 each	205,000,000	20,500	205,000,000	20,500	205,000,000	20,500
Total	**205,000,000**	**20,500**	**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	180,219,448	18,022
Total	**180,219,448**	**18,022**	**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 share outstanding

	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015
Opening number of shares issued	**180,219,448**	**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**	**180,219,448**

c) Details of share holders holding more than 5% shares in the company.

	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
Name of shareholder	Number of shares	% Holding	Number shares	% Holding	Number of shares	% Holding
Sunflag Limited, Channel Islands, UK	65,253,582	36.21%	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%	18,021,945	10.00%
Mr. Suhrit Ravi Bhushan Bhardwaj	13,217,398	7.33%	13,217,398	7.33%	13,217,398	7.33%
Mrs. Usha B Sanghavi	7,726,891	4.29%	9,757,668	5.41%	7,540,160	4.18%

The company has neither issued any bonus share or share for consideration other than cash neither bought back any shares during the period of five years immediately preeceding the reporting date

14 Non current borrowings

Secured			
(a) Term loans - from banks	-	1,007	7,297
	-	**1,007**	**7,297**
Unsecured			
(a) From promoters (interest free) @	1,803	1,803	1,803
(b) Other loans and advances #			
Interest free Sales Tax loan	2,972	3,373	3,610
	4,775	**5,176**	**5,413**
	4,775	**6,183**	**12,710**

i. Term Loans from Banks are Secured by a first mortgage of the Company's Immovable properties situated at Village Warthi, Eklari and Sirsi, 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. Term loan of ₹ 2000 lakhs (outstanding ₹ 542 lakhs) borrowed from State Bank of India is further secured by Personal Guarantee of Shri. Ravi Bhushan Bhardwaj, Chairman of the Company.

iii. The Company has not defaulted in repayment of principle and interest during the year.

iv. @ The Unsecured loans comprising loans given by Promoters are interest free. There is no stipulation as to the repayment hence there is no default has occured in repayment during the period.

v. # The Unsecured loans comprising Interest free Sales Tax Loan valued on NPV basis. Actual liability is ₹ 4,574 Lakhs. The repayment of the sales tax loan is made as per the schedule and no default has occured in repayment during the period

Maturity Profile	1 - 2 year	2- 3 years	3 - 4 years	Beyond 4 years
Term loan from banks	-	-	-	-
Unsecured Interest Free Sales Tax Loan	820	860	812	479

	As at 31.03.2017 (₹ in Lakh)	As at 31.03.2016 (₹ in Lakh)	As at 01.04.2015 (₹ in Lakh)
15 Other non - current financial liabilities			
Payables for capital goods	150	-	76
Security deposit refundable	127	127	128
Security Deposit #	176	180	205
Total	**453**	**307**	**409**

Note: # Deposit recovered from contractors continue to remain over one year.

16 Deferred tax liabilities			
Temporary Difference			
Deferred Tax Liabilities			
Opening balance	8,211	7,934	7,111
Addition			
Depreciation	260	277	823
Total Deferred tax liabilities	**8,471**	**8,211**	**7,934**
Deferred Tax Assets			
Opening balance	551	1,419	2,251
Addition			
Disallowances	147	72	7
Deletion	-	(940)	(839)
Set off of carried forward losses			
Total Deferred Tax Asset	**698**	**551**	**1,419**
Net deferred tax Liabilities	**7,773**	**7,660**	**6,515**
Charge/(credit) during the year	**113**	**1,145**	

Additional information as per Ind AS 37 : Provisions, Contingent Liabilities and Contingent Assets

Component of Deffered tax accounted			
- In Equity	**7,773**	**7,660**	**6,515**
- In OCI	-	-	

Aggregate amount of temporary differences associated with investments in subsidiaries, branches and associates and interests in joint ventures, for which deferred tax liabilities have not been recognized - NA

Amount and expiry date, if any of deductible temporary differences, unused losses and credits for which no DTA recognized - NA

17 Non - current provisions			
Provision for employee benefits			
Employees Benefit including leave encashment	681	569	488
Provision for contingencies	1,009	1,000	901
	1,690	**1,569**	**1,389**

Movement in each class of provision as required by Ind As - 37 during the financial year are provided below:

	Labour & Other dues	Mine Restoration Obligation	Total
As at April 1, 2015	**901**	**-**	**901**
Provision during the year	-	91	91
Remeasurement losses accounted in OCI	-	-	-
Payment during the year	-	-	-
Interest Charge	-	8	8
As at March 31, 2016	**901**	**99**	**1,000**
Provision during the year	-	-	-
Remeasurement losses accounted in OCI	-	-	-
Payment during the year	-	-	-
Interest Charge	-	9	9
As at March 31, 2017	**901**	**108**	**1,009**

	As at 31.03.2017 (₹ in Lakh)	As at 31.03.2016 (₹ in Lakh)	As at 01.04.2015 (₹ in Lakh)
18 Other non - current liabilities			
Unsecured			
Government grant	984	1,217	1,463
	984	**1,217**	**1,463**
19 Current borrowings			
Secured			
Loans repayable on demand			
Borrowings for working capital from banks	22,126	11,172	19,779
	22,126	**11,172**	**19,779**

i. Working capital borrowings are secured by way of hypothecation of Inventories and book debts and further secured by way of second charge ranking *pari passu* over the fixed assets situated at Village Warthi, Eklari & Sirsi 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. The Company has not defaulted in either repayment of principal or interest during the year.

20 Trade payables			
Trade payables			
(a) Acceptances	5,791	5,522	9,534
(b) Other than acceptances	8,262	10,077	11,576
	14,053	**15,599**	**21,110**

Based on the information so far obtained by the Company, payment to enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) has been made within 45 days and disclosure in accordance with section 22 of the MSMED Act is as under:

The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	30	-	-
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	-	-	-
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.			
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-	-
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	-	-	-
	30	**-**	**-**

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. Moreover the Company is in the process of updating its suppliers data, as to the status as a Micro Small & Medium Enterprise with a copy of the Memorandum filed as per the provisions of Section 8 of the Micro Small & Medium Enterprises Development Act, 2006.

