

# NARAYANI STEELS LIMITED

23A, N S ROAD, ROOM NO.31,7<sup>TH</sup> FLOOR, KOLKATA-700001

PH-03346025371

NARAYANISTEELSVIZAG@GMAIL.COM

WWW.NARAYANISTEELS.CO.IN

GSTIN:37AAACN8563G1Z8

CIN: L27109WB1996PLC082021

To,

Date: 30.05.2022

The Department of Corporate Services  
Bombay Stock Exchange Limited.  
25<sup>th</sup> Floor, P.J.Towers,  
Dalal Street,  
Mumbai-400001

Sub: Submission as per Reg.33 of SEBI (LODR) Regulations, 2015 – Reg

Ref: Scrip Code: 540080, ISIN: INE715T01015

Dear Sir,

We enclose, in terms of Regulation 33 of the SEBI (LODR) Regulations,2015, the following, as approved by the Board of Directors of the Company at the meeting held today, i.e., 30<sup>th</sup> May 2022 :-

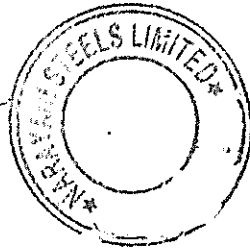
- (i) Audited Standalone and Consolidated Statement of Assets and Liabilities as at 31<sup>st</sup> March, 2022.
- (ii) Audited Standalone and Consolidated Financial Results for the Quarter and Year ended 31<sup>st</sup> March, 2022.
- (iii) Independent Auditor's Report from the Statutory Auditors of the Company, M/s P.D.RUNGTA & Co., Chartered Accountants, on the aforesaid Standalone and Consolidated Financial Results. The Auditors have issued the said Reports with Qualified opinion.
- (iv) Statement on Impact of Audit Qualifications for the Financial Year ended 31<sup>st</sup> March, 2022.

The meeting commenced at 7:00 p.m. and concluded at 10.00 p.m.

Yours faithfully,

For Narayani Steels Limited

*Arun Kumar Meher*  
Arun Kumar Meher  
(Company Secretary)  
Encl: as above



Corp. Office: Sy No.202/30-34 and 38/Part, Modavalasa Village, Denkada Mandal, Vizianagaram 535004

AP





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

To  
The Board of Directors  
NARAYANI STEELS LIMITED

Report on the Audit of the Standalone Ind AS Financial Results

#### Qualified Opinion

We have audited the accompanying statement of standalone financial results of **NARAYANI STEELS LIMITED** ("the company") for the quarter and year ended March 31, 2022 ("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 ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, these standalone financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the quarter and year ended March 31, 2022 **except for matters described in the 'Basis of Qualified Opinion' para stated below.**

#### Basis of Qualified Opinion

- a. The Company has, based on their internal evaluation, valued inventories at Rs. 150.86 Lakhs wherein there is no movement since past one year. In the absence of valuation report, we are unable to ascertain the realisability of the inventories and to that extent, total profit is overstated.
- b. Internal Audit Report is not available, since management has not appointed Internal Auditor as required under section 138 of Companies Act, 2013.
- c. Balances under sundry debtors and loans and advances considered by the company as realizable are subject to confirmations and adjustments, if any. In the absence of such pending confirmations and reconciliations, consequential impact of the same on financial statements of the company could not be ascertained.





- d. Provision for gratuity and leave encashment is not being made on actuarial basis, which is non-compliance with the requirements of Ind AS – 19 'Employee Benefits'. In the absence of an actuarial valuation being made, we are unable to quantify the effect, if any, on the profit/loss of the Company for the year ended 31st March, 2022.
- e. Physical verification / valuation report for Property, Plant & Equipment including assets held for sale of Rs.84.16 Lakhs is not available and in absence of verification / valuation report, we are unable to ascertain the fair / realizable values of such items and its impact on the financials of the company for the year under report.

### Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters:

**(i) Accounting treatment for the effects of the Resolution Plan:** Refer Note 3 to the standalone Financial Results for the details regarding the resolution plan implemented in the Company pursuant to a corporate insolvency resolution process concluded during the year ended 31st March 2022 under Insolvency and Bankruptcy Code, 2016.

