

Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone 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.

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

Report on the Audit of the Standalone Annual Financial Results

Opinion

We have audited the accompanying annual standalone financial results of **Sunflag Iron and Steel Company Limited** (the "Company") for the quarter ended March 31, 2022 and year the year to date results for the period April 01, 2021 to March 31, 2022 (the "Statement") attached herewith, being prepared and submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"), which has been initialed by us for identification purpose.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Statement:

(i) is presented in accordance with the requirements of the Listing Regulations in this regard; and

(ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India, of the net profit, other comprehensive income and other financial information of the Company for the quarter ended March 31, 2022 and the year to date results for the period April 01, 2021 to March 31, 2022.

Basis for Opinion

We conducted our audit of the Statement in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Management and Board of Director's Responsibilities for the Standalone Annual Financial Results

The Statement has been prepared on the basis of the standalone annual financial statements.



The Company's management and Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act, read with relevant Rules issued thereunder and other accounting principles generally accepted in India and in compliance with the Listing Regulations.

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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results

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

As part of an audit in accordance with 'Standard on Auditing's' (SA), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under the Listing Regulations.
- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Statement of the company to express an opinion on the annual standalone financial results.

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

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

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

Other Matter

The Statement includes the results for the quarter ended March 31, 2022 being the balancing figure between the audited figures in respect of the financial year ended March 31, 2022 and the published unaudited year to date figures up to the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.



NSBP & CO.

Our opinion is not modified in respect of above matter.

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




DEEPAK K. AGGARWAL
Partner

M. No. 095541

UDIN:- 22095541AJSSIY2425

Place : New Delhi
Date : May 27, 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

AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022

Amount ₹. In Lakhs except otherwise stated

Sr No	PARTICULARS	Quarter Ended		Year Ended	
		March, 31	December, 31	March, 31	March, 31
	Result Type ->	2022	2021	2021	2021
		AUDITED #	UNAUDITED	AUDITED #	AUDITED
1	Income				
	Revenue from Operations				
	Other income	64,898	69,826	55,544	2,69,826
	Total Income	94	116	192	451
2	Expenses	64,992	69,742	55,736	2,70,277
	a) Cost of materials consumed				
	b) Changes in inventories of Finished Goods and Work-in-process.	51,992	45,179	31,208	1,91,352
	c) Employees benefits expense	(11,781)	(2,261)	(2)	(27,218)
	d) Finance Costs	1,836	2,865	3,099	9,786
	e) Depreciation and amortisation expense	1,194	1,361	618	4,225
	f) Other expenditure	2,003	1,885	1,882	7,631
	Total expenses	14,988	15,076	11,408	56,072
3.	Profit/(Loss) before exceptional Items & tax	60,232	64,105	48,213	2,41,848
4	Exceptional items	4,760	5,637	7,523	28,429
5.	Profit/(Loss) before tax	-	-	-	-
6	Tax Expense	4,760	5,637	7,523	28,429
	a) Current Tax				
	b) Deferred Tax	(1,059)	(1,464)	(2,050)	(7,394)
	c) Income tax pertaining to earlier years	367	59	506	605
7.	Net Profit/(Loss) for the period/year after tax	-	-	1,272	-
8.	Other Comprehensive Income/(Loss)	4,068	4,232	7,251	21,640
	a) Item not to be classified to profit and (loss) item	(89)	94	-	(94)
	b) Income Tax Relating to above items	-	-	-	-
	Other Comprehensive Income /(loss) (net of tax)	(89)	94	-	-
9.	Total Comprehensive Income for the period / year (Net of Tax)	3,979	4,326	7,251	21,546
10.	Paid-up equity share capital (Face value of ₹.10/-each)	18,022	18,022	18,022	18,022
11.	Other Equity				
12.	Earnings per Share (EPS) (₹.) (Face value of ₹.10/-each)				
	Basic and diluted EPS	2.26	2.35	4.02	12.01
	# Refer note no. 6				

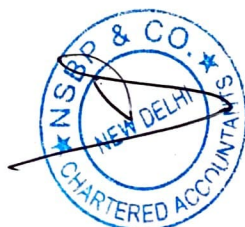
Notes :

