

Independent Auditor's Report

To the Board of Directors of Sunflag Iron and Steel Company Limited

Report on the Audit of Standalone Financial Results

Opinion

We have audited the accompanying Statement of Standalone Financial Results of **Sunflag Iron and Steel Company Limited** (the "Company") for the quarter and year ended March 31, 2023 (the "Statement") being 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")).

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

- a. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations; and
- b. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards ("Ind AS") and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the quarter and year ended March 31, 2023.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SA's") specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Results.

Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the Standalone Financial Statements. The 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 Regulation 33 of 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 Standalone Financial Results, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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 is also responsible for overseeing the financial reporting process of the Company.

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

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Results, 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, misrepresentation, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company 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 made by the Board of Directors.
- Conclude on the appropriateness of the 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 Company 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Results, including the disclosures, and whether the Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

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



NSBP & CO.

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.

The statement includes the result for the quarter ended March 31, 2023, being the balancing figure between the audited figures in respect of the financial year ended March 31, 2023, and the published unaudited year to date figures up to the third quarter of the current financial year.

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



Subodh Kumar Modi
Partner

Membership No.: 093684
UDIN: 23093684BGXGTB1238



Place: New Delhi
Date: May 29, 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

AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2023

Amount ₹ In Lakhs except otherwise stated

| Sr. No. | PARTICULARS | Quarter Ended | | | Year Ended | |
|---------|--|----------------|-------------------|----------------|-----------------|-----------------|
| | | March, 31 2023 | December, 31 2022 | March, 31 2022 | March, 31 2023 | March, 31 2022 |
| | | AUDITED # | UNAUDITED | AUDITED # | AUDITED | AUDITED |
| 1. | Income | | | | | |
| | a) Revenue from Operations | 83,697 | 86,942 | 64,898 | 3,48,842 | 2,69,826 |
| | b) Other Income | 199 | 316 | 94 | 702 | 451 |
| | Total Income | 83,896 | 87,258 | 64,992 | 3,49,544 | 2,70,277 |
| 2. | Expenses | | | | | |
| | a) Cost of materials consumed | 58,531 | 52,877 | 51,992 | 2,25,355 | 1,91,352 |
| | b) Changes in Inventories of Finished Goods and Work-in-process. | (6,423) | 3,636 | (11,781) | (2,975) | (27,218) |
| | c) Employees benefits expense | 3,582 | 1,711 | 1,836 | 10,782 | 9,786 |
| | d) Finance Costs | 2,741 | 2,180 | 1,194 | 8,110 | 4,225 |
| | e) Depreciation and amortisation expense | 2,145 | 1,976 | 2,003 | 8,065 | 7,631 |
| | f) Other expenses | 18,288 | 17,056 | 14,988 | 71,097 | 56,072 |
| | Total expenses | 78,864 | 79,436 | 60,232 | 3,20,434 | 2,41,848 |
| 3. | Profit/(Loss) before exceptional Items & tax | 5,032 | 7,822 | 4,760 | 29,110 | 28,429 |
| 4. | Exceptional items | - | - | - | 1,19,286 | - |
| 5. | Profit/(Loss) before tax | 5,032 | 7,822 | 4,760 | 1,48,396 | 28,429 |
| 6. | Tax Expense | | | | | |
| | a) Current Tax | (922) | (2,127) | (1,059) | (37,491) | (7,394) |
| | b) Deferred Tax | (97) | 220 | 367 | 545 | 605 |
| | c) Income tax pertaining to earlier years | (18) | - | - | (18) | - |
| 7. | Net Profit/(Loss) for the period/year after tax | 3,995 | 5,915 | 4,068 | 1,11,432 | 21,640 |
| 8. | Other Comprehensive Income/(Loss) | | | | | |
| | a) Item not to be classified to profit and (loss) item | 54,700 | 366 | (89) | 55,092 | (94) |
| | b) Income Tax Relating to above items | (7,297) | - | - | (7,297) | - |
| | Other Comprehensive Income /(loss) (net of tax) | 47,403 | 366 | (89) | 47,795 | (94) |
| 9. | Total Comprehensive Income for the period / year (Net of Tax) | 51,398 | 6,281 | 3,979 | 1,59,227 | 21,546 |
| 10. | Paid-up equity share capital (Face value of ₹10/-each) | 18,022 | 18,022 | 18,022 | 18,022 | 18,022 |
| 11. | Reserve excluding Revaluation Reserves | | | | 2,77,460 | 1,21,873 |
| 12. | Earnings per Share (EPS) (₹) (Face value of ₹10/-each) | | | | | |
| | Basic and diluted EPS | 2.22 | 3.28 | 2.26 | 61.83 | 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 29, 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 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 exceptional items are pertaining to Company's past period claims on Lloyds Metal & Energy Ltd (LMEL), which has been settled through Arbitral tribunal vide award dated 22.04.2022 read with additional / supplementary award dated 28.04.2022. Consequently, LMEL issued Optionally Fully Convertible Debentures (OFCD) with an option to convert into equity shares. The company exercised its option and converted the OFCD into 600 Lakhs equity shares.
- Other Comprehensive income consists of;
 - Revaluation gain of ₹6681 Lakhs (Plant & Machinery – ₹2947 Lakhs and Buildings – ₹3734 Lakhs) on account of Company's revaluation of its plant and machinery and building at the end of the year Mar 31, 2023. (Previous revaluation was carried out as on March 31, 2020).
 - MTM gain on Equity shares held by the company in Lloyds Metal & Energy Ltd (LMEL) recognised at its fair value as at March 31, 2023.
- The figures of previous periods have been re-grouped /re-arranged wherever necessary to make them comparable.
- The Figures of last Quarters 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 the financial years.
- 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 29, 2023



