

Independent Auditor's Review Report on standalone unaudited quarterly and year to date financial results of Sunflag Iron and Steel Company Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended for the quarter and nine months' period ended December 31, 2021.

To
The Board of Directors of
Sunflag Iron and Steel Company Limited,
Nagpur.

Introduction

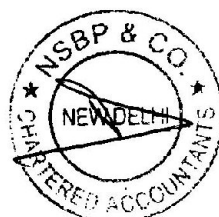
1. We have reviewed the accompanying statement of unaudited standalone financial results of **Sunflag Iron and Steel Company Limited** ('the Company') for the quarter ended December 31, 2021 and year to date results for the period from April 01, 2021 to December 31, 2021 ("the Statement"), attached herewith, being prepared and submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended to date (the "Listing Regulations"), which has been initialed by us for identification purpose.
2. The preparation of the Statement is in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant Rules issued thereunder and other accounting principles generally accepted in India, read with the Listing Regulations, is the responsibility of the Company's Management and has been approved by the Board of Directors of the Company. Our responsibility is to issue a report on the Statement based on our review.

Scope of Review

3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "*Review of Interim Financial Information performed by the Independent Auditor of the Entity*" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of person responsible for financials and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in all material respects in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards (Ind-AS) prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder including the amendment thereof and other recognized accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

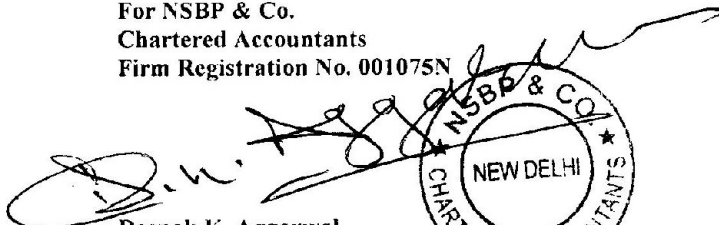
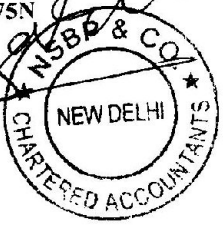


Emphasis of Matters

5. We draw attention to the fact that the Company has given a long term advance in the earlier years aggregating of Rs. 3,324 lakhs to one of the supplier of the minerals but due to security issues, there are no movement of the goods done till date. However, based on the management's estimate this contract is having a good potential savings to the Company in terms of availability of the minerals at a very competitive price, hence no provision for the same has been created by the Company against the said advances.

Our conclusion is not modified in respect of above matter.

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

Deepak K. Aggarwal
Partner
M. No. 095541
UDIN: 22095541ABEHUD2296
Place: New Delhi
Date: February 10, 2022

**SUNFLAG IRON AND STEEL COMPANY LIMITED**

Regd. Office : 33, Mount Road, Sadar, Nagpur.

CIN : L27100MH1984PLC034003

Tel No. 0712-2524661/ Fax : 0712-2520360/ e-mail : investor@sunflagsteel.com / web site : www.sunflagsteel.com

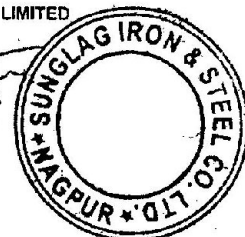
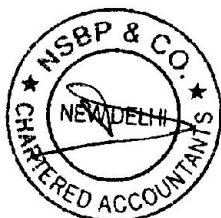
UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2021