21 Other current financial liabilities			
Current maturities of long-term debt			
i) Term loan from banks	976	7,113	7,555
ii) Unsecured Interest free Sales Tax loan	721	580	556
Interest accrued but not due on borrowings	16	88	112
Unclaimed dividends*	41	63	82
Advance received from customers	-	-	4
	1,754	**7,844**	**8,309**

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

22 Other Current Liabilities	As at 31.03.2017 (₹ in Lakh)	As at 31.03.2016 (₹ in Lakh)	As at 01.04.2015 (₹ in Lakh)
a) Employee benefits			
Salary & Reimbursements	928	291	183
b) Others			
Other payables	-	-	691
Power	72	12	-
Excise Duty on goods stock	3,896	3,224	2,900
Statutory dues payable	485	548	66
Selling expenses	838	625	615
Managerial commission	274	341	53
TDS payable	50	44	28
Other expenses	2,596	3,738	1,132
	9,139	**8,824**	**5,669**

23 Revenue From Operations	For the Year Ended 31.03.2017 (₹ in Lakh)	For the Year Ended 31.03.2016 (₹ in Lakh)
Sale of manufacutured goods	171,107	179,087
	-	
Sub Total	**171,107**	**179,087**
Other operating income		
Conversion charges received	141	-
Duty drawback & export incentives	75	105
Sub Total	**216**	**105**
Total	**171,323**	**179,192**
24 Other Income		
Interest Income	486	493
Insurance claims received	41	141
Amortization of government grant	233	343
Others	21	-
	781	**977**
25 (a) Cost of raw material and components consumed		
Inventory at the beginning of the year	6,372	13,180
Add: Purchases	94,612	81,026
Less: Inventory at the end of the Year	11,279	6,372
Total raw material consumption (a)	**89,705**	**87,834**
25 (b) Other Manufacturing Expenses		
Consumption of fuel	3,930	3,258
Consumption of power(Net of captive consumption)	8,333	9,038
Coal mine freight and other expenses #	5,079	4,835
Freight & Forwarding	7,237	7,034
Contract expenses	8,019	7,835
Total Other Manufacturing Expenses (b)	**32,598**	**32,000**
Total Expenses	**122,303**	**119,834**
Details of raw material & components consumed		
Iron ore & iron ore fines	18,377	21,973
Coal & coal fines #	5,330	3,592
Coke	24,336	22,132
Sponge iron	-	202
Scrap & HBI	1,580	2,110
Ferro alloys	16,236	16,228
Fluxes, minerals & additives	5,672	5,392
Electrodes	1,262	1,533
Others	16,912	14,672
Total	**89,705**	**87,834**

Net of Consumption of Coal from Captive Mines

Note 25(b) to be continued….

	For the Year Ended 31.03.2017 (₹ in Lakh)	For the Year Ended 31.03.2016 (₹ in Lakh)
Details of Inventory Raw Material & Components		
Iron Ore & Iron Ore Fines	2,784	1,166
Coal & Coal Fines #	470	438
Coke	1,332	1,259
Scrap & HBI	81	18
Ferro Alloys	1,974	1,169
Fluxes, Minerals & Additives	324	628
Electrodes	108	110
Goods in Transit	63	163
Others	4,143	1,421
Total	**11,279**	**6,372**
26 (Increase) / Decrease in Inventories		
Inventories at the end of the year:		
Finished goods	20,245	16,953
Work-in-progress	9,030	8,164
	29,275	**25,117**
Inventories at the beginning of the year:		
Finished goods	16,953	18,015
Work-in-progress	8,164	8,220
	25,117	**26,235**
Net (increase) / decrease	**(4,158)**	**1,118**
27 Employee Benefit Expenses		
Salaries, Wages and Bonus	7,618	8,227
Contribution to Provident and other Funds	1,247	1,089
Staff Welfare Expenses	561	555
	9,426	**9,871**
28 Finance Cost		
Interest on term loans	603	1,548
Interest on working capital loans	2,316	2,318
Interest on bills discounted	147	505
Other borrowing costs	440	2,178
	3,506	**6,549**
29 Depreciation and amortization expense		
Depreciation of tangible assets	3,320	3,566
Amortization of intangible assets	-	-
	3,320	**3,566**
30 Other Expenses		
30.1 **Administration & selling Expenses**		
Travelling expenses	396	327
Insurance charges	184	196
Rent, rates and taxes	272	248
Repairs & maintanance	145	117
Printing & stationary	31	31
Loss on foreign exchange fluctuation	105	-
Postage & telephones	97	66
Loss on impairment of property, plant & equipment	4	1,212
Corporate social responsibility	105	42
Admin Expenses	488	621
Legal & professional expenses	516	515
Payment to statutory auditors (Refer Details below)	17	16
Commission	154	158
Discounts	6,012	6,628
Provision for doubtful debts	116	48
Other Selling overheads	176	164
	8,818	**10,389**
30.2 **Payments to Auditor**		
a) Statutory Audit Fees		
Statutory Audit fees	15	14
Tax audit fees	2	2
Total	**17**	16

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

Particulars	As at 31.03.2017	As at 31.03.2016
i) Contingent liabilities		
a) Unexpired letter of credit	3,201	3,277
b) Guarantees issued by Company's bankers on behalf of the Company	7,324	7,692
c) Bonds/ undertakings given by the Company under duty exemption scheme to the custom authorities	616	1,546
d) Bills discounted	4,417	4,681
e) Excise duty & custom duty against which company has preferred an appeal	65	65
f) Income Tax Liability - Disputed but paid	613	902
g) Income Tax Liability - disputed and not paid	809	821
h) Corporate Guarantee issued to Banks on behalf of Subsidiaries	-	400
ii) Commitments		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for : - tangible assets	4,954	1,681

32 Value of imports claculated on CIF basis

Raw materials	7,715	6,751
Spare parts & Components	654	436
Capital goods	1,206	-
Total	**9,575**	**7,187**

33 Expenditure in Foreign currency

Technical Service	43	181
Subcription & membership fees	2	2
Foreign Travelling	73	22
Other matters	81	47
Total	**199**	**252**