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

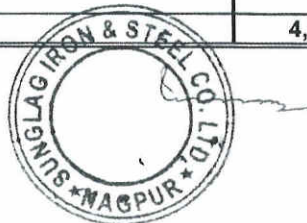
R. MURLIDHAR
R. MURLIDHAR
DIRECTOR (FINANCE)
DIN 00982212





SUNFLAG IRON AND STEEL COMPANY LIMITED

| STATEMENT OF ASSETS AND LIABILITIES | Amount ₹ In Lakh | | | |
|--|--|--|--|--|
| | STANDALONE | | CONSOLIDATED | |
| | Year ended March 31, 2023 AUDITED | Year ended March 31, 2022 AUDITED | Year ended March 31, 2023 AUDITED | Year ended March 31, 2022 AUDITED |
| ASSETS | | | | |
| Non-current Assets | | | | |
| (a) Property, plant and equipment | 1,53,654 | 1,19,700 | 1,53,839 | 1,19,879 |
| (b) Right-of-use assets | 5,305 | 5,304 | 5,305 | 5,304 |
| (c) Capital work - in - progress | 17,004 | 35,027 | 19,290 | 37,313 |
| (d) Financial assets | | | | |
| (i) Investments | 1,72,209 | 1,389 | 1,72,568 | 1,659 |
| (ii) Non- Current Loans | 1,030 | 1,030 | - | - |
| (iii) Other Financial Assets | 1,960 | 7,666 | 1,960 | 7,666 |
| (e) Other non current assets | 2,512 | 2,348 | 2,537 | 2,372 |
| Total non-current assets | 3,53,674 | 1,72,464 | 3,55,499 | 1,74,193 |
| Current Assets | | | | |
| (a) Inventories | 86,557 | 83,694 | 86,557 | 83,694 |
| (b) Financial assets | | | | |
| (i) Trade receivables | 31,527 | 27,630 | 31,527 | 27,630 |
| (ii) Cash and cash equivalents | 1,018 | 1,468 | 1,149 | 1,594 |
| (iii) Bank Balances | 10,684 | 5,169 | 10,684 | 5,169 |
| (iv) Other financial assets | 140 | 115 | 140 | 115 |
| (c) Income tax assets (net) | - | 756 | - | 754 |
| (d) Other current assets | 8,678 | 15,927 | 8,678 | 15,927 |
| | 1,38,604 | 1,34,759 | 1,38,735 | 1,34,883 |
| TOTAL ASSETS | 4,92,278 | 3,07,223 | 4,94,234 | 3,09,076 |
| EQUITY AND LIABILITIES | | | | |
| Shareholders' funds | | | | |
| (a) Share capital | 18,022 | 18,022 | 18,022 | 18,022 |
| (b) Other equity | 3,14,829 | 1,55,602 | 3,16,199 | 1,56,873 |
| Total Shareholders' funds | 3,32,851 | 1,73,624 | 3,34,221 | 1,74,895 |
| Non controlling interest | - | - | 156 | 154 |
| Non-current Liabilities | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | 37,733 | 18,893 | 38,162 | 19,321 |
| (ii) Lease liabilities | 5,739 | 5,581 | 5,739 | 5,581 |
| (ii) Other financial liabilities | 369 | 879 | 369 | 879 |
| (b) Provisions | 3,468 | 3,404 | 3,468 | 3,404 |
| (c) Deferred tax liabilities (Net) | 23,399 | 16,647 | 23,399 | 16,647 |
| (d) Other non-current liabilities | - | 12 | - | 12 |
| Total Non-Current Liabilities | 70,708 | 45,416 | 71,137 | 45,844 |
| Current Liabilities | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | 16,723 | 33,481 | 16,724 | 33,481 |
| (ii) Lease Liabilities | 319 | 293 | 319 | 293 |
| (iii) Trade payables | | | | |
| - Total outstanding dues of Micro Enterprises and Small Enterprises | 532 | 1,059 | 532 | 1,059 |
| - Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises | 55,846 | 44,660 | 55,846 | 44,660 |
| (iv) Other financial liabilities | 8,919 | 5,600 | 8,919 | 5,600 |
| (b) Other current liabilities | 4,491 | 3,090 | 4,491 | 3,090 |
| (c) Current tax liabilities (net) | 1,889 | - | 1,889 | - |
| Total Current Liabilities | 88,719 | 88,183 | 88,720 | 88,183 |
| TOTAL EQUITY AND LIABILITIES | 4,92,278 | 3,07,223 | 4,94,234 | 3,09,076 |





