

Independent Auditor's Review Report on the Quarterly Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review Report to
The Board of Directors
Sunflag Iron and Steel Company Limited**

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 June 30, 2023 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended thereafter (the "Listing Regulations").
2. The Company's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" 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 and in compliance with Regulation 33 of the Listing Regulations. The Statement has been approved by the Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our 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. 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 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.
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 accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For NSBP & Co.

Chartered Accountants

Firm Registration Number: 001075N



Subodh Kumar Modi

Partner

Membership Number: 093684

UDIN: 23093684BGXHAU4783



Place: New Delhi

Date: August 11, 2023

Independent Auditor's Review Report on the Quarterly Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review Report to
The Board of Directors
Sunflag Iron and Steel Company Limited**

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Sunflag Iron and Steel Company Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its joint ventures for the quarter ended June 30, 2023 ("the Statement"), being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended thereafter (the "Listing Regulations").
2. The Holding Company's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" 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 and in compliance with Regulation 33 of the Listing Regulations. The Statement has been approved by the Holding Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our 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. 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 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 No. CIR/CFD/CMDI/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The statement includes the 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 Company Private Limited



5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in 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 ("Ind AS") specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder 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. The accompanying Statement includes unaudited interim financial results and other unaudited financial information in respect of:
- 2 subsidiaries whose unaudited interim financial results include total revenues of Rs.1 lakh, total net profit after tax of Rs.1 lakh and total comprehensive income of Rs.1 lakh for the quarter ended June 30, 2023, as considered in the Statement which have been reviewed by their respective independent auditors.
 - 2 joint ventures i.e. Ramesh Sunwire Private Limited and CT Mining Private Limited whose unaudited interim financial results include Group's share of net profit of Rs.26 lakhs and Group's share of total comprehensive income of Rs.26 lakhs for the quarter ended June 30, 2023, as considered in the Statement whose interim financial results and other financial information have been reviewed by their respective independent auditors.

The independent auditor's reports on interim financial results of these entities have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures in respect of these subsidiaries and joint ventures is based solely on the report of such auditors and procedures performed by us as stated in paragraph 3 above. All the figures stated above are before giving the effect of consolidation adjustments.

7. The accompanying Statement includes unaudited interim financial results and other unaudited financial information in respect of:
- 1 joint venture i.e. Daido DMS India Private Limited whose unaudited interim financial results include Group's share of net profit of Rs.44 lakhs and Group's share of total comprehensive income of Rs.44 lakhs for the quarter ended June 30, 2023.

The unaudited interim financial results and other unaudited financial information of the joint venture have not been reviewed by its independent auditors and have been approved and furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the affairs of the joint venture, is based solely on such unaudited interim financial results and other unaudited financial information. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group. All the figures stated above are before giving the effect of consolidation adjustments.

8. 1 joint venture i.e. Madanpur (North) Coal Company Private Limited, whose unaudited interim financial results and other unaudited financial information is not consolidated and not provided by the Management as there is no material operation during the quarter ended June 30, 2023.



Our conclusion 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 auditors and the financial results certified by the Management.

For NSBP & Co.

Chartered Accountants

Firm Registration Number: 001075N



Subodh Kumar Modi

Partner

Membership Number: 093684

UDIN: 23093684BGXHAV4840



Place: New Delhi

Date: August 11, 2023

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 / CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2023