34 Details of consumption of imported and indigenous items *

Particulars	For the year ended		For the year ended	
	31.03.2017	31.03.2016	**31.03.2017**	31.03.2016
	(₹ in Lakh)		**%**	**%**
Imported				
Raw materials	**9,260**	10,749	**10.32**	12.24
Components & Spare Parts	**777**	436	**0.87**	0.50
Sub Total	**10,037**	11,185	**11.19**	12.73
Indigenous				
Raw materials	**78,030**	62,414	**86.99**	71.06
Components & Spare Parts	**1,638**	14,236	**1.83**	16.21
Sub Total	**79,668**	76,650	**88.81**	87.27
Total	**89,705**	87,835	**100**	100

35 Earnings in foreign exchange:

Export of goods calculated on FOB basis	3,445	5,187
	3,445	**5,187**

36 Financial Risk Management

In the year 2015, Sunflag Steel has implemented the concept of risk management to improve the Company's ability to address the increasingly complex internal and external legal issues and potential business situations. Through risk management, the Company expects to identify potential critical problems for the Company's business and to perform mitigation measures that are considered as most convenient. A risk is a potential event that negatively affects the achievement of the vision, mission, goals and targets of the Company or organizational unit. Risk Management is an attempt to minimize the negative effects from the various sources of risks to the Company's business activities so that objectives can be achieved optimally. Pursuant to the Section 134(3) of the Companies Act, 2013, the Company is required to give a statement on particulars of risk involved in the business activities being carried out, new developments and implementation of risk management policy of the company. This shall also include identifying area wise risk and action plan for its mitigation.

In view of aforesaid, the following risk areas and proposed action plan were placed before the committee for their information, consideration, review / approval and recommendation to the Board:-

The business risks that are anticipated by Sunflag Steel for its integrated steel plant are classified into five types of risk, viz.

1. Strategic risks - risks that are strategic for the development of the Company, such as technology development, government policies, investment plans, new product development, etc.

2. Operational risk - the risk of loss due to the failure or inadequacy of the quality control of business processes, strike, risk of fire, and non-availability of basic raw materials.

3. Financial risk - the risk that directly or indirectly lead to financial losses.

4. Marketing risk - the risk that are directly or indirectly related to selling of finished products and subsequent value realisation from customers.

5. Environmental risk - the risk that impacts on environmental degradation, environmental pollution, social disruption, the Company's reputation, etc.

According to the sources, risks can be derived from outside (external) or inside (internal) factors of the Company. In summary, these risks are :-

Raw materials scarcity risks :

An important raw material/s namely Iron ore and Coal, acquired either from captive mines or domestic and international markets, There is always a risk of shortage of these important raw materials required for production due to various reasons. The efforts of the Company to minimize the negative impact of the risk of scarcity of raw materials, amongst others includes:— Proper planning for raw material management (procurement, storage and consumption).- Systematic procurement of raw material, keeping in mind both time and cost involved.- Proper mix of captive raw material and direct purchase (both domestic and imported) to balance the cost of production.

Risk of damage and loss of assets :

To control the risk of damage and loss of assets, the company has initiated the following :

- Insured all assets and property of the Company, which are exposed to the risk of loss due to damage, fire, loss and other possible causes.
- Insured all goods (cargo) that are in transit (transport) as per the agreed terms of delivery by the seller or buyer.
- Insured all contracted construction and erection projects undertaken by contractors.
- Insured all possible losses that might occur to the assets themselves and third parties who are located at the office and factory areas owned by the Company.

Financial and compliance risk :

To control the risk due to fluctuation in foreign exchange rates and regulatory compliance risks, the Company initiated the following efforts :

- Entered into a hedging contract, particularly for import transactions.
- Ensuring strict corporate governance policy and timely reporting system
- Ensured strict adherence of all applicable laws / rules / regulation and legislations including updating any changes in the applicable laws, rules regulations etc.
- Implementing Company policies on various areas of compliances.

Business competition risk :

To control this risk, the Company initiated the following :

- Improved cost competitiveness in all area of operations.
- Ensured accuracy and speed in handling consumer claims.
- Efforts for on time delivery and quality requirements.
- Established a network of distributors.
- Conducted an annual customer satisfaction surveys to determine the level of customer satisfaction with the Company's products, and to determine aspects that need to be improved as an on-going exercise.

Risk of government policy :

As a precaution against possible negative impacts, the Company initiated a variety of efforts including :— Study of impact of government policies against the Company and to follow up act on these studies.- Proposed solutions to the government and the relevant department/s to protect the interests of the national industry.

Factory / plant operations risk :

To control the risk of possible disruption of plant operations, the Company has initiated the following actions :— Implemented predictive programs and preventive maintenance consistently.- Conducted daily, weekly and monthly studies on the operating performance of its production facilities.- Assessed and implemented the revitalization program to ensure reliable operation of production facilities.

Employee risk :

Risks associated with personnel issues are very broad, including accidents, health, pension plans, retirement, termination of employment and many more.To minimize such risks, the company has initiated the following steps :

- Involved all employees in the workers social security program which includes insurance for accidents, benefits upon death and pension plans through the committee for implementation of the labour social security program in accordance with the applicable legislation/s in force.
- Provided health care to employees and their families.
- Organized pension plans and old age retirement programs.
- Provided and granted the rights of employees in accordance with the collective labour agreement between the Company and labour unions.

- Conducted grievance redresses meeting/s under the supervision of Shri Surendra Kumar Gupta, Deputy Managing Director of the Company:
  1. Monthly Steering committee meeting with all HODs (Plant Level) and second line officer to redress issues and;
  2. Quarterly APEX Committee meeting to monitor / redress matters like safety, compliance of Factories Act, with all HODs (Plant Level) and representative of Union member.

Environmental Impact Risk :

Environmental pollution, for any reason, can have a negative impact on the work environment, employee health and safety of workplace equipment and also create lawsuits. The Company has consistently and lawfully implemented rules and regulations, including those set out in the environmental management system (ISO 14000) and occupational health safety management system. The company has always encouraged the implementation of being a green company by taking the motto "Go Green" among others, with the "One Man One Tree" reforestation act by planting around the company plant site.

