

Through Fax / Courier

SECY / 2014 / 318
Wednesday, May 21, 2014

The Manager, Listing Department,
National Stock Exchange of India Ltd.,
"Exchange Plaza", C - 1, Block G,
Bandra - Kurla Complex, Bandra (East),
MUMBAI - 400 051



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Website : www.sunflagsteel.com

CIN : L27100MH1984PLC034003

Sub : Outcome of Board Meeting – Wednesday, the 21st May 2014 at Nagpur

Ref : Script Code : SUNFLAG (NSE)

Dear Sir / Madam,

Further to our Letter Ref No. SECY/2014/250 of Monday, the 12th May 2014 and with reference to the captioned subject, we wish to inform you that :-

1. The Meeting of the Board of Directors of the Company was held on Wednesday, the 21st May 2014 at Nagpur.
2. The Board of Directors of the Company has approved, the Audited Financial Results for the Fourth Quarter (Q-4) / Financial Year ended 31st March 2014, together with the Audited Statement of Assets and Liabilities as at 31st March 2014, reviewed by the Audit Committee of Board of Directors of the Company.

The Financial Results for the Fourth Quarter (Q-4) / Financial Year ended 31st March 2014 & Statement Audited Statement of Assets and Liabilities as at 31st March 2014 together with the Report of the Statutory Auditors of the Company are enclosed herewith in terms of Clause 41 of the Listing Agreement.

3. The Board of Directors of the Company in compliance with the provisions of the Companies Act 2013, has :-
 - a. constituted / re-constituted the Committees of the Board of Directors of the Company viz., Corporate Social Responsibility (CSR) Committee, Audit Committee, Nomination and Remuneration Committee & Stakeholders' Relationship Committee pursuant to Section 135, 177 & 178 read with relevant rules thereof;
 - b. designated Mr. R. Muralidhar, Executive Director (Finance) as the Chief Financial Officer (CFO) to be classified as the Key Managerial Personnel pursuant to Section 203 read with relevant rules thereof;

You are therefore, kindly requested to place the aforesaid information on records and do the needful. Meantime, kindly acknowledge the receipt.

Sincerely,

For Sunflag Iron and Steel Company Limited

CS Mukesh D Parakh
Company Secretary

Encl : As Above.

Visit us at www.sunflagsteel.com

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Regd. Office : 33, Mount Road, Sadar, Nagpur - 440001 (Maharashtra)

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31st MARCH 2014

Sr. No.	PARTICULARS	Amount in ₹ Lacs				
		3 Months Ended 31-03-2014	3 Months Ended 31-12-2013	3 Months Ended 31-03-2013	Financial Year Ended 31-03-2014	Financial Year Ended 31-03-2013
		UNAUDITED			AUDITED	AUDITED
1.	Income from Operations					
	a) Net Sales / Income from Operations (Net of Excise Duty)	42,538	40,998	37,999	158,542	156,931
	b) Other Operating Income	-	-	-	-	-
	Total Income from Operations (Net)	42,538	40,998	37,999	158,542	156,931
2.	Expenses					
	a) Cost of materials consumed	24,322	23,540	19,746	93,248	94,386
	b) Purchase of stock-in-trade	-	-	-	-	-
	c) Changes in inventories of finished goods, work-in-process and stock-in-trade	749	(183)	1,701	(303)	1,683
	d) Employees benefit expenses	1,991	1,802	2,167	7,506	7,586
	e) Depreciation and amortisation expenses	1,520	1,627	1,551	6,118	5,645
	f) Other expenditure	11,730	11,614	10,172	43,390	41,430
	Total Expenses	40,312	38,400	35,337	149,959	150,730
3.	Profit / (Loss) from Operations before Other Income, Finance costs and Exceptional items (1-2)	2,226	2,598	2,662	8,583	6,201
4.	Other Income	208	35	355	548	782
5.	Profit / (Loss) from ordinary activities before finance costs but before Exceptional items (3+4)	2,434	2,633	3,017	9,131	6,983
6.	Finance costs	1,919	1,980	1,966	7,299	8,233
7.	Profit / (Loss) from ordinary activities after finance costs but before Exceptional items (5-6)	515	653	1,051	1,832	(1,250)
8.	Exceptional Items	-	-	-	-	-
9.	Profit / (Loss) from ordinary activities before tax (7-8)	515	653	1,051	1,832	(1,250)
10.	Tax Expense					
	- Current	(120)	(131)	23	(384)	-
	- Deferred	720	-	370	720	-
	- Prior period	-	-	-	-	-
11.	Net Profit / (Loss) from ordinary activities after tax (9-10)	1,115	522	1,444	2,168	(1,250)
12.	Extra-Ordinary Items (Net of Tax Expenses)	-	-	-	-	-
13.	Net Profit / (Loss) for the period (11-12)	1,115	522	1,444	2,168	(1,250)
14.	Paid-up Equity Share Capital (Face Value of Rs. 10/- each)	16,220	16,220	16,220	16,220	16,220
15.	Reserves excluding Revaluation Reserves as per Audited Balance Sheet				34,105	31,937
16.	Earnings per Share (EPS) (Amount in ₹)					
	a) Basic & diluted EPS before extra ordinary items	0.69	0.32	0.89	1.34	(0.77)
	b) Basic & diluted EPS after extra ordinary items	0.69	0.32	0.89	1.34	(0.77)
17.	Public Shareholding					
	- Number of Shares	73,781,027	73,781,027	73,781,027	73,781,027	73,781,027
	- Percentage of Shareholding	45.49%	45.49%	45.49%	45.49%	45.49%
18.	Promoters and Promoter Group Shareholding					
	a) Pledged / Encumbered					
	- Number of Shares	-	-	-	-	-
	- %age of Shares (as a percentage of the total Shareholding of Promoter & Promoter Group)	-	-	-	-	-
	- %age of Shares (as a percentage of the total Share Capital of the Company)	-	-	-	-	-
	b) Non - Encumbered					
	- Number of Shares	88,416,476	88,416,476	88,416,476	88,416,476	88,416,476
	- %age of Shares (as a percentage of the total Shareholding of Promoter & Promoter Group)	100%	100%	100%	100%	100%
	- %age of Shares (as a percentage of the total Share Capital of the Company)	54.51%	54.51%	54.51%	54.51%	54.51%