Owing to the size of the over-due credit facilities, multiplicity of contractual arrangements and large number of operational and financial creditors, determination of the carrying amount of related liabilities at the date of approval of Resolution Plan was a complex exercise.

In respect of de-recognition of operational and financial creditors, difference amounting to 19969.96 Lakhs between the carrying amount of financial liabilities extinguished and consideration paid, is recognised in statement of profit and loss in accordance with "Ind AS - 109" "Financial Instruments" prescribed under section 133 of the Companies Act, 2013 and accounting policies consistently followed by the Company and disclosed as an "Exceptional item".

Accounting for the effects of the resolution plan is considered by us to be a matter of most significance due to its importance to intended users' understanding of the Financial Statements.

**Our procedures included the following:** We have performed the following procedures to determine whether the effect of Resolution Plan has been appropriately recognised in the Financial Statements:

- Reviewed management's process for review and implementation of the Resolution Plan.
- Reviewed the provisions of the Resolution Plan to understand the requirements of the said Plan and evaluated the possible impact of the same on the financial statements.
- Verified the balances of liabilities as on the date of approval of Resolution Plan from supporting documents and computations on a test check basis.
- Verified the payment of funds on test check basis as per the Resolution Plan.





- Tested the implementation of provisions of the Resolution Plan in computation of balances of liabilities owed to financial and operational creditors.
- Evaluated whether the accounting principles applied by the management fairly present the effects of the Resolution Plan in financial statements in accordance with the principles of Ind AS.
- Tested the related disclosures made in notes to the financial statements in respect of the implementation of the resolution plan.

**(ii) Litigations Matters & Contingent liabilities:** Refer Note 3(e) to the standalone financial statements. Prior to the approval of the Resolution Plan, the Company was a party to certain litigations. Pursuant to the approval of the Resolution Plan, it was determined that no amounts are payable in respect of those litigations as they stand extinguished.

The estimates related to exact outcome of litigations and its possible impact on the financials in respect thereof have high degree of inherent uncertainty due to insufficient judicial precedents in India in respect of disposal of litigations involving companies admitted to Corporate Insolvency Resolution Process.

**Our procedures included the following:** We have performed the following procedures to test the recoverability of payments made by the Company in relation to litigations instituted against it prior to the approval of the Resolution Plan:

- Verified the underlying documents related to litigations and other correspondences with the statutory authorities.
- Reviewed the provisions of the Resolution Plan to understand the requirements of the said Plan and evaluated the possible impact.
- Evaluated whether the accounting principles applied by the management fairly present the amounts recoverable from relevant authorities in financial statements in accordance with the principles of Ind AS.
- Discussed with the management on the development in these litigations during the year ended 31st March, 2022.
- Obtained representation letter from the management on the assessment of those matters as per SA 580 (revised) - written representations.

**(iii) Non conduct of Internal Audit and Non availability of Internal Financial Controls:** We were not provided with copy of Internal Audit Report and Risk Control Matrix including Standard Operating Procedures of the company which we consider to be significant key matter, keeping in view the nature and size of the operations of the Company.

**Our procedures included the following:** During the year, the Company was under CIRP up to 11<sup>th</sup> January, 2022. The issues relating to Internal Audit Report and Internal Financial Controls have been discussed with the management, who has assured necessary compliances in the current fiscal year.

#### **Management's Responsibilities for the Standalone Financial Results**

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements. The Company's Management and the Board of Directors are responsible for the preparation of these standalone annual financial results that give a true and fair view of the net profit





and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian 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 and Regulation 52 read with Regulation 63(2) 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 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 standalone financial results 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 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 Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone annual 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 these standalone annual 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 annual 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures 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 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 annual 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 standalone annual financial results, including the disclosures, and whether the standalone annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 Matters

The results for the three months and year ended 31st March, 2021 are derived from the audited results for the quarter and year ended 31st March, 2021 and the results for preceding quarter ended 31.12.2021 are taken from published unaudited results for nine months ended 31st December 2021 which were subject to limited review by another auditor.