37. Financial Instrument

(₹ in Lakhs)

Financial Assets	Fair value hierarchy Amount	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
		Carrying Value	Fair Amount	Carrying Value	Fair Amount	Carrying Value	Fair
Financial assets designated at fair value through profit and loss							
Long term investments	Level-1						
Long term investments	Level-2	914	914	724	724	441	441
Current investments	Level-1						
Financial assets designated at fair value through other comprehensive income							
Financial assets designated at amortised cost							
Long term loans and advances		2,645	2,645	1,405	1,405	2,040	2,040
Other financial non current assets							
Trade receivables		20,471	20,471	22,047	22,047	19,963	19,963
Cash and Bank balances		7,673	7,673	6,455	6,455	5,424	5,424
Short Term loans							
Other financial current assets		61	61	172	172	289	289
		31,764	31,764	**30,803**	30,803	**28,157**	28,157

Financial Liabilities	Fair value hierarchy	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liability designated at fair value through profit and loss							
Derivatives - not designated as hedging instruments	Level-2						
Financial liability designated at amortised cost							
Long term borrowings		4,775	4,775	6,183	6,183	12,710	12,710
Short term borrowings		22,126	22,126	11,172	11,172	19,777	19,777
Trade Payables		14,053	14,053	15,599	15,599	21,110	21,110
Other Financial current liabilities (excluding Derivatives)		1,754	1,754	7,844	7,844	8,309	8,309

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.

The following methods and assumptions were used to estimate the fair values.

i) The fair values of derivatives are on MTM as per Bank

ii) Company has opted to fair value its Long term and Current investments through profit & loss

iii) 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.

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).

38 Disclosure of trade receivable

i) Average Credit Period on sales is 60 days. No interest is charged on trade receivables for the first 12 days from the date of the invoice. Thereafter, interest charged at 15% per annum on the outstanding balance.

ii) The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provisions matrix. The provision matrix at the end of the reporting period is as follows :

Ageing of Trade Receivables as at March 31, 2017

Particulars	Neither due nor impaired	Due Ageing					Total
		Less than 30 days	30 Days to 90 Days	91 Days to 180 Days	181 Days to 365 Days	More than 365 Days	
Trade receivables							
As at March 31, 2017							
Secured	-	-	-	-	-	-	-
Unsecured	15,227	3,625	663	138	766	168	20,587
Gross Total	15,227	3,625	663	138	766	168	20,587
Provision for doubtful receivables						116	116
Net Total	**15,227**	**3,625**	**663**	**138**	**766**	**52**	**20,471**
Ageing of Trade Receivables as at March 31, 2016							
Trade receivables							
As at March 31, 2016							
Secured	-	-	-	-	-	-	-
Unsecured	15,756	3,894	1,141	368	777	159	22,095
Gross Total	15,756	3,894	1,141	368	777	159	22,095
Provision for doubtful receivables		-	-	-	-	48	48
Net Total	**15,756**	**3,894**	**1,141**	**368**	**777**	**111**	**22,047**
Ageing of Trade Receivables as at March 31, 2015							
Trade receivables							
As at March 31, 2015							
Secured	-	-	-	-	-	-	-
Unsecured	8,307	7,608	1,862	1,105	824	257	19,963
Gross Total	8,307	7,608	1,862	1,105	824	257	19,963
Provision for doubtful receivables		-	-	-	-	-	-
Net Total	**8,307**	**7,608**	**1,862**	**1,105**	**824**	**257**	**19,963**

For the purpose of the Company's capital management, capital includes issued capital and all other equity

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Debt (i)	26,901.00	17,355.00	32,489.00
Cash & bank balances	(7,673.00)	(6,455.00)	(5,424.00)
Net Debt	19,228.00	10,900.00	27,065.00
Total Equity	70,894.00	64,306.00	58,433.00
Net debt to equity ratio (Gearing Ratio)	0.27	0.17	0.46

39 Segment Information

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

i. Entity wide disclosure required by IND AS 108 are made as follows: **(₹ in Lakh)**

	Year ended March 31, 2017		Year ended March 31, 2016	
	Domestic	Foreign	Domestic	Foreign
Revenues from sale of products to external customers	167,612	3,495	173,847	5,240
Non - Current assets :				
Property, Plant and Equipment	51,252	-	54,338	-
Capital work in progress	5,451	-	2,624	-
Intangible assets	-	-	-	-
Other non current assets	2,680	-	1,405	-

40 Earnings Per Share

Basic Earnings per Share	Year Ended 31.03.2017	Year Ended 31.03.2016
Continuing Operations		
Proft / (Loss) after Tax (₹)	6,522	5,577
Weighted Average shares outstanding at the end of Year	1,802	1,802
Number of Shares outstanding at the end of year	1,802	1,802
Basic and diluted Earnings ₹ per Share	3.64	3.13

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.

41 Employee benefit plan

i) Employee provident fund, the company has made good the shortfall of interest on fund Nil. (Previous Year 39 lakhs)

Further, the following table sets out Employees Benefits plan as required under Ind AS 19

(₹ in Lakhs)