SUNFLAG IRON AND STEEL COMPANY LIMITED

Cash flow statement for the year ended March 31, 2023

₹ in Lakh

| Particulars | STANDALONE | | CONSOLIDATED | |
|---|--|--|--|--|
| | Year ended March 31, 2023 AUDITED | Year ended March 31, 2022 AUDITED | Year ended March 31, 2023 AUDITED | Year ended March 31, 2022 AUDITED |
| A. Cash flow from operating activities | | | | |
| Net Profit / (Loss) before tax | 1,48,396 | 28,429 | 1,48,401 | 28,434 |
| Items that will not be reclassified to profit or loss | - | - | - | - |
| <i>Adjustments for:</i> | | | | |
| Depreciation and amortisation | 8,065 | 7,631 | 8,064 | 7,631 |
| Exceptional Items | (1,19,286) | - | (1,19,286) | - |
| Finance costs | 8,110 | 4,225 | 8,110 | 4,225 |
| Interest income | (439) | (307) | (444) | (311) |
| Income from Mutual Fund | (5) | - | (5) | - |
| Actuarial Gain / (Loss) | 73 | (89) | 73 | (89) |
| Provision for Foreign Currency hedging | - | (5) | - | (5) |
| Provision for earlier years no longer required | - | 804 | - | 758 |
| Provision for doubtful trade and other receivables, loans and advances | 145 | (152) | 145 | (152) |
| Operating profit / (loss) before working capital changes | 45,059 | 40,536 | 45,058 | 40,491 |
| <i>Changes in working capital:</i> | | | | |
| <i>Adjustments for (increase) / decrease in operating assets:</i> | | | | |
| Inventories | (2,863) | (29,314) | (2,864) | (29,313) |
| Trade receivables | (4,042) | (6,456) | (4,042) | (6,457) |
| Short-term loans and advances | 731 | (744) | 728 | (742) |
| Long-term loans and advances | 2,382 | (5,261) | 2,383 | (5,996) |
| Other current assets | 7,249 | (7,544) | 7,248 | (7,544) |
| Other non-current assets | (164) | 5,722 | (165) | 6,462 |
| Sub Total for Changes in operating assets | 3,293 | (43,597) | 3,288 | (43,590) |
| <i>Adjustments for increase / (decrease) in operating liabilities:</i> | | | | |
| Trade payables | 10,787 | 18,754 | 10,789 | 18,753 |
| Other current liabilities | 3,967 | (2,752) | 3,971 | (2,351) |
| Short-term provisions | - | - | - | - |
| Other long-term liabilities | (522) | (225) | (522) | (583) |
| Long-term provisions | 64 | (1,006) | 63 | (1,006) |
| Cash flow from extraordinary items | | | | |
| Sub Total for Changes in operating liabilities | 14,296 | 14,771 | 14,301 | 14,813 |
| Cash generated from operations | 62,648 | 11,710 | 62,647 | 11,714 |
| Income tax (paid)/Refund (net) | (34,867) | (7,394) | (34,867) | (7,395) |
| Net cash flow from / (used in) operating activities (A) | 27,781 | 4,316 | 27,780 | 4,319 |
| B. Cash flow from investing activities | | | | |
| Capital expenditure on property, plant and equipment | (16,832) | (33,865) | (16,833) | (33,869) |
| Proceeds from sale of property, plant and equipment | - | - | - | - |
| Other Bank deposits not considered in Cash & Cash Equivalents(Net) | (5,515) | 25 | (5,515) | 25 |
| Interest income | 439 | 307 | 444 | 311 |
| Income from Mutual Fund | 5 | - | 5 | - |
| Net cash flow from / (used in) investing activities (B) | (21,903) | (33,533) | (21,899) | (33,533) |
| C. Cash flow from financing activities | | | | |
| Proceeds from long-term borrowings | 32,500 | 17,500 | 32,500 | 17,500 |
| Inflow/(Repayment) of long-term borrowings | (6,514) | (9,112) | (6,513) | (9,112) |
| Net (decrease)/ increase in working capital borrowings | (23,442) | 26,000 | (23,441) | 26,000 |