For P. D. Rungta & Co.  
Chartered Accountants  
Firm Registration No.: 001150C

*Ritesh Shaw*  
CA Ritesh Kumar Shaw  
Partner

Membership No.: 305929  
UDIN: 22305929AJX0HB8175



Place: Kolkata  
Date: 30<sup>th</sup> May, 2022



**NARAYANI STEELS LIMITED**  
(CIN: L27109WB1996PLC082021)  
**STANDALONE STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH 2022**

(Rs in Lakhs)

Particulars	As at current year ended 31-03-2022	As at previous year ended 31-03-2021
	(Audited)	(Audited)
<b>ASSETS</b>		
<b>(1) Non-current assets</b>		
(a) Property, Plant and Equipment	932.07	1,398.29
(b) Right-of-use assets	-	107.85
(c) Intangible Assets	-	1.45
(d) Financial assets		
(i) Investments	0.39	0.34
(ii) Other assets	76.74	90.02
(e) Deferred Tax Assets (net)	698.62	4,266.92
(f) Other non-current assets	-	11.45
<b>Total Non-current assets</b>	<b>1,707.82</b>	<b>5,876.33</b>
<b>(2) Current assets</b>		
(a) Inventories	150.86	150.86
(b) Financial assets		
(i) Trade receivables	3,023.31	11,035.46
(ii) Cash and cash equivalents	43.66	5.03
(iii) Other assets	0.06	10.14
(c) Current tax assets (net)	36.91	73.60
(d) Other current assets	260.07	1,451.02
(e) Assets classified as held for sale	84.16	-
<b>Total Current assets</b>	<b>3,599.04</b>	<b>12,726.12</b>
<b>TOTAL ASSETS</b>	<b>5,306.86</b>	<b>18,602.45</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	54.55	1,090.90
(b) Other equity	4,906.28	(5,310.37)
<b>Total Equity</b>	<b>4,960.83</b>	<b>(4,219.47)</b>
<b>Liabilities</b>		
<b>(1) Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	271.58	115.29
(ii) Lease liabilities	-	82.77
(iii) Other liabilities	-	3.08
(b) Other non-current liabilities	-	2.61
(c) Provisions	-	4.54
<b>Total Non-current liabilities</b>	<b>271.58</b>	<b>208.30</b>
<b>(2) Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	-	20,136.28
(ii) Lease liabilities	-	7.57
(iii) Trade payables	-	-
total outstanding dues of micro enterprises and small enterprises	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	36.69	198.24
(iv) Other liabilities	-	2,240.18
(b) Other current liabilities	37.76	27.43
(c) Provisions	-	3.92
<b>Total Current liabilities</b>	<b>74.46</b>	<b>22,613.62</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,306.86</b>	<b>18,602.45</b>

The accompanying notes form an integral part of these financial statements

As per our report of even date attached  
For P D RUNGTA & CO.,  
Chartered Accountants  
Firm Registration Number: 001150C

*Ritesh Shaw*  
RITESH KUMAR SHAW  
Partner  
Membership No: 305929

Place of Signature: Kolkata  
Dated: The 30th day of May, 2022



For and on behalf of Narayani Steels Limited

*Sumit Kumar Agarwal*  
Sumit Kumar Agarwal  
Director  
DIN: 02184000

*Asit Baran Bhattacharjee*  
Asit Baran Bhattacharjee  
Director  
DIN: 02559634

*Arun Kumar Meher*  
Arun Kumar Meher  
Company Secretary  
M.NO.: ACS48598



**NARAYANI STEELS LIMITED**

(CIN: L27109WB1996PLC082021)

**STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH, 2022**

(Rs. in Lakhs)