Particulars	Gratuity		Provident Fund		Superannuation	
	31.03.2017	31.03.2016	**31.03.2017**	31.03.2016	**31.03.2017**	31.03.2016
Statement showing changes in Present Value of obligation :						
Present value of obligations at the beginning of the year	**1,456**	1,232	**4,899**	4,395	**2,286**	2,079
Interest Cost	**12**	6	**469**	395	**170**	164
Current Service Cost	**128**	390	**884**	815	**204**	209
Benefits paid	**(207)**	(172)	**(905)**	(706)	**(263)**	(166)
Actuarial Loss on Obligations	**778**	-	**-**	-	**-**	-
Present value of obligations as at the end of the year	**2,167**	1,456	**5,347**	4,899	**2,397**	2,286
Table showing changes in the fair value of Plan Assets :						
Fair value of Plan Assets at the beginning of year	**1,456**	1,234	**4,899**	4,395	**2,286**	2,079
Expected return on Plan Assets	**13**	6	**469**	395	**170**	164
Contributions	**566**	389	**884**	815	**204**	209
Benefits paid	**(207)**	(172)	**(905)**	(706)	**(263)**	(166)
Actuarial Gain / (Loss) on Plan Assets	**339**	(1)	**-**	-	**-**	**-**
Fair value of Plan Assets at the end of the year	**2,167**	1,456	**5,346**	4,899	**2,397**	2,286
Funded Status	**-**	-	**1**	-	**-**	-
Excess of Actual over estimated return on Plan Assets						
Actuarial Gain / (Loss) recognised :						
Actuarial Gain / (Loss) for the year - Obligation	**778**	-	**-**	-	**-**	-
Actuarial Gain / (Loss) for the year - Plan Assets	**-**	-	**1**	-	**-**	-
Total Loss for the year	**-**	-	**-**	-	**-**	-
Actuarial Gain / (Loss) recognised in the year	**778**	-	**1**	-	**-**	-
Amounts to be recognised in the Balance Sheet :						
Present value of obligations as at the end of the year	**2,167**	1,456	**5,346**	4,899	**2,397**	2,286
Fair value of Plan Assets as at the end of the year	**2,167**	1,456	**5,346**	4,899	**2,397**	2,286
Funded Status	**-**	-	**1**	-	**-**	-
Net Asset / (Liability) Recognised in the Balance Sheet	**-**	-	**1**	-	**-**	-
Expenses Recognised in the statement of Profit and Loss Account :						
Current Service Cost	**128**	390	**469**	395	**-**	-
Interest Cost	**-**	-	**-**	-	**-**	-
Expected Return on Plan Assets	**-**	-	**469**	395	**-**	-
Net Actuarial (Gain) / Loss Recognised in the Statement of Profit & Loss	**778**	-	**-**	-	**-**	-
Expenses Recognised in Statement of Profit & Loss	**566**	389	**1**	-	**-**	-
Actuarial Assumptions :						
Discount Rate	**7.30%**	8.50%	**8.80%**	8.75%	**-**	-
Salary Escalation	**5.00%**	5.00%	**5.00%**	5.00%	**-**	-
Investment Details (%) :						
GOI Securities	**-**	-	**37%**	42%	**-**	-
State Government Securities	**-**	-	**30%**	25%	**-**	-
Approved Marketable Securities	**-**	-	**--**	--	**-**	-
Bonds / Debentures etc	**-**	-	**31%**	32%	**-**	-
Loans	**-**	-	**--**	--	**-**	-
Equity	**-**	-	**--**	--	**-**	-
Liquid fund / Money Market Instrument	**-**	-	**--**	--	**-**	-
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. Eventhough 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.

	31.03.2017	
Defined benefit obligations	2167	
	Increase	Decrease
Discount Rate +/- 1%	2360	1999
(% change compared to base due to sensitivity)	8.90%	(7.80%)
Salary Growth Rate +/- 1%	1993	2363
(% change compared to base due to sensitivity)	(8%)	9%
Attrition rate (-/+ 50% of attritions rates)	2146	2187
(% change compared to base due to sensitivity)	(1%)	(0.90%)
Mortality Rate (-/+10% of the mortality rate)	2166	2169
(% change compared to base due to sensitivity)	(0.10%)	0.10%

42 Related Party Disclosure (as identified by the Management)

In Accordance with the requirement of IND AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exits and with whom transactions have taken place during reported periods.

Key management personnel

Name	Designation
Mr Ravi Bhushan Bhardwaj	Non Executive Vice Chairman upto 12th December 2016 thereafter appointed as Non-executive Chairman
Mr Surendra Kumar Gupta	Deputy Managing Director
Dr E.R.C. Shekhar	Non Executive, Independent Director
CA R. Muralidhar	Executive Director (Finance) & CFO
CS Pranab Panigrahi	Company Secretary
Mr Suhrit Ravi Bhushan Bhardwaj	Additional Director / Relative
Mrs Rajyalakshmi Rambhatla	Relative to CFO
Mr P.B. Bhardwaj	Non-executive Chairman upto 6th November 2016

Related Parties

Consolidated financial statements comprise the financial statements of Sunflag Iron and Steel Company Limited, its subsidiaries and joint ventures listed below:

Name of entity in the group	Principal place of operations	Principal activities	% shareholding	
			As at 31.03.2017	As at 31.03.2016
Subsidiaries				
Sunflag Special Steels Limited	India		99.88%	99.88%
Sunflag Power Limited	India		99.88%	99.88%
Khappa Coal Company Private Limited	India		63.27%	63.27%
Sunflag Foundation	India		100.00%	0.00%
Joint Ventures				
Madanpur (North) Coal Co.PrivateLimited	India		11.73%	11.73%
C T Mining Private Limited	India		31.80%	31.80%
Gujarat State Mining & Resources Corp. Ltd.	India		-	49.00%
Daido DMS India Private Limited	India		20.00%	20.00%
Ramesh Sunwire Private Limited	India		49.00%	0.00%

Related Party

Related party	Account	Transactions Year ended		Outstanding As on	
		31.03.2017	31.03.2016	31.03.2017	31.03.2016
Associate Enterprises					
Haryana Televisions Limited	Rent	**48**	48	**21**	21
Key Managerial Personnel					
Mr. P.B. Bhardwaj	Commission	**26**	86	**-**	-
Mr. Ravi Bhushan Bhardwaj		**60**	147*	**-**	-
Mr. Pranav Bhardwaj	Remuneration & Commission	**314**	308	**-**	-
Mr. Surendra Kumar Gupta	Remuneration	**90**	83	**-**	-
Relative to Key Managerial Personnel					
Mr. Suhrit Ravi Bhushan Bhardwaj	Rent Paid	**21**	21	**-**	-
	Refundable Security Deposit	**-**	-	**10**	10
Joint Ventures					
Daido D.M.S. India Private Limited	Share Capital	**-**	**360**	**-**	-
Ramesh Sunwire Private Limited	Share Capital	221	-	-	-
* (Last year including Remuneration for part of the year)	**Total**			**1,750**	1,738

43 Interest in joint ventures

The Company has interests in the following jointly controlled entities:

Particular	As at 31.03.2017 ₹ In lakhs	As at 31.03.2017 ₹ In lakhs
Non - current assets	329	315
Current assets	622	472
Non - current liabilities	-	-
Current liabilities	36	63
Profit or loss from continuing operations.	(12)	(18)
Post-tax profit or loss from discontinued operations.	-	-
Other comprehensive income.	-	-
Total comprehensive income.	(12)	(18)