Amount ₹. In Lakh, Except otherwise stated

Sr No.	PARTICULARS	Quarter Ended			Nine Months ended		Year ended
		December, 31 2021	September, 30 2021	December, 31 2020	December, 31 2021	December, 31 2020	March 31, 2021
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
1.	Income from operations						
	a) Net Sales/ Income from Operations	69,628	68,561	64,818	2,04,928	1,33,611	1,89,155
	b) Other Income	116	148	335	357	782	1,092
	Total income from operations (net)	69,742	68,709	65,153	2,05,285	1,34,393	1,90,247
2.	Expenses						
	a) Cost of materials consumed	45,179	48,697	40,217	1,39,360	78,553	1,09,761
	b) Changes in Inventories of Finished Goods and Work-in-process	(2,261)	(8,303)	3,544	(15,437)	11,213	11,211
	c) Employees benefits expense	2,865	2,739	2,376	7,950	6,147	9,246
	d) Finance Costs	1,361	1,033	701	3,031	2,250	2,868
	e) Depreciation and amortisation expense	1,885	1,871	1,714	5,628	5,136	7,018
	f) Other expenditure	15,076	13,709	10,652	41,084	22,757	34,283
	Total expenses	64,105	59,746	59,204	1,81,616	1,26,056	1,74,387
3.	Profit/(Loss) from ordinary activities after finance costs but before Exceptional Items	5,637	8,963	5,949	23,669	8,337	15,860
4.	Exceptional items						
5.	Profit/(Loss) from Ordinary activities before tax	5,637	8,963	5,949	23,669	8,337	15,860
6.	Tax Expense						
	a) Current Tax	(1,464)	(2,452)	(1,739)	(6,335)	(2,722)	(4,772)
	b) Deferred Tax	59	28	486	238	486	992
	c) Income tax pertaining to earlier years	-	-	-	-	-	1,272
7.	Net Profit/(Loss) from Ordinary activities after Tax	4,232	6,539	4,696	17,572	6,101	13,352
8.	Other Comprehensive Income/(Loss)						
	a) item not to be classified to profit and loss item	94	(99)	-	(5)	-	68
	b) Income Tax Relating to above items	-	-	-	-	-	-
	Other Comprehensive Income/(loss) (net of tax)	94	(99)	-	(5)	-	68
9.	Total Comprehensive Income for the period / year (Net of Tax)	4,326	6,440	4,696	17,567	6,101	13,420
10.	Paid-up equity share capital (Face value of ₹.10/-each)	18,022	18,022	18,022	18,022	18,022	18,022
11.	Other Equity						1,34,056
12.	Earnings per Share (EPS) (₹.) (Face value of ₹.10/-each)						
	a) Basic and diluted EPS before extra ordinary items	2.35	3.63	2.61	9.75	3.39	7.41
	b) Basic and diluted EPS after extra ordinary items	2.35	3.63	2.61	9.75	3.39	7.41

Notes:

- The Standalone financial results have been reviewed by the audit committee and approved by the Board of Directors at their respective meeting held on Feb 10, 2022. Limited review under regulation 33 of the SEBI (Listing obligations and disclosure requirements) Regulation, 2015 has been carried out by the statutory auditors of the company. The auditors have expressed an unqualified report on the above results.
- The Standalone financial results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 as amended and other recognized accounting practices and policies to the extent possible.
- The Standalone financial results for the quarter ended 31st December 2021, have been prepared in accordance with the recognition and measurement principles laid down in Ind AS-34 "Interim Financial reporting".
- 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'.
- The figures of previous periods have been re-grouped /re-arranged wherever necessary to make them comparable.
- The results of the company are also available on stock exchange websites www.nseindia.com, www.bseindia.com and on the company website www.sunflagsteel.com

For and on behalf of the Board of Directors
SUNFLAG IRON AND STEEL COMPANY LIMITEDSURENDRA KUMAR GUPTA
DY. MANAGING DIRECTOR
DIN : 00054836PLACE : NAGPUR
DATE : 10th FEBRUARY 2022

NSBP & CO.

CHARTERED ACCOUNTANTS

Independent Auditor's Review Report on the consolidated unaudited quarterly and year to date financial results of Sunflag Iron and Steel Company Limited, Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended for the quarter and nine months' period ended December 31, 2021.

**To the Board of Directors of
Sunflag Iron and Steel Company Limited,
Nagpur**

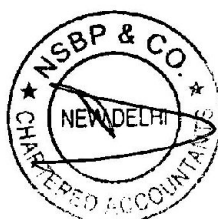
Introduction

1. We have reviewed the accompanying statement of unaudited consolidated financial results of Sunflag Iron and Steel Company Limited ("the Parent Company") and its subsidiaries (the Parent Company and its subsidiaries together referred to as "the Group") and its share of net profit/ (loss) after tax including other comprehensive profit/(loss) of its joint ventures for the quarter ended December 31, 2021 and year to date results for the period from April 01, 2021 to December 31, 2021 ("the Statement"), being prepared and submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended to date (the "Listing Regulations"), which has been initialed by us for identification purpose.
2. This Statement, which is the responsibility of the Parent Company's Management and approved by the Parent Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India, read with the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

Scope of Review

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended to date, to the extent applicable.



