



SUNFLAG IRON AND STEEL COMPANY LIMITED

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CIN L27100MH1994PLC034003

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UNAUDITED STANDALONE / CONSOLIDATED FINANCIAL RESULTS FOR THE 3 MONTHS ENDED 30th JUNE, 2020

Amount ₹ In Lacs except otherwise stated

Sr. No.	PARTICULARS	STANDALONE			CONSOLIDATED			STANDALONE	CONSOLIDATED
		3 Months ended			3 Months ended			Year Ended	Year Ended
		June, 30	Mar, 31	June, 30	June, 30	Mar, 31	June, 30	March, 31	March, 31
	2020	2020	2019	2020	2020	2019	2020	2020	
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED	AUDITED	
1.	Income from operations								
	a) Net Sales/ Income from Operations	19,850	41,749	47,211	19,850	41,749	47,211	1,75,812	
	b) Other Income	146	257	288	147	259	290	1,253	
	Total income from operations (net)	19,996	42,006	47,499	19,997	42,008	47,501	1,77,065	
2.	Expenses								
	a) Cost of materials consumed	10,697	26,598	22,579	10,697	26,598	22,579	1,06,713	
	b) Purchase of stock-in-trade	-	-	-	-	-	-	-	
	c) Changes in Inventories of Finished Goods, Work-in-process and stock in trade.	3,855	(6,197)	9,798	3,855	(6,197)	9,798	1,182	
	d) Employees benefits expense	1,494	2,569	2,393	1,494	2,569	2,393	9,734	
	e) Finance Costs	642	1,086	1,077	642	1,086	1,077	4,263	
	f) Depreciation and amortisation expense	1,705	1,405	1,005	1,705	1,406	1,005	4,620	
	g) Other expenditure	3,149	11,712	9,941	3,149	11,712	9,941	41,120	
	Total expenses	21,542	39,173	46,793	21,542	39,174	46,793	1,67,632	
3.	Profit/(Loss) from ordinary activities after finance costs but before Exceptional Items	(1,546)	2,833	706	(1,545)	2,834	708	9,433	
4.	Exceptional items	-	-	-	-	-	-	-	
5.	Profit/(Loss) from Ordinary activities before tax	(1,546)	2,833	706	(1,545)	2,834	708	9,433	
6.	Tax Expense	-	1,558	(297)	-	1,558	(297)	(177)	
7.	Net Profit/(Loss) from Ordinary activities after Tax	(1,546)	4,391	409	(1,545)	4,392	411	9,256	
8.	Extra-Ordinary Items (net of tax expense ₹ lakhs)	-	-	-	-	-	-	(54)	
9.	Net Profit/(Loss) for the period	(1,546)	4,391	409	(1,545)	4,392	411	9,202	
10.	Share of Profit/ (Loss) in Joint Venture	-	-	-	-	-	-	-	
11.	Total Profit / (Loss)	(1,546)	4,391	409	(1,575)	4,404	393	9,207	
12.	Total Profit/(Loss) from Continuing operations after Tax attributable to								
	a) Owners Equity	(1,546)	4,391	409	(1,575)	4,403	392	9,205	
	b) Non- Controlling Interest	-	-	-	-	1	1	2	
13.	Total Profit/(Loss) from Continuing operations after Tax	(1,546)	4,391	409	(1,575)	4,404	393	9,207	
14.	Other Comprehensive Income (net of tax) attributable to								
	a) Owners Equity	-	36,443	-	-	36,443	-	36,443	
	b) Non- Controlling Interest	-	-	-	-	-	-	-	
15.	Total Comprehensive Income (Net of Tax) attributable to								
	a) Owners Equity	(1,546)	40,834	409	(1,575)	40,846	392	45,648	
	b) Non- Controlling Interest	-	-	-	-	1	1	2	
16.	Paid-up equity share capital (Face value of ₹.10/-each)	18,022	18,022	18,022	18,022	18,022	18,022	18,022	
17.	Reserves excluding Revaluation reserves as per Balance sheet of previous accounting year	-	-	-	-	-	-	-	
18.	Earnings per Share (EPS) (₹.) (Face value of ₹.10/-each)						1,20,636	1,20,499	
	a) Basic and diluted EPS before extra ordinary items	(0.86)	2.44	0.23	(0.87)	2.44	0.22	5.14	
	b) Basic and diluted EPS after extra ordinary items	(0.86)	2.44	0.23	(0.87)	2.44	0.22	5.11	

Notes :

- After review by the Audit Committee, the above financial results were approved by the Board of Directors of the Company at their meeting held on 13th August, 2020
- 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 has adopted Ind-AS 115 - "Revenue from contract with Customers" which replaces earlier revenue recognition standard. However, there is no material impact on either revenue or retained earnings / profit.
- The Company has adopted Ind-AS 116 - "Leases" as applicable with effect from April 1, 2019. However, there is no material impact on standalone / consolidated revenue or retained earnings/ profit.
- The Company have revalued its Plant and Machinery and Building as at March 31, 2020, and accordingly charged depreciation for the quarter ended Jun 30, 2020. Had these asset have not been revalued and carried at cost, the depreciation for the quarter ended Jun 30, 2020 would have been less by ₹.316 Lakhs, consequently the loss would have been less by ₹.316 Lakhs
- The figures for the quarter ended June 30, 2020 are after considering possible impact of frequent Nation wide lockdown due to COVID-19. The Company, after obtaining necessary permissions from the concerned authorities have gradually resumed its partial operations with effect from May 23, 2020 with limited workforce to ensure hygiene and safety of employees. Hence, financials for the quarter ended June 30, 2020 are not comparable with financial of previous quarters. Considering the current economic conditions and the operations the Company is hopeful of maintaining sufficient liquidity in sustaining its operations for the next 9 months.
- The tax expenses for the quarter ended June 30, 2020 has not been provided in view of Company adopted provisions as applicable U/s 115BAA of the Income Tax Act, 1961 to compute Income tax at the revised rate. As regards impact on deferred tax asset, the same shall be reviewed and considered in the ensuing quarters of current financial year as a matter of prudence.
- The figures of the quarter ended Mar-20 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the financial year ended March 31, 2020.
- The figures of previous periods have been re-grouped /re-arranged wherever necessary.