Name of the entity in the group	Net Assets		Share in profit and loss comprehensive income		Share in other comprehensive income		Share in total other	
	As % of consolidated net assets	₹ in lakhs	As % of consolidated net assets	₹ in lakhs	As % of consolidated net assets	₹ in lakhs	As % of consolidated net assets	₹ in lakhs
Subsidiary								
Sunflag Special Steels Limited	0.00%	-	-0.01%	(4)	0%	-	-0.01%	(4)
Sunflag Power Limited	0.01%	5	0.00%	-	0%	-	0.00%	-
Khappa Coal Company Private Limited	0.56%	399	0.00%	3	0%	-	0.00%	3
Sunflag Foundation	0.11%	75	0.00%	-	0%	-	0.00%	-
Joint Ventures								
Madanpur (North) Coal Co.Private Limited	1.32%	934	0.00%	1	0%	-	0.00%	1
C T Mining Private Limited	1.31%	927	0.01%	4	0%	-	0.01%	4
Gujarat State Mining & Resources Corp. Ltd	0.00%	-	0.00%	-	0%	-	0.00%	-
Daido DMS India Private Limited	2.10%	1,487	-0.04%	(27)	0%	-	-0.04%	(27)
Ramesh Sunwire Private Limited	0.61%	434	-0.01%	(8)	0%	-	-0.01%	(8)
Non controlling interest in all subsidiaries								
Sunflag Special Steels Limited	0.00%	-	0.00%	(0.00)	0%	-	0.00%	(0)
Sunflag Power Limited	0.00%	0	0.00%	-	0%	-	0.00%	-
Khappa Coal Company Private Limited	0.21%	146	0.00%	1.49	0%	-	0.00%	1
Sunflag Foundation	0.00%	-	0.00%	-	0%	-	0.00%	-

Notes to the Financial Statements for the year ended 31st March 2017

44 The Company does not have any unhedged foreign currency exposure as at the year end except as below:

	As at 31.03.2017
Payables	
USD	153,749.41
SEK	885,175.36
Receivables	
EUR	57,075.74
USD	1,914,315.24

45 First time adoption of Ind AS

These financial statements, for the year ended 31st March 2017, are the first the group has prepared in accordance with Ind AS. For periods up to and including the year ended 31st March 2016, the group prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). Accordingly, the group has prepared financial statements which comply with Ind AS applicable for period ending on 31st March 2017, together with the comparative period data as at and for the year ended 31st March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the group's opening balance sheet was prepared as at 1st April 2015, the group's date of transition to Ind AS. This note explains the principal adjustments made by the group in restating its Indian GAAP financial statements, including the balance sheet as at 1st April 2015 and the financial statements as at and for the year ended 31st March 2016.

Exemptions applied : Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. **The group has, accordingly, applied following exemptions :** a) The group has elected to consider carrying amount of all items of Property, Plant and Equipments (PPE) and Intangible assets per Indian GAAP, as deemed cost at the date of transition.b) The group has availed the exemption of fair value measurement of financial assets or liabilities at initial

recognition and accordingly will apply fair value measurement of financial assets or liabilities at initial recognition prospectively to transactions entered into on or after 1st April 2015.

c) The estimates at 1st April 2015 and at 31st March, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items under Indian GAAP did not require estimation:- Fair value of investments in unquoted equity instruments. - Impairment of financial assets based on expected credit loss model- Discount ratesThe estimates used by the group to present these amounts in accordance with Ind AS reflect conditions that existed as at 1st April, 2015 and 31st March, 2016.

Notes to the reconciliation of equity as at 1st April 2015 and 31st March 2016 and Total comprehensive income for the year ended 31st March 2016

1. Fair Valuation of Investments : Under Indian GAAP, investments in equity instruments, mutual funds and debt securities were classified as long term investments or current investments based on the intended holding period and realisability. Long term investments were carried at cost less provision for other than temporary diminution in the value of investments. Current investments were carried at lower of cost and fair value. Ind AS requires such investments to be measured at fair value except investments in subsidiaries, associates and joint venture for which exemption has been availed.Accordingly, the group has designated investments in equity instruments and mutual fundsas FVTPL investments. The difference between the instrument's fair value and Indian GAAP carrying amounthas been recognized in retained earnings.

2. Financial instruments measured at amortized cost : Under Indian GAAP, interest free loan to employees are recorded at their transaction value. Under Ind AS, these loans are to be measured at amortized cost on the basis of effective interest rate method. Due to this, long term loans to employees and short term loans to employees has been decreased and difference between carrying amount and amortized cost has been recognized as 'Deferred employee cost' under the head 'Other non-current assets'/ 'Other current assets'.

3. Borrowings : Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method. Therefore, borrowings as at 1st April 2015 and 31st March 2016 have been reduced with corresponding adjustment in retained earnings.

5. Defined benefit obligation : Both under Indian GAAP and Ind AS, the group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gain and loss, are charged to profit and loss. Under Ind AS, such actuarial gain and loss is to be recognized separately through Other Comprehensive Income. Thus, employee cost has been reduced and actuarial gain/loss has been recognized in OCI net of taxes.

6. Sale of goods : Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Thus, sale of goods under Ind AS has increased by the excise duty with a corresponding increase in other expenses.

7. Deferred tax : Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS has resulted in recognition of deferred tax on temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

8. Statement of cash flows : The transition from Indian GAAP to IND AS has not had a material impact on statement of cash flows.