- The Standalone financial results have been reviewed and recommended by the audit committee and approved by the Board of Directors at their respective meeting held on May 27, 2022. Limited review under regulation 33 of the SEBI (Listing obligations and disclosure requirements) Regulations, 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 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 Company received an Arbitration award dated 22nd Apr-2022 towards settlement of its claims on Lloyds Metals and Energy Limited (LMEI). The order imposed financial liability on LMEI to the tune of Rs.900 Crores. An online intimation of the said Order under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been filed with the BSE and NSE by the Company on 23rd Apr-2022. Since the implementation of the Arbitration Award has not reached its finality as on the date of approval of the financials, the company has not recognised the impact of the same in the financial statements.
- The figures of previous periods have been re-grouped /re-arranged wherever necessary to make them comparable.
- The Figures of last Quarter are the balancing figures between Audited figures in respect of the full financial year and the published year to date figures upto the third quarter of current financial year.
- The results of the company are also available on stock exchange websites www.nseindia.com, www.bseindia.com and on the Company website

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 : May 27, 2022





SUNFLAG IRON AND STEEL COMPANY LIMITED

STATEMENT OF ASSETS AND LIABILITIES	Amount ₹. In Lakh			
	STANDALONE		CONSOLIDATED	
	Year ended March 31, 2022 AUDITED	Year ended March 31, 2021 AUDITED	Year ended March 31, 2022 AUDITED	Year ended March 31, 2021 AUDITED
Particulars				
ASSETS				
Non-current Assets				
(a) Property, plant and equipment	1,19,700	1,13,170	1,19,879	1,13,349
(b) Right-of-use assets	5,304	5,601	5,304	5,601
(c) Capital work - in - progress	35,027	15,026	37,313	17,310
(d) Financial assets				
(i) Investments	1,389	1,389	1,659	1,600
(ii) Non- Current Loans	1,030	1,028	-	-
(iii) Other Financial Assets	7,666	1,670	7,666	1,670
(e) Other non current assets	2,348	8,807	2,372	8,831
Total non-current assets	1,72,464	1,46,691	1,74,193	1,48,361
Current Assets				
(a) Inventories	83,694	54,380	83,694	54,380
(b) Financial assets				
(i) Trade receivables	27,630	21,022	27,630	21,022
(ii) Cash and cash equivalents	1,468	1,740	1,594	1,863
(iii) Bank Balances	5,169	5,194	5,169	5,194
(iv) Other financial assets	115	127	115	127
(c) income tax assets (net)	756	-	754	-
(d) Other current assets	15,527	7,983	15,527	7,983
	1,34,359	90,446	1,34,483	90,569
TOTAL ASSETS	3,06,823	2,37,137	3,08,676	2,38,930
EQUITY AND LIABILITIES				
Shareholders' funds				
(a) Share capital	18,022	18,022	18,022	18,022
(b) Other equity	1,55,602	1,34,056	1,56,873	1,35,263
Total Shareholders' funds	1,73,624	1,52,078	1,74,895	1,53,285
Non controlling interest	-	-	154	152
Non-current Liabilities				
(a) Financial liabilities				
(i) Borrowings	18,893	12,945	19,321	13,373
(ii) Lease liabilities	5,581	5,721	5,581	5,721
(iii) Other financial liabilities	879	1,525	879	1,525
(b) Provisions	3,404	3,909	3,404	3,910
(c) Deferred tax liabilities (Net)	16,647	17,252	16,647	17,252
(d) Other non-current liabilities	12	60	12	60
Total Non-Current Liabilities	45,416	41,412	45,844	41,841
Current Liabilities				
(a) Financial liabilities				
(i) Borrowings	33,481	7,481	33,481	7,481
(ii) Lease Liabilities	293	254	293	254
(iii) Trade payables				
- Total outstanding dues of Micro Enterprises and Small Enterprises	1,059	810	1,059	810
- Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	44,260	25,755	44,260	25,756
(iv) Other financial liabilities	7,995	8,352	7,995	8,354
(b) Other current liabilities	695	400	695	399
(c) Current tax liabilities (net)	-	595	-	598
Total Current Liabilities	87,783	43,647	87,783	43,652
TOTAL EQUITY AND LIABILITIES	3,06,823	2,37,137	3,08,676	2,38,930