SL. NO.	PARTICULARS	3 Months ended 31-03-2022 (Audited)	Corresponding 3 months ended 31-03-2021 (Audited)	Preceding 3 Months ended 31-12-2021 (Unaudited)	Year ended 31-03-2022 (Audited)	Year ended 31-03-2021 (Audited)
I	Revenue from operations	449.67	4,741.93	335.61	1,162.28	7,793.26
II	Other income	(47.83)	475.33	4.60	24.93	491.04
III	<b>Total Revenue (I + II)</b>	<b>401.84</b>	<b>5,217.26</b>	<b>340.21</b>	<b>1,187.21</b>	<b>8,284.29</b>
IV	<b>EXPENSES:</b>					
	Cost of Materials Consumed	-	3,543.66	82.53	-	3,807.30
	Purchase of Traded Goods	-	65.95	-	-	2,304.81
	Changes in Inventories of Finished & Traded Goods	-	656.79	-	-	1,001.66
	Employee benefits expenses	84.89	394.85	81.98	308.14	531.11
	Finance Costs	(7.35)	1,721.05	1.01	1.76	2,690.21
	Depreciation and amortisation expenses	(28.28)	102.34	27.55	53.60	133.59
	Other expenses	167.78	4,793.23	121.09	773.76	5,821.50
	<b>Total Expenses (IV)</b>	<b>217.03</b>	<b>11,277.87</b>	<b>314.16</b>	<b>1,137.25</b>	<b>16,290.19</b>
V	<b>PROFIT BEFORE PRIOR PERIOD ITEMS, EXCEPTIONAL ITEMS AND TAX (III-IV)</b>	<b>184.81</b>	<b>(6,060.61)</b>	<b>26.04</b>	<b>49.96</b>	<b>(8,005.90)</b>
VI	Prior period Items	-	-	-	10,196.39	-
VII	Exceptional Items	10,196.39	-	-	-	-
VIII	<b>PROFIT BEFORE TAX (V-VI-VII)</b>	<b>10,381.20</b>	<b>(6,060.61)</b>	<b>26.04</b>	<b>10,246.35</b>	<b>(8,005.90)</b>
IX	<b>Tax Expenses</b>					
	Current Tax	-	-	-	-	-
	Earlier Year Tax	-	-	-	-	-
	Deferred Tax	2,549.35	(2,159.23)	(122.71)	3,568.29	(2,701.62)
	<b>Net Tax Expense</b>	<b>2,549.35</b>	<b>(2,159.23)</b>	<b>(122.71)</b>	<b>3,568.29</b>	<b>(2,701.62)</b>
X	<b>Profit for the period / year (VIII-IX)</b>	<b>7,831.85</b>	<b>(3,901.38)</b>	<b>148.75</b>	<b>6,678.06</b>	<b>(5,304.28)</b>
	Other Comprehensive Income (net of tax) Items that will not be reclassified to profit or loss Items that will be reclassified to profit or loss	(0.03)	(0.01)	0.05	0.03	0.04
XI	<b>Total Other Comprehensive Income for the period / year (net of tax)</b>	<b>(0.03)</b>	<b>(0.01)</b>	<b>0.05</b>	<b>0.03</b>	<b>0.04</b>
XII	<b>PROFIT FOR THE PERIOD (X+XI)</b>	<b>7,831.83</b>	<b>(3,901.39)</b>	<b>148.80</b>	<b>6,678.09</b>	<b>(5,304.24)</b>
	Paid up equity share capital (in lakhs) (Face Value of Share - Rs 10/- per share)	54.55	1,090.90	1,090.90	54.55	1,090.90
	Other Equity (excluding Revaluation Reserves)	-	-	-	4,906.28	(5,310.37)
	<b>Earnings Per Equity Share of Rs. 10/- each</b>					
	Basic (in Rs.)	1,435.85	(35.76)	1.36	1,224.32	(48.62)
	Diluted (in Rs.)	71.79	(35.76)	1.36	61.22	(48.62)

The accompanying notes form an integral part of these financial statements  
As per our report of even date attached  
For P D RUNGTA & CO.,  
Chartered Accountants  
Firm Registration Number: 001150C