4. The statement includes results of the following entities:

a. Subsidiaries:

1. Sunflag Power Limited
2. Khappa Coal Company Private Limited

b. Joint Ventures

1. CT Mining Private Limited
2. Daido DMS India Private Limited
3. Ramesh Sunwire Private Limited
4. Madanpur (North) Coal Co. Private Limited

Conclusion

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review report of other auditor referred in other matters paragraph below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

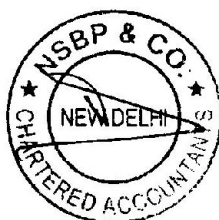
6. Emphasis of Matters

We draw attention to the fact that the parent company has given a long term advance in the earlier years aggregating of Rs. 3,324 lakhs to one of the supplier of the minerals but due to security issues, there are no movement of the goods done till date. However, based on the management's estimate this contract is having a good potential savings to the parent company in terms of availability of the minerals at a very competitive price, hence no provision for the same has been created by the parent company against the said advances.

Our conclusion is not modified in respect of the above matter.

Other Matters


7. We did not review the unaudited financial information/ financial results of the above mentioned two subsidiaries, whose reviewed quarterly and nine months' standalone financial results reflect total revenues of Rs. 1 Lakhs and Rs. 4 Lakhs, total net profit after tax of Rs. 1 Lakhs and Rs. 3 Lakhs and total comprehensive income of Rs. 1 lakhs and Rs. 3 Lakhs, for the quarter and nine months period ended December 31, 2021 as considered in the Statement. Our report to the extent it concerns these subsidiaries, on the unaudited quarterly and year to date is based solely on the management certified financial results. These subsidiaries are not considered material to the group. All the figures stated above are before giving the effect of consolidation adjustments.
8. We did not review the unaudited financial results of the above mentioned 4 joint ventures, wherein Group's share of profit including other comprehensive income of Rs. 25 Lakhs & Rs. 45 Lakhs for the quarter and nine months' period ended December 31, 2021, respectively, as considered in this Statement.

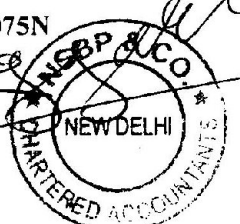


9. Out of companies mention in point 8 above, We did not review the unaudited financial results of the above mentioned 2 joint ventures, wherein Group's share of profit including other comprehensive income of Rs. 24 Lakhs & Rs. 42 Lakhs for the quarter and nine months' period ended December 31, 2021, respectively, as considered in this Statement, have been reviewed by other auditors whose review reports have been furnished, to us. Our report, to the extent it concerns these joint ventures, on the unaudited quarterly and nine months' consolidated financial results is based solely on the report of the other auditors. These joint ventures are not considered material to the Group.
10. Out of companies mention in point 8 above, We did not review the unaudited financial results of the above mentioned 2 joint ventures, wherein 1 joint venture mainly CT mining Private Limited, Group's share of profit including other comprehensive income of Rs. 1 Lakh & Rs. 3 Lakhs for the quarter and nine months' period ended December 31, 2021, respectively, as considered in the Statement, our report to the extent it concerns these joint ventures, on the unaudited quarterly consolidated financial results is based solely on the management certified financial results and in respect of Madanpur (North) Coal Co. Private Limited is not consolidated and not provided by the management as there is no material operation during the quarter and nine months' period ended December 2021. These joint ventures are not considered material to the Group.

Our conclusion on the Statement are not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors including management certified financials.

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


Deepak K. Aggarwal
Partner
M. No. 095541
UDIN: 22095541ABEJWL9124



Place: New Delhi
Date: February 10, 2022



SUNFLAG IRON AND STEEL COMPANY LIMITED

Regd. Office : 33, Mount Road, Sadar, Nagpur.

CIN : L27100MH1984PLC034003

Tel No. 0712-2524661/ Fax: 0712-2520360/ e-mail : investor@sunflagsteel.com / web site : www.sunflagsteel.com

UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31st DECEMBER, 2021

Amount ₹. in Lakh, Except otherwise stated

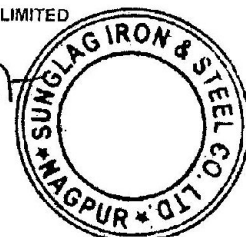
Sr. No.	PARTICULARS	Quarter Ended			Nine Months ended		Year ended
		December, 31 2021	September, 30 2021	December, 31 2020	December, 31 2021	December, 31 2020	March 31, 2021
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
1.	Income from operations						
	a) Net Sales/ Income from Operations	69,626	68,561	64,818	2,04,928	1,33,611	1,89,155
	b) Other Income	120	148	336	381	786	1,098
	Total income from operations (net)	69,746	68,709	65,154	2,05,289	1,34,397	1,90,253
2.	Expenses						
	a) Cost of materials consumed	45,179	48,697	40,217	1,39,360	78,553	1,09,761
	b) Changes in Inventories of Finished Goods and Work-in-process	(2,261)	(8,303)	3,544	(15,437)	11,213	11,211
	c) Employees benefits expense	2,865	2,739	2,376	7,950	6,147	9,246
	d) Finance Costs	1,360	1,034	701	3,031	2,250	2,868
	e) Depreciation and amortisation expense	1,885	1,871	1,715	5,628	5,137	7,020
	f) Other expenditure	15,078	13,709	10,652	41,084	22,757	33,612
	Total expenses	64,104	59,747	59,205	1,81,616	1,26,057	1,73,718
3.	Profit/(Loss) from ordinary activities after finance costs but	5,642	8,962	5,949	23,673	8,340	16,535
4.	Exceptional items	-	-	-	-	-	-
5.	Profit/(Loss) from Ordinary activities before tax	5,642	8,962	5,949	23,673	8,340	16,535
6.	Tax Expense						
	a) Current Tax	(1,465)	(2,452)	(1,739)	(6,336)	(2,723)	(4,772)
	b) Deferred Tax	59	28	486	238	486	992
	c) Income tax pertaining to earlier years	-	-	-	-	-	1,272
7.	Net Profit/(Loss) from Ordinary activities after Tax	4,236	6,538	4,696	17,575	6,103	14,027
8.	Share of Profit/(Loss) in Joint Venture	25	11	(7)	45	(54)	35
9.	Total Profit/(Loss)	4,261	6,549	4,689	17,620	6,049	14,062
10.	Total Profit/(Loss) from Continuing operations after Tax attributable to						
	a) Owners Equity	4,261	6,548	4,689	17,619	6,048	14,061
	b) Non- Controlling Interest	-	1	-	1	1	1
11.	Total Profit/(Loss) from Continuing operations after Tax	4,261	6,549	4,689	17,620	6,049	14,062
12.	Other Comprehensive Income (net of tax) attributable to						
	a) Owners Equity	94	(99)	-	(5)	-	68
	b) Non- Controlling Interest	-	-	-	-	-	-
	c) Income Tax Relating to items that will not be reclassified to profit or	-	-	-	-	-	-
13.	Total Comprehensive Income (Net of Tax) (11+12)	4,355	6,450	4,689	17,615	6,049	14,130
	a) Owners Equity	4,355	6,449	4,689	17,614	6,048	14,129
	b) Non- Controlling Interest	-	1	-	1	1	1
14.	Paid-up equity share capital (Face value of ₹.10/-each)	18,022	18,022	18,022	18,022	18,022	18,022
15.	Other Equity						1,35,263
16.	Earnings per Share (EPS) (₹.) (Face value of ₹.10/-each)						
	a) Basic and diluted EPS before extra ordinary items	2.36	3.63	2.60	9.78	3.36	7.80
	b) Basic and diluted EPS after extra ordinary items	2.36	3.63	2.60	9.78	3.36	7.80

Notes:

- The consolidated financial results have been reviewed by the audit committee and approved by the Board of Directors at their respective meeting held on Feb 10, 2022. Limited review under regulation 33 of the SEBI (Listing obligations and disclosure requirements) Regulation, 2015 has been carried out by the statutory auditors of the company. The auditors have expressed an unqualified report on the above results.
- The consolidated financial results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 as amended and other recognized accounting practices and policies to the extent possible.
- The consolidated financial results for the quarter ended 31st December 2021, have been prepared in accordance with the recognition and measurement principles laid down in Ind AS-34 "Interim Financial reporting"
- 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'.
- The figures of previous periods have been re-grouped /re-arranged wherever necessary to make them comparable.
- The results of the company are also available on stock exchange websites www.nseindia.com, www.bseindia.com and on the company website www.sunflagsteel.com

For and on behalf of the Board of Directors
SUNFLAG IRON AND STEEL COMPANY LIMITED

SURENDRA KUMAR GUPTA
DY. MANAGING DIRECTOR
DIN : 00054836



PLACE : NAGPUR
DATE : 10th FEBRUARY 2022