For Sunflag Iron and Steel Company Limited


Ravi Bhushan Bhardwaj
Vice Chairman & Managing Director

AUDITED STANDALONE / CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT 31st MARCH 2014

	PARTICULARS	Amount in ₹ Lacs			
		STANDALONE		CONSOLIDATED	
		31/03/2014	31/03/2013	31/03/2014	31/03/2013
		AUDITED		AUDITED	
A	EQUITY AND LIABILITIES				
1	Shareholders' Funds				
	(a) Share Capital	16,220	16,220	16,220	16,220
	(b) Reserves and Surplus	34,105	31,937	34,101	31,936
2	Share Application Money pending Allotment	-	-	5	-
3	Minority Interest	-	-	184	184
4	Non-current Liabilities				
	(a) Long-term borrowings	22,342	27,725	22,771	28,154
	(b) Deferred tax liabilities (Net)	4,860	5,580	4,860	5,580
	(c) Other long-term liabilities	922	1,306	922	1,306
	(d) Long-term provisions	1,389	1,389	1,389	1,389
	Sub-Total : Non-Current Liabilities	29,513	36,000	29,942	36,429
5	Current Liabilities				
	(a) Short-term borrowings	16,904	14,502	16,904	14,502
	(b) Trade payables	20,770	24,068	20,776	24,075
	(c) Other current liabilities	8,474	8,268	8,474	8,268
	(d) Short-term provisions	4,382	4,762	4,384	4,764
	Sub-Total : Current Liabilities	50,530	51,600	50,538	51,609
	TOTAL EQUITY AND LIABILITIES	130,368	135,757	130,990	136,378
B	ASSETS				
1	Non-current Assets				
	(a) Fixed Assets (including CWIP)	59,579	65,050	62,372	67,808
	(b) Non-current Investments	767	767	-	-
	(c) Long-term loans and advances	2,799	2,953	1,119	1,284
	(d) Other non-current assets	-	-	27	31
	Sub-Total : Non-Current Assets	63,145	68,770	63,518	69,123
2	Current Assets				
	(a) Inventories	33,066	32,693	33,066	32,693
	(b) Trade receivables	20,773	15,562	20,773	15,562
	(c) Cash and Bank Balances	5,066	5,340	5,287	5,576
	(d) Short-term loans and advances	8,126	13,255	8,148	13,280
	(e) Other current assets	192	137	198	144
	Sub-Total : Current Assets	67,223	66,987	67,472	67,255
	TOTAL ASSETS	130,368	135,757	130,990	136,378

Notes:

- After reviewed by the Audit Committee, the above financial results were approved by the Board of Directors of the Company at their meeting held on 21st May 2014.
- The capital employed as on 31st March, 2014 is ₹ 89571 Lacs.
- For the current financial year, the total Deferred Tax Assets amounts to ₹ 1910 Lacs (₹ 1666 Lacs) and Deferred Tax Liability works out to ₹ 1190 Lacs (₹ 999 Lacs) resulting into Net Deferred Tax Assets of ₹ 720 Lacs (₹ 667 Lacs) and the same is recognised in the current financial year.
- During the financial year, the Company / JV Companies has received letter/s from the Ministry of Coal, Government of India for de-allocation of Coal Block/s allotted. The Company / JV Companies have filed Writ Petition/s before the Hon'ble High Court/s and received an interim stay order/s from the respective High Court/s, directing the Ministry of Coal, Government of India, not to take any coercive steps against the Company till further orders. Since the matter is now sub-judice before the respective Hon'ble High Court/s, the Company has neither provided for any contingencies nor has recognised any amount towards diminution in the value of the investments made in the JV Companies and accordingly, the financial statements have been prepared on going concern basis.
- The Company is primarily engaged in the business of rolled products and grouped as single segment as per the Accounting Standard (AS) - 17 dealing with segment report issued by ICAI.
- During the quarter, 6 Investors' complaints were received and all the complaints were attended to by the Company / Share Transfer Agent. At the end of the quarter, no complaints were pending.
- 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 the current financial year.
- The figures of previous period/s have been re-grouped / re-arranged wherever necessary.