Notes to the Financial Statements for the year ended 31st March 2017

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in equity instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Particulars	Note No.	As at 31.03.2016 ₹ in lakhs IGAAP	Adjsutment	As at 31.03.2016 ₹ in lakhs IND AS	As at 01.04.2015 ₹ in lakhs IGAAP	Adjsutment	As at 01.04.2015 ₹ in lakhs IND AS
ASSETS							
Non - current assets							
Property, plant and equipment		53,711	627	54,338	57,249	(36)	57,213
Capital work - in - progress		2,858	(234)	2,624	2,883	(281)	2,602
Financial assets		-	-	-	-	-	-
Investments		-	724	724	-	441	441
Bank Balances		-	-	-	-	-	-
Loans		1,301	104	1,405	1,923	117	2,040
Deferred tax assets (net)		-	-	-	-	-	-
		57,870	**1,221**	**59,091**	**62,055**	**241**	**62,296**
Current assets							
Inventories		31,592	(103)	31,489	39,414	-	39,414
Financial assets		-	-	-	-	-	-
Trade receivables		21,043	1,004	22,047	18,850	1,113	19,963
Cash and cash equivalents		6,789	(6,176)	613	5,549	(5,084)	465
Bank Balances		-	5,842	5,842	-	4,959	4,959
Other financial assets		153	19	172	276	13	289
Current Tax Assets (Net)		-	1,197	1,197	-	1,163	1,163
Other current assets		4,588	(213)	4,375	7,638	(217)	7,421
		64,165	**1,570**	**65,735**	**71,727**	**1,947**	**73,674**
		122,035	**2,791**	**124,826**	**133,782**	**2,188**	**135,970**
Total assets							
EQUITY AND LIABILITIES							
EQUITY							
Equity share capital		18,022	-	18,022	18,022	-	18,022
Other equity		45,885	399	46,284	40,327	84	40,411
		63,907	**399**	**64,306**	**58,349**	**84**	**58,433**
Non Controlling Interest		**184**	(38)	146	**184**	-	184
LIABILITIES							
Non - current liabilities							
Financial liabilities							
Borrowings		7,384	(1,201)	6,183	14,254	(1,544)	12,710
Other financial liabilities		-	307	307	-	409	409
Deferred tax liabilities (Net)		7,439	221	7,660	6,515	-	6,515
Provisions		1,470	99	1,569	1,389	-	1,389
Other non-current liabilities		186	1,031	1,217	287	1,176	1,463
		16,479	**457**	**16,936**	**22,445**	**41**	**22,486**
Current liabilities							
Financial liabilities							
Borrowings		11,172	-	11,172	19,779	-	19,779
Trade payables		14,481	1,118	15,599	19,730	1,380	21,110
Other financial liabilities		8,438	(594)	7,844	8,408	(99)	8,309
Other current liabilities		7,374	1,450	8,824	4,887	782	5,669
		41,465	**1,974**	**43,439**	**52,804**	**2,063**	**54,867**
		122,035	**2,791**	**124,826**	**133,782**	**2,188**	**135,970**

Reconciliation of Equity as previously reported as per previous GAAP to Ind AS for year ended March 31, 2016 is as under :

Particulars	Amount
Equity as at 31.03.2016 as per IGAAP	63,907
Add :	
Sales Tax Grant Amortisation	326
Reversal of Depreciation due to change in useful life of PPE	1,803
Less:	
Interest on Sales Tax Loan	(343)
Impairment Loss	(1,154)
Deferred tax on accounting effect of IND AS adjustments	(224)
Finance cost on Mine Restoration	(9)
Equity as at 31.03.2016 as per IND AS	64,306

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PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

SUNFLAG IRON AND STEEL COMPANY LIMITED

REGISTERED OFFICE : 33, MOUNT ROAD, SADAR, NAGPUR - 440001

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

Tel No. + 91 712 2524661 / 2520356–7–8, Fax No. + 91 712 2520360, E-Mail ID : investor@sunflagsteel.com, Website : www.sunflagsteel.com

Thirty-first (31st) Annual General Meeting - Thursday, the 28th September 2017 at 3.00 p.m.

Name of the Member(s) :

Registered Address :

Email ID :

DPID	
CLID	

Reg. Folio No.	
No. of Shares	

Please tear off here

1. Name : ….....Email : ….....

Address : ….....

….....Signature : ….....

or failing him / her

2. Name : ….....Email : ….....

Address : ….....

….....Signature : ….....

or failing him / her

3. Name : ….....Email : ….....

Address : ….....

….....Signature : ….....

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Thirty-first (31st) Annual General Meeting of the Company, to be held on Thursday, the 28th September, 2017 at 3.00 p.m. at the Indian Medical Association's J R Shaw Auditorium, North Ambazari Road, Nagpur – 440010 and at any adjournment thereof in respect of such resolutions as are indicated below :

Sr. No.	Resolution	Vote (Optional) (Refer Note 2)		
		For	Against	Abstain
Ordinary Business				
1	Adoption of Financial Statements (Standalone & Consolidated) viz. Balance Sheet, Statement of Profit and Loss, Cash Flow Statements, Report of the Board of Directors and Auditors for the Year ended 31st March 2017			
2	Appointment of a Director in place of Mr. Ravi Bhushan Bhardwaj (DIN : 00054700), who retires by rotation and being eligible, offers himself for re-appointment			
3	Ratification of Re-appointment of Messers S. S. Kothari Mehta & Co., Chartered Accountants, New Delhi (ICAI Firm Registration No. 000756N) as the Statutory Auditors of the Company			
Special Business				
4	Appointment of Mr. Suhrit Ravi Bhushan Bhardwaj (DIN : 02318190) as a Director (Category - Promoter, Non-executive, Non-independent) of the Company			
5	Appointment of CA R. Muralidhar (DIN : 00982212) as a Director (Category - Non-independent, Executive) of the Company			
6	Appointment of Mr. Ramchandra Vasant Dalvi (DIN : 00012065) as a Director (Category - Non-independent, Executive) of the Company			
7	Re-appointment of Dr. E.R.C. Shekar (DIN : 00013670) as a Director (Category - Non-executive, Independent) of the Company			
8	Re-appointment of Mr. Kumar Jitendra Singh (DIN : 00626823) as a Director (Category - Non-executive, Independent) of the Company			
9	Re-appointment of Mr. S. Gajendran (DIN : 00250136) as a Director (Category - Non-executive, Independent) of the Company			
10	Re-appointment of CA Jayesh M. Parmar (DIN : 00802843) as a Director (Category - Non-executive, Independent) of the Company			
11	Re-appointment of Mr. Surendra Kumar Gupta (DIN : 00054836) as the Deputy Managing Director (Category - Non-independent, Executive) of the Company for a further period of three (3) years effective 30th July 2017			
12	Appointment of CA R. Muralidhar (DIN : 00982212) as the Whole-time Director, designated as the Executive Director (Finance) & CFO (Category - Non-independent, Executive) of the Company, for a period of three (3) years effective 14th August 2017			
13	Appointment of Mr. Ramchandra Vasant Dalvi (DIN : 00012065) as the Whole-time Director, designated as the Executive Director (Works), (Category - Non-independent, Executive) of the Company for a period of three (3) years effective 14th August 2017			
14	Ratification of Remuneration of Cost Auditors of the Company			

Signed this ….....day of ….....2017 Signature of shareholder .....