| Proceeds from other short-term borrowings | - | - | - | - |
| Repayment of unsecured deferred sales tax loan | (462) | (648) | (462) | (648) |
| Finance cost | (7,518) | (3,632) | (7,518) | (3,632) |
| Lease Payments | (892) | (1,163) | (892) | (1,163) |
| Net cash flow (used in)/ from financing activities (C) | (6,328) | 28,945 | (6,326) | 28,945 |
| Net increase / (decrease) in Cash and cash equivalents (A+B+C) | (450) | (272) | (445) | (269) |
| Cash and cash equivalents at the beginning of the year | 1,468 | 1,740 | 1,594 | 1,863 |
| Effect of exchange differences on restatement of foreign currency cash and cash equivalents | - | - | - | - |
| Cash and cash equivalents at the end of the year | 1,018 | 1,468 | 1,149 | 1,594 |

Note : Figures in brackets indicates cash outflow



Independent Auditor's Report

To the Board of Directors of Sunflag Iron and Steel Company Limited

Report on the Audit of Consolidated Financial Results

Opinion

We have audited the accompanying Statement of Consolidated Financial Results of **Sunflag Iron and Steel Company Limited** (the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its joint ventures for the quarter and year ended March 31, 2023 (the "Statement") being 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").

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 and other financial information of the subsidiaries and joint ventures and management certified financial statements and other financial information of a joint venture, the aforesaid Statement:

- a. includes the financial results of the following entities:

Subsidiaries

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

Joint Ventures

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

- b. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations; and

- c. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards ("Ind AS") and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the quarter and year ended March 31, 2023.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SA's") specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Results.



Management's Responsibilities for the Consolidated Financial Results

The Statement has been prepared on the basis of the Consolidated Financial Statements. The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Results that give a true and fair view of the consolidated profit and other comprehensive income and other financial information of the Group and its joint ventures in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the Companies included in the Group and its joint ventures are also responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Results by the Board of Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Results, the respective Board of Directors of the Companies included in the Group and its joint ventures is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Results, 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company 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 made by the Board of Directors.
- Conclude on the appropriateness of the 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 Company 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Results, including the disclosures, and whether the Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