For and on behalf of the Board of Directors



Ravi Bhushan Bhardwaj
Vice-Chairman & Managing Director

Place : Nagpur
Date : 21st May 2014

PATEL, SHAH & JOSHI

Chartered Accountants

PARTNERS :

M. S. SHAH, B. A. (Econ.), FCA, A.T.I.I. (England)
J. I. MEHTA, B. Com., FCA.

CONSULTANT :

V. N. Shah M. A. (Cantab) ACA (England)

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Report of the Statutory Auditors

The Board of Directors

Sunflag Iron and Steel Company Limited

33, Mount Road, Sadar, Nagpur - 440001

1. We have audited the accompanying statement of Standalone and Consolidated Financial Results ("the Statement") of **M/s Sunflag Iron and Steel Company Limited** ("the Company") and its Subsidiaries and Jointly Controlled Entities (the Company, its Subsidiaries and Jointly Controlled Entities constitute "the Group") for the financial year ended **31st March 2014** being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement(s) with the Stock Exchange(s). The Statement has been prepared on the basis of the related financial statements, which are the responsibility of the Company's Management and have been approved by the Board of Directors. Our responsibility is to express an opinion on the Statement, based on our audit of the related financial statements, which have been prepared in accordance with the Companies (Accounting Standards) Rules 2006, Section 211(3C) of the Companies Act, 1956 and other accounting principles generally accepted in India.
2. We conducted our audit of the Statement in accordance with the Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain responsible assurance about whether the Statement is free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the Statement. An audit also includes accessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The Statement includes Consolidated Financial Results and Consolidated Financial Information of the following entities :-

Sunflag Power Limited	-	Subsidiary Company
Sunflag Special Steels Limited	-	Subsidiary Company
Khappa Coal Company Private Limited	-	Subsidiary Company
Madanpur (North) Coal Company Pvt. Ltd.	-	Joint Venture Company
C. T. Mining Private Limited	-	Joint Venture Company
Gujarat State Mining & Resources Corp ⁿ Ltd.	-	Joint Venture Company



PATEL, SHAH & JOSHI

Chartered Accountants

PARTNERS :

M. S. SHAH, B. A. (Econ.), FCA, A.T.I.I. (England)
J. I. MEHTA, B. Com., FCA.

CONSULTANT :

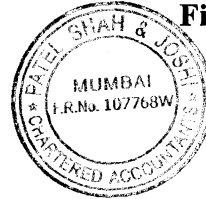
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4. The Consolidated Financial Results and Financial Information contained in the Statements reflect the Company's share in Net Assets of ₹ 2619.45 Lacs as at 31st March 2014, Revenues of NIL and Loss of NIL for the financial year ended on that date of three (3) Subsidiaries, as considered in the Consolidated Financial Statements, which have also been audited by us.
5. The Consolidated Financial Results and Financial Information contained in the Statement reflect the Company's share in Net Assets of ₹ 453.70 Lacs as at 31st March 2014, Revenues of NIL and Loss of ₹ 0.32 Lacs for the financial year ended on that date of three (3) Joint Ventures, as considered in the Consolidated Financial Statements. These Financial Statements have been audited by other Auditors. Accordingly, our assurance on the Statement in so far as it relates to the amounts included in respect of these jointly controlled entities is based solely on the reports of such other Auditors which have been furnished to us.
6. In our opinion and to the best of our information and according to the explanations given to us, on the basis stated in Paragraphs 4 and 5, the Statement :
 - (i) is presented in accordance with the requirements of Clause 41 of the Listing Agreement(s) with the Stock Exchange(s); and
 - (ii) gives a true and fair view of the Net Profit / (Loss) and other Financial Information of the Company and Group for the financial year ended 31st March 2014
7. Further, we also report that we have traced from the details furnished by the Management / Registrar & Share Transfer Agent, the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding, pledged / encumbered shares and non-encumbered shares of Promoter and Promoter Group Shareholders, in terms of Clause 35 of the Listing Agreement(s) and the particulars relating to the undisputed Investor complaints and found the same to be correct.

For Patel, Shah & Joshi
Chartered Accountants
Firm Regn. No. 107768W



J. I. Mehta
CA Jayant I. Mehta
Partner
Membership No. 42630

Place : Nagpur
Date : 21st May 2014