Affix Revenue Stamp

….....
Signature of first proxy holder

….....
Signature of second proxy holder

….....
Signature of third proxy holder

Notes :

1. This form of proxy, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less then 48 hours before the commencement of meeting.
2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.

ATTENDANCE SLIP

SUNFLAG IRON AND STEEL COMPANY LIMITED

REGISTERED OFFICE : 33, MOUNT ROAD, SADAR, NAGPUR - 440001

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

Tel No. + 91 712 2524661 / 2520356–7–8, Fax No. + 91 712 2520360, E-Mail ID : investor@sunflagsteel.com, Website : www.sunflagsteel.com

Thirty-first (31st) Annual General Meeting on Thursday, the 28th September 2017 at 3.00 p.m.

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint Shareholders may obtain additional Slips on request.

NAME & ADDRESS OF THE SHAREHOLDER(S)

DPID		Reg. Folio No.	
CLID		No. of Shares	

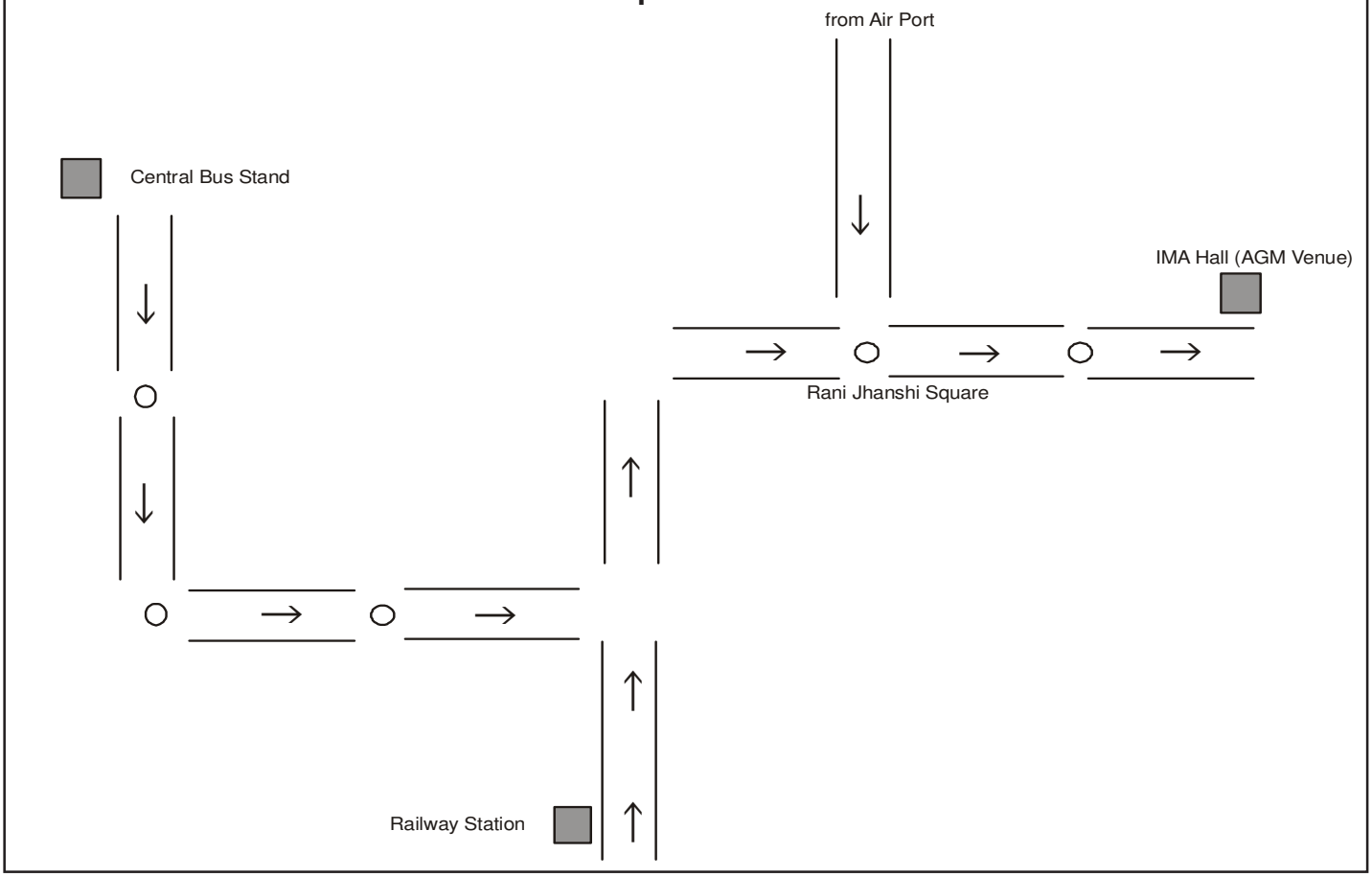
I hereby record my presence at the 31st Annual General Meeting of the Company held at Indian Medical Association's J.R. Shaw Auditorium, North Ambazari Road, Nagpur - 440010 on Thursday, the 28th September 2017 at 3.00 p.m.

SIGNATURE OF THE SHAREHOLDER OR THE PROXY ATTENDING THE MEETING

If Shareholder, Please Sign here	If Proxy, Please Sign here
.....	.....

Note : Your copy of Annual Report may please be brought alongwith you to the meeting hall

Route Map to AGM Venue



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SUNFLAG IRON AND STEEL COMPANY LIMITED

Registered Office : 33, Mount Road, Sadar, Nagpur - 440001 (Maharashtra) India

visit us at : www.sunflagsteel.com