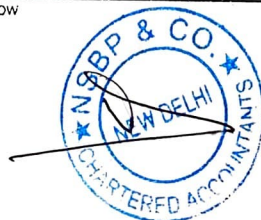
SUNFLAG IRON AND STEEL COMPANY LIMITED

Cash flow statement for the year ended March 31, 2022

₹.in Lakh

Particulars	STANDALONE		CONSOLIDATED	
	Year ended March 31, 2022 AUDITED	Year ended March 31, 2021 AUDITED	Year ended March 31, 2022 AUDITED	Year ended March 31, 2021 AUDITED
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax	28,429	15,860	28,434	16,535
Items that will not be reclassified to profit or loss	-	-	-	-
<u>Adjustments for:</u>				
Depreciation and amortisation	7,631	7,018	7,631	7,020
Finance costs	4,225	2,948	4,225	2,948
Interest income	(307)	(591)	(311)	(597)
Actuarial Gain / (Loss)	(89)	68	(89)	68
Provision for Foreign Currency hedging	(5)	-	(5)	-
Provision for diminution in investment and Loans (net)	-	670	-	-
Provision for earlier years no longer required	804	-	758	-
Provision for doubtful trade and other receivables, loans and advances	(152)	408	(152)	408
Operating profit / (loss) before working capital changes	40,536	26,381	40,491	26,382
<u>Changes in working capital:</u>				
<u>Adjustments for: (increase) / decrease in operating assets:</u>				
Inventories	(29,314)	1,897	(29,313)	1,897
Trade receivables	(6,456)	733	(6,457)	733
Short-term loans and advances	(744)	1,681	(742)	1,678
Long-term loans and advances	(5,261)	820	(5,996)	88
Other current assets	(7,544)	1,090	(7,544)	1,062
Other non-current assets	5,722	(2,838)	6,462	(2,719)
Sub Total for Changes in working capital	(43,597)	3,385	(43,590)	2,739
<u>Adjustments for increase / (decrease) in operating liabilities:</u>				
Trade payables	18,754	(3,994)	18,753	(4,187)
Other current liabilities	(2,752)	2,068	(2,351)	2,263
Short-term provisions	-	-	-	-
Other long-term liabilities	(225)	(154)	(583)	(154)
Long-term provisions	(1,006)	(570)	(1,006)	76
Cash flow from extraordinary items				
Cash generated from operations	14,771	(2,650)	14,813	(2,002)
Income tax (paid)/Refund (net)	(7,394)	(4,772)	(7,395)	(4,772)
Net cash flow from / (used in) operating activities (A)	4,316	22,344	4,319	22,347
B. Cash flow from investing activities				
Capital expenditure on PPE, including capital advances	(33,865)	(5,366)	(33,869)	(5,372)
Proceeds from sale of property, plant and equipment	-	-	-	-
Other Bank deposits not considered in Cash & Cash Equivalents(Net)	25	(732)	25	(732)
Interest income	307	591	311	597
Long-term investments in:				
- Joint ventures	-	(490)	-	(490)
Net cash flow from / (used in) investing activities (B)	(33,533)	(5,997)	(33,533)	(5,997)
C. Cash flow from financing activities				
Proceeds from long-term borrowings	17,500	1,730	17,500	1,730
Inflow/(Repayment) of long-term borrowings	(9,112)	(1,521)	(9,112)	(1,521)
Net (decrease)/ increase in working capital borrowings	26,000	(11,203)	26,000	(11,203)
Proceeds from other short-term borrowings	-	-	-	-
Repayment of unsecured Deferred Sales Tax Loan	(648)	(812)	(648)	(812)
Finance cost	(3,632)	(2,341)	(3,632)	(2,341)
Dividends paid	-	-	-	-
Lease Payments	(1,163)	(981)	(1,163)	(981)
Net cash flow (used in)/ from financing activities (C)	28,945	(15,128)	28,945	(15,128)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(272)	1,219	(269)	1,222
Cash and cash equivalents at the beginning of the year	1,740	521	1,863	641
Effect of exchange differences on restatement of foreign currency	-	-	-	-
Cash and cash equivalents	-	-	-	-
Cash and cash equivalents at the end of the year	1,468	1,740	1,594	1,863

Note : Figures in brackets indicates cash outflow



Independent Auditor's Report on the Quarterly and Year to Date Audited Consolidated 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.

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

Report on the Audit of the Consolidated Annual Financial Results

Opinion

We have audited the accompanying consolidated annual financial results **Sunflag Iron and Steel Company Limited** (the "Holding Company" or "Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as the "Group") and its share of net profit/(loss) after tax and total comprehensive income of its joint ventures for the quarter ended March 31, 2022 and year to date results for the period April 01, 2021 to March 31, 2022 ("the Statement") attached herewith, being prepared and submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"), which has been initialled by us for identification purpose.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate audited financial statements of the subsidiaries and audited/ management certified financial statements/ results of its joint ventures, the aforesaid Statement:

(i) includes the financial 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 Sunware Private Limited
4. Madanpur (North) Coal Co. Private Limited

(ii) are presented in accordance with the requirements of the Listing Regulations in this regard; and

(iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India, of the consolidated net profit, other comprehensive income and other financial information of the Group and its joint ventures for the quarter ended March 31, 2022 and the year to date results for the period April 01, 2021 to March 31, 2022.