PLACE : NAGPUR
DATE : August, 13 2020



For and on behalf of the Board of Directors

SURENDRA KUMAR GUPTA
DY. MANAGING DIRECTOR
DIN - 00054836

Independent Auditors' 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

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

1. We have reviewed the accompanying statement of unaudited standalone financial results of Sunflag Iron & Steel Co. Limited (the "Company") for the quarter ended June 30, 2020 (the "Statement"), attached herewith, 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, 2015").
2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013 as amended, read with the Circular is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity' issued by The Institute of Chartered Accountants of India (ICAI). 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 primarily of making inquiries of company personnel 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.

Emphasis on Matters

4. We draw attention to Note No. 6 to the standalone financial results, which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management. The impact of these uncertainties on the Company's operations is dependent on future developments. Our conclusion is not modified in respect of this matter.



**S S KOTHARI MEHTA
& COMPANY**
CHARTERED ACCOUNTANTS

5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in all material respects in accordance with the applicable Indian Accounting Standards (Ind-AS) prescribed under section 133 of the Companies Act, 2013, as amended, read with relevant Rules thereunder and other accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation read with Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S. S. Kothari Mehta & Company
Chartered Accountants
FRN: 000756N



Sunil Wahal
Partner
Membership No.: 087294

Place: New Delhi
Dated: August 13, 2020
UDIN: 20087294AAAAFQ1481

**S S KOTHARI MEHTA
& COMPANY**
CHARTERED ACCOUNTANTS

Independent Auditors' 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 & Steel Co. Limited
Nagpur

1. We have reviewed the accompanying statement of unaudited consolidated financial results of Sunflag Iron & Steel Co. Limited (the 'Parent'), its subsidiaries (the Parent and its Subsidiaries together referred as 'the Group') and its Joint Ventures for the quarter ended June 30, 2020, along with notes (the 'Statement'), attached herewith being submitted by the Group pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 (the Act), read with relevant rules issued thereunder and other accounting principles generally accepted in India. 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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the Listing Regulations, as amended, to the extent applicable.
4. The Statement includes results of the following entities:
 - a. **Subsidiaries/step down subsidiaries:**
 1. Sunflag Power Limited
 2. Khappa Coal Company Private Limited
 - b. **Joint Ventures**
 1. CT Mining Private Limited
 2. Daido DMS India Private Limited
 3. Ramesh Sunwire Private Limited
 4. Madanpur (North) Coal Co. Private Limited



**S S KOTHARI MEHTA
& COMPANY**
CHARTERED ACCOUNTANTS

5. Based on our review conducted and procedures performed as stated in para 3 above and based on the considerations of review reports of other auditors referred to in paragraph 6 below and management certified financial information, nothing further has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the applicable Indian Accounting Standards i.e. 'Ind AS' prescribed under Section 133 of the Act, read with relevant Rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of the Listing Regulation including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of Matter

6. We draw attention to Note No.6 to the statement, which describes the uncertainties and the impact of Covid-19 pandemic on the Group's and its joint ventures operations and results as assessed by the management. The impact of these uncertainties on the Group's and its joint ventures operations is dependent on future developments. Our conclusion is not modified in respect of this matter.
7. We did not review the unaudited quarterly financial results of 2 subsidiaries whose reviewed quarterly standalone financial results reflects total revenue of Rs 1.43 lakhs, profit after tax 1.21 lakh and total comprehensive income of Rs. 1.21 lakh for the quarter ended June 30, 2020, as considered in this statement, have been reviewed by other auditors whose review reports have been furnished to us. Our conclusion on the statement, in so far as it relates to the amounts and disclosures in respect of these subsidiaries is based solely on the report of such auditors and procedures performed by us as stated in paragraph 3 above.
8. We did not review the unaudited financial results of above mentioned 4 joint ventures, wherein Group's share of loss including other comprehensive income of Rs. (-) 29.60 lakhs for the quarter ended June 30, 2020 as considered in this Statement. Our report, to the extent it concerns these joint ventures on the unaudited quarterly consolidated financial results is based solely on the management certified results. Further, CT Mining Private Limited and Madanpur (North) Coal Co. Private Limited is not consolidated as there were no material operation during the quarter ended June 30, 2020. The joint ventures are not material to the Group.

Our conclusion on the Statement in respect of matters stated in Paragraph 7 and 8 above is not modified.

For S. S. Kothari Mehta & Company
Chartered Accountants
Firm Registration No: 000756N



Sunil Wahal

SUNIL WAHAL
Partner
Membership No: 087294

Place: New Delhi
Dated: August 13, 2020
UDIN: 20087294AAAAFR6389