Amount ₹ In Lakhs except otherwise stated

Sr. No.	PARTICULARS	STANDALONE			CONSOLIDATED			STANDALONE	CONSOLIDATED
		Quarter ended			Quarter ended			Year Ended	Year Ended
		June, 30	March, 31	June, 30	June, 30	March, 31	June, 30	March, 31	March, 31
		2023	2023 #	2022	2023	2023 #	2022	2023	2023
		UNAUDITED	AUDITED	UNAUDITED	UNAUDITED	AUDITED	UNAUDITED	AUDITED	AUDITED
1.	Income								
	a) Revenue from Operations	78,446	83,697	89,652	78,446	83,697	89,652	3,48,842	3,48,842
	b) Other Income	425	199	89	426	200	90	702	707
	Total income	78,871	83,896	89,741	78,872	83,897	89,742	3,49,544	3,49,549
2.	Expenses								
	a) Cost of materials consumed	57,109	58,531	57,553	57,109	58,531	57,553	2,25,355	2,25,355
	b) Changes in Inventories of Finished Goods and Work-in-process	(5,708)	(6,423)	4,229	(5,708)	(6,423)	4,229	(2,975)	(2,975)
	c) Employees benefits expense	2,920	3,582	2,723	2,920	3,582	2,723	10,782	10,782
	d) Finance Costs	2,369	2,741	1,459	2,369	2,741	1,459	8,110	8,110
	e) Depreciation and amortisation expense	2,562	2,145	1,968	2,562	2,144	1,968	8,065	8,064
	f) Other expenses	16,353	18,288	18,162	16,353	18,289	18,162	71,097	71,098
	Total expenses	75,605	78,864	86,094	75,605	78,864	86,094	3,20,434	3,20,434
3.	Profit/(Loss) before Exceptional Items and Tax	3,266	5,032	3,647	3,267	5,033	3,648	29,110	29,115
4.	Exceptional items	-	-	1,19,286	-	-	1,19,286	1,19,286	1,19,286
5.	Profit/(Loss) before tax	3,266	5,032	1,22,933	3,267	5,033	1,22,934	1,48,396	1,48,401
6.	Tax Expense								
	a) Current Tax	(896)	(922)	(31,102)	(896)	(922)	(31,102)	(37,491)	(37,491)
	b) Deferred Tax	145	(97)	207	145	(97)	207	545	545
	c) Income tax pertaining to earlier years	-	(18)	-	-	(16)	-	(18)	(16)
7.	Net Profit/(Loss) for the period/year after Tax	2,515	3,995	92,038	2,516	3,998	92,039	1,11,432	1,11,439
8.	Share of Profit/ (Loss) in Joint Venture	NA	NA	NA	70	(27)	46	NA	92
9.	Total Profit / (Loss) for the period / year after share of profit / (loss) from Joint Ventures	2,515	3,995	92,038	2,586	3,971	92,085	1,11,432	1,11,531
10.	Total Profit/(Loss) after Tax attributable to								
	a) Owners Equity	2,515	3,995	92,038	2,586	3,970	92,084	1,11,432	1,11,529
	b) Non- Controlling Interest	NA	NA	NA	1	1	1	NA	2
11.	Total Profit/(Loss) after Tax for the period/year	2,515	3,995	92,038	2,586	3,971	92,085	1,11,432	1,11,531
12.	Other Comprehensive Income/(Loss)								
	a) Item not to be classified to profit and (loss) item	66,477	64,700	5	66,477	54,700	5	55,092	55,092
	b) Income Tax Relating to above items	(7,758)	(7,297)	-	(7,758)	(7,297)	-	(7,297)	(7,297)
	Other Comprehensive Income/(Loss) (Net of Tax)	58,719	47,403	5	58,719	47,403	5	47,795	47,795
13.	Total Comprehensive Income (Net of Tax) attributable to								
	a) Owners Equity	61,234	51,398	92,043	61,305	51,374	92,090	1,59,227	1,59,326
	b) Non- Controlling Interest	61,234	51,398	92,043	61,304	51,373	92,089	1,59,227	1,59,324
14.	Paid-up equity share capital (Face value of ₹10/-each)	18,022	18,022	18,022	18,022	18,022	18,022	18,022	18,022
15.	Reserve excluding Revaluation Reserves								
	Earnings per Share (EPS) (₹) (Face value of ₹10/-each)							2,77,460	2,78,830
16.	Basic and diluted EPS	1.40	2.22	51.07	1.43	2.20	51.10	61.83	61.89
	# Refer Note No. 3								

Notes :

- The standalone and consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meeting held on August 11, 2023. 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 and 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 recognised accounting practices and policies to the extent possible. The standalone and consolidated financial results for the quarter ended June 30, 2023, have been prepared in accordance with the recognition and measurement principles laid down in IND AS- 34 "Interim Financial Reporting".
- Figures for the quarter ended March 31, 2023 are the balancing figures between the audited figures in respect of full financial year and the published unaudited year to date figures up to the third quarter of the financial year.
- 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'.
- Other Comprehensive income includes MTM gain on Equity shares held by the company in Lloyds Metal & Energy Ltd (LMEL) recognised at its fair value as at June 30, 2023.
- 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's 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 : AUGUST 11, 2023