Basis for Opinion

We conducted our audit of the Statement in accordance with the Standards on Auditing (SAs) as specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial



Results" section of our report. We are independent of the Group and its Joint Ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Statement under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence obtained by us and other auditor in terms of their report referred to in "Other Matter" paragraph below and information provided for management certified financial statements/ results of its joint ventures, is sufficient and appropriate to provide a basis for our audit opinion.

Management's and Board of Director's Responsibilities for the Consolidated Annual Financial Results

The Statement have been prepared on the basis of the consolidated annual financial statements.

The Parent's Management and the Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the consolidated net profit and consolidated other comprehensive income and other financial information of the Group and its joint ventures in accordance with the applicable accounting standards prescribed under Section 133 of the Act, read with relevant Rules issued thereunder and other accounting principles generally accepted in India and in compliance with the Listing Regulations.

The respective Management and Board of Directors of the Companies included in the Group and its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 Statement, 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 Statement by the Management and Directors of the Parent, as aforesaid, which have been used for the purpose of the preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the Statement, the respective Management and Board of Directors of the Companies included in the Group and its joint venture are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and its joint ventures are also responsible for overseeing the financial reporting process of the Group and of its joint ventures.

Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results

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



As part of an audit in accordance with Standard on Auditing's* (SA), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on through a separate report on the complete set of financial statements on whether the Group and its joint ventures has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and the Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/ information of the entities within the Group and its joint ventures of which we are the independent auditors to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

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



We communicate with those charged with governance of the Parent and such other entities included in the Statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

We also performed procedures in accordance with the Circular issued by the Securities Exchange Board of India under Regulation 33 (8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

- a) The Statement includes the audited financial results of two (2) subsidiaries whose financial results/financial statements reflect total assets of Rs. 2622 lakhs as at March 31, 2022; as well as the total revenue Rs. 1 lakhs and 5 lakhs, total profit after tax of Rs. 1 lakhs and 4 lakhs, total comprehensive income of Rs. 1 lakh and 4 lakhs for the quarter and the year ended on that date respectively, and net cash inflow/outflow amounting to Rs. 4 lakhs for the year ended March 31, 2022, as considered in the statements which have been audited by the respective independent auditors. All the figures stated above are before giving the effect of consolidation adjustment.

The Independent Auditor's report on the financial results of these entities been furnished to us by the management, and Our opinion on the Statement in so far as it related to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors and procedure performed by us as stated in paragraph above.

- b) The accompanying Statement also includes Group's share of profit including other comprehensive income of Rs. 13 lakhs and 58 lakhs for the quarter and year ended March 31, 2022 respectively in respect of two (2) joint venture companies, whose financial statements have not been audited by us as considered in the consolidated financial statements, which have been audited by the respective independent auditors. Our report, to the extent it concerns to these joint venture entities on the consolidated financial statements is based on the standalone financial statements audited by the respective independent auditors. These joint venture entities are not considered material to the Group. All the figures stated above are before giving the effect of consolidation adjustments.
- c) The accompanying Statement also includes Group's share of net profit/(loss) after tax of Rs. 1 lakh and Rs. 3 lakhs for the quarter and year ended March 31, 2022 respectively, in respect of CT Mining Private Limited, the financial statement and other financial information have been audited by other auditor whose audit report for the year ended March 31, 2022 have been furnished to us by the management, and our report, insofar as it relates to the aforesaid joint venture, is based solely on the report of such auditor. The financial results of other joint venture company namely Madanpur (North) Coal Co. Private Limited was not available thus, the same has not been considered for consolidation purpose and also the investment is fully impaired in the financial statement. These joint venture entities are not considered material to the Group. All the figures stated above are before giving the effect of consolidation adjustments.

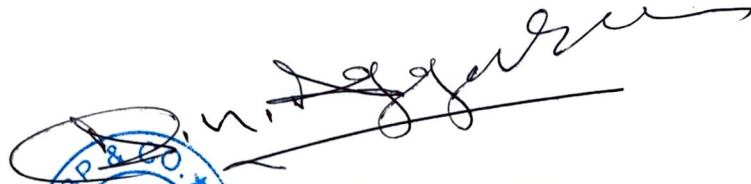



Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

- d) The Statement includes the results for the quarter ended March 31, 2022 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2022 and the published unaudited year to date figures up to the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

Our opinion on the Statement is not modified in respect of above matters.