Other Matters

We did not audit the Statement include the audited financial information/ financial results of two subsidiaries whose financial results reflect total assets of Rs.2,627 lakhs, total revenue of Rs.1 lakh and Rs.5 lakhs, total net profit after tax of Rs.1 lakh and Rs.4 lakhs, total comprehensive income of Rs.1 lakh and Rs.4 lakhs for the quarter ended March 31, 2023 and for the year ended March 31, 2023 respectively and net cash inflow of Rs.5 lakhs for the year ended on March 31, 2023. The Financial Statements of two subsidiaries have been audited by the other auditors whose reports have been furnished to us by the management and our conclusion on the statement, in so far as it relates to the amount and disclosures included in respect of two subsidiaries, is based solely on the report of such other auditors and the procedures performed by us as stated in the paragraph above. The above figures are before the consolidation adjustments.

We did not audit the Statement include the audited financial information/ financial results of two joint ventures whose financial results reflect net profit/ (loss) after tax of Rs.15 lakhs and Rs.75 lakhs and total comprehensive income of Rs.14 lakhs and Rs.74 lakhs for the quarter ended March 31, 2023 and for the year ended March 31, 2023 respectively. The Financial Statements of two joint ventures have been audited by the other auditors whose reports have been furnished to us by the management and our conclusion on the statement, in so far as it relates to the amount and disclosures included in respect of two joint ventures, is based solely on the report of such other auditors and the procedures performed by us as stated in the paragraph above. The above figures are before the consolidation adjustments.

The accompanying Statement also includes Group's share of net profit/ (loss) after tax of (Rs.42 lakh) and Rs.17 lakhs and total comprehensive income of (Rs.42 lakh) and Rs.17 lakhs for the quarter ended March 31, 2023 and for the year ended March 31, 2023 respectively, in respect of a joint venture namely Daido D.M.S India Private Limited, whose financial results have been considered on the basis of the management certified financial results and our report, insofar as it relates to the aforesaid joint venture, is based solely on the basis management certified financial results. The above figures are before the consolidation adjustments.



NSBP & CO.

The financial results of a joint venture namely Madanpur (North) Coal Company Private Limited was not available thus, the same has not been considered for consolidation purpose. The investment made in above joint venture is fully impaired in the financial statements of the Company. These joint ventures are not considered material to the Group.

The statement includes the result for the quarter ended March 31, 2023, being the balancing figure between the audited figures in respect of the financial year ended March 31, 2023, and the published unaudited year to date figures up to the third quarter of the current financial year.

Our report is not modified in respect of the above matters.