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

DEEPAK K. AGGARWAL
Partner
M. No. 095541
UDIN:- 22095541AJSTCK5726

Place : New Delhi
Date : May 27, 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

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022

Amount ₹. In Lakhs except otherwise stated

Sr No	PARTICULARS	Quarter Ended		Year Ended	
		March, 31	December, 31	March, 31	March, 31
		2022	2021	2021	2021
	Result Type ->	AUDITED #	UNAUDITED	AUDITED #	AUDITED
1	Income				
	Revenue from Operations	64,898	69,626	55,544	2,89,826
	Other income	95	120	312	456
	Total Income	64,993	69,746	55,856	2,70,282
2	Expenses				
	a) Cost of materials consumed	51,992	45,179	31,208	1,91,352
	b) Changes in inventories of finished goods and work-in-process	(11,781)	(2,261)	(2)	(27,218)
	c) Employees benefits expense	1,836	2,865	3,099	9,788
	d) Finance Costs	1,194	1,360	618	4,225
	e) Depreciation and amortisation expense	2,003	1,885	1,883	7,631
	f) Other expenditure	14,988	15,076	10,855	56,072
	Total expenses	60,232	64,104	47,661	2,41,848
3	Profit/(Loss) before share of profit/(loss) from JVs and exceptional items & tax	4,761	5,642	8,195	28,434
4	Exceptional items	-	-	-	-
5	Profit/(Loss) before tax	4,761	5,642	8,195	28,434
6	Tax Expense				
	(a) Current tax	(1,059)	(1,465)	(2,049)	(7,395)
	(b) Deferred Tax	367	59	506	605
	(c) Income tax pertaining to earlier years	-	-	1,272	-
7	Net Profit/(Loss) for the period/year after tax	4,069	4,236	7,924	21,644
8	Share of Profit/ (Loss) in Joint Venture	13	25	89	58
9	Total Profit / (Loss)	4,082	4,261	8,013	21,702
10	Total Profit/(Loss) after Tax attributable to				
	a) Owners Equity	4,081	4,261	8,012	21,700
	b) Non- Controlling Interest	1	-	1	2
11	Total Profit/(Loss) after Tax for the period/ year	4,082	4,261	8,013	21,702
12	Other Comprehensive Income for the period/ year (net of tax) attributable to				
	a) Owners Equity	(89)	94	68	(94)
	b) Non- Controlling Interest	-	-	-	-
	c) Income Tax Relating to items that will not be reclassified to Profit & Other Comprehensive Income (net of tax)	(89)	94	68	(94)
13	Total Comprehensive income (Net of Tax) attributable to	3,993	4,355	8,081	21,608
	a) Owners Equity	3,992	4,355	8,081	21,606
	b) Non- Controlling interest	1	-	-	2
14	Paid-up equity share capital (Face value of ₹.10/-each)	18,022	18,022	18,022	18,022
15	Other Equity				1,56,873
16	Earnings per Share (EPS) (₹.) (Face value of ₹.10/-each)				1,35,263
	Basic and diluted EPS	2.27	2.36	4.45	12.04
	# Refer note no. 6				7.80

Notes :

- The consolidated financial results have been reviewed and recommended by the audit committee and approved by the Board of Directors at their respective meeting held on May 27, 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 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 Company received an Arbitration award dated 22nd Apr-2022 towards settlement of its claims on Lloyds Metals and Energy Limited (LMEL). The order imposed financial liability on LMEL to the tune of Rs.900 Crores. An online intimation of the said Order under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been filed with the BSE and NSE by the Company on 23rd Apr-2022. Since the implementation of the Arbitration Award has not reached its finality as on the date of approval of the financials, the company has not recognised the impact of the same in the financial statements.
- The figures of previous periods have been re-grouped /re-arranged wherever necessary to make them comparable.
- The Figures of last Quarter are the balancing figures between Audited figures in respect of the full financial year and the published year to date figures upto the third quarter of current financial year.
- 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

PLACE : NAGPUR
DATE : May 27, 2022



For and on behalf of the board of directors
SUNFLAG IRON AND STEEL COMPANY LIMITED

SURENDRA KUMAR GUPTA
DY. MANAGING DIRECTOR
DIN : 00054836