For **NSBP & Co.**

Chartered Accountants

Firm's Registration No.: 001075N



Subodh Kumar Modi

Partner

Membership No.: 093684

UDIN: 2309368486 XGTC2710



Place: New Delhi

Date: May 29, 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

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2023

Amount ₹ In Lakhs except otherwise stated

| Sr. No. | PARTICULARS | Quarter Ended | | | Year Ended | |
|---------|---|---------------|---------------|---------------|-----------------|-----------------|
| | | March, 31 | December, 31 | March, 31 | March, 31 | March, 31 |
| | | 2023 | 2022 | 2022 | 2023 | 2022 |
| | AUDITED # | UNAUDITED | AUDITED # | AUDITED | AUDITED | |
| 1. | Income | | | | | |
| | a) Revenue from Operations | 83,697 | 86,942 | 64,898 | 3,48,842 | 2,69,826 |
| | b) Other Income | 200 | 316 | 95 | 707 | 456 |
| | Total Income | 83,897 | 87,258 | 64,993 | 3,49,549 | 2,70,282 |
| 2. | Expenses | | | | | |
| | a) Cost of materials consumed | 58,531 | 52,877 | 51,992 | 2,25,355 | 1,91,352 |
| | b) Changes in Inventories of finished goods and work-in-process. | (6,423) | 3,636 | (11,781) | (2,975) | (27,218) |
| | c) Employees benefits expense | 3,582 | 1,711 | 1,836 | 10,782 | 9,786 |
| | d) Finance Costs | 2,741 | 2,179 | 1,194 | 8,110 | 4,225 |
| | e) Depreciation and amortisation expense | 2,144 | 1,976 | 2,003 | 8,064 | 7,631 |
| | f) Other expenses | 18,289 | 17,056 | 14,988 | 71,098 | 56,072 |
| | Total expenses | 78,864 | 79,435 | 60,232 | 3,20,434 | 2,41,848 |
| 3. | Profit/(Loss) before share of profit/(loss) from JVs and exceptional items & tax | 5,033 | 7,823 | 4,761 | 29,115 | 28,434 |
| 4. | Exceptional items | - | - | - | 1,19,286 | - |
| 5. | Profit/(Loss) before tax | 5,033 | 7,823 | 4,761 | 1,48,401 | 28,434 |
| 6. | Tax Expense | | | | | |
| | (a) Current tax | (922) | (2,127) | (1,059) | (37,491) | (7,395) |
| | (b) Deferred Tax | (97) | 220 | 367 | 545 | 605 |
| | (c) Income tax pertaining to earlier years | (16) | - | - | (16) | - |
| 7. | Net Profit/(Loss) for the period/year after tax | 3,998 | 5,916 | 4,069 | 1,11,439 | 21,644 |
| 8. | Share of Profit/ (Loss) in Joint Venture | (27) | 50 | 13 | 92 | 58 |
| 9. | Total Profit / (Loss) | 3,971 | 5,966 | 4,082 | 1,11,531 | 21,702 |
| 10. | Total Profit/(Loss) after Tax attributable to | | | | | |
| | a) Owners Equity | 3,970 | 5,966 | 4,081 | 1,11,529 | 21,700 |
| | b) Non- Controlling Interest | 1 | - | 1 | 2 | 2 |
| 11. | Total Profit/(Loss) after Tax for the period/ year | 3,971 | 5,966 | 4,082 | 1,11,531 | 21,702 |
| 12. | Other Comprehensive Income for the period/ year (net of tax) attributable to | | | | | |
| | a) Owners Equity | 54,700 | 366 | (89) | 55,092 | (94) |
| | b) Non- Controlling Interest | - | - | - | - | - |
| | c) Income Tax Relating to items that will not be reclassified to Profit & Loss | (7,297) | - | - | (7,297) | - |
| | Other Comprehensive Income (net of tax) | 47,403 | 366 | (89) | 47,795 | (94) |
| 13. | Total Comprehensive Income (Net of Tax) attributable to | 51,374 | 6,332 | 3,993 | 1,59,326 | 21,608 |
| | a) Owners Equity | 51,373 | 6,332 | 3,992 | 1,59,324 | 21,606 |
| | b) Non- Controlling Interest | 1 | - | 1 | 2 | 2 |
| 14. | Paid-up equity share capital (Face value of ₹10/-each) | 18,022 | 18,022 | 18,022 | 18,022 | 18,022 |
| 15. | Reserve excluding Revaluation Reserves | | | | 2,78,830 | 1,23,144 |
| 16. | Earnings per Share (EPS) (₹) (Face value of ₹10/-each) | | | | | |
| | Basic and diluted EPS | 2.20 | 3.31 | 2.27 | 61.89 | 12.04 |
| | # Refer note No. 6 | | | | | |

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 29, 2023. 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 exceptional items are pertaining to Company's past period claims on Lloyds Metal & Energy Ltd (LMEL), which has been settled through Arbitral tribunal vide award dated 22.04.2022 read with additional / supplementary award dated 28.04.2022. Consequently, LMEL issued Optionally Fully Convertible Debentures (OFCD) with an option to convert into equity shares. The company exercised its option and converted the OFCD into 600 Lakhs equity shares.
- Other Comprehensive income consists of;
 - Revaluation gain of ₹6681 Lakhs (Plant & Machinery – ₹2947 Lakhs and Buildings – ₹3734 Lakhs) on account of Company's revaluation of its plant and machinery and building at the end of the year Mar 31, 2023. (Previous revaluation was carried out as on March 31, 2020).
 - MTM gain on Equity shares held by the company in Lloyds Metal & Energy Ltd (LMEL) recognised at its fair value as at March 31, 2023.
- The figures of previous periods have been re-grouped /re-arranged wherever necessary to make them comparable.
- The Figures of last Quarters 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 the financial years.
- 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 29, 2023



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

R. MURLIDHAR
DIRECTOR (FINANCE)
DIN 00982212