For and on behalf of the Board of Directors of Narayani Steels Limited

Ritesh Shaw  
RITESH KUMAR SHAW  
Partner  
Membership No: 305929



*[Signature]*  
Sumit Kumar Agarwal  
Director  
DIN: 02184000

*[Signature]*  
Asit Baran Bhattacharjee  
Director  
DIN: 02559634



*[Signature]*  
ARUN KUMAR MEHER  
Company Secretary  
M.NO.: ACS4859B

Place of Signature: Kolkata  
Dated: The 30th day of May, 2022



**NARAYANI STEELS LIMITED**  
(CIN: L27109WB1996PLC082021)

**STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st March 2022**

(Rs. In Lakhs)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
	(Audited)	(Audited)
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Taxes & Extraordinary Items	10,246.35	(8,005.90)
<b>ADJUSTMENTS FOR NON-CASH ITEMS:</b>		
Depreciation and Amortisation	53.60	133.59
Provision/(Reversal of Provision) for expected credit loss	(3,768.36)	3,572.06
Provision/(Reversal of Provision) for Doubtful Debts	(1,191.19)	691.19
Extinguishment of Trade Payable, Other Current and Non Current Liabilities	(168.96)	-
Extinguishment of Current & Non-Current Borrowings	(19,801.00)	-
Impairment in Value of Plant, Property & Equipment	361.49	-
Impairment in Value of Intangible Assets	1.45	-
Allowances for Loans & Advances	1,307.01	-
Right of use assets written off upon termination of lease (Net of lease liabilities)	17.51	-
Bad debts written off	12,987.42	-
Finance Costs	1.76	2,690.21
Rental Income	-	(34.01)
Profit on sale of investments	-	(88.35)
Profit on sale of land	-	(365.54)
Sundry Balance written off (net)	-	40.35
Lease liability written back	-	(26.74)
Interest income	(3.69)	(1.22)
Reversal of Amortisation of corporate guarantee obligation	(9.75)	-
<b>Operating profit before working capital changes</b>	<b>33.64</b>	<b>(1,394.36)</b>
(Increase)/Decrease in Trade receivables, loans & advances & Other assets	(31.81)	1,689.34
(Increase)/Decrease in Inventories	-	1,181.31
Increase/(Decrease) in Trade payables & Other current/non-current liabilities	3.59	1,676.21
	<b>(28.23)</b>	<b>4,546.86</b>
<b>Cash generated from operations</b>	<b>5.42</b>	<b>3,152.50</b>
Income tax paid	(23.76)	(13.15)
<b>Net Cash from / (used in) Operating Activities</b>	<b>(18.35)</b>	<b>3,139.35</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment	(53.03)	(15.04)
Sale/Write off/impairment of Property, Plant & Equipment	-	950.44
Sale of Investments	-	315.11
(Investments In) / Proceeds from Bank deposits	-	1,833.96
Rent received	-	34.01
Interest received	3.69	1.22
<b>Net cash from / (used in) Investing Activities</b>	<b>(29.34)</b>	<b>3,119.70</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds of non current financial borrowings pursuant to resolution plan	1,727.78	(3,562.38)
Proceeds of Share application money pursuant to resolution plan	1,046.00	-
Repayment of Current & Non Current Borrowings pursuant to resolution plan	(2,681.00)	-
Principal (accrued) / reversed on lease liabilities	-	(18.00)
Interest accrued on lease liabilities	-	(11.28)
Finance Costs	(1.76)	(2,678.93)
<b>Net cash from / (used in) financing activities</b>	<b>91.02</b>	<b>(6,270.60)</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash equivalents</b>	<b>43.34</b>	<b>(11.55)</b>
Cash & Cash equivalents at beginning of the year <sup>^</sup>	5.03	16.58
Cash & Cash equivalents written off	(4.71)	-
<b>Cash &amp; Cash equivalents at end of the year<sup>^</sup></b>	<b>43.66</b>	<b>5.03</b>

<sup>^</sup> as disclosed in Note 9

Note:

The Statement of Cash Flow has been prepared under the indirect method as set out in Ind AS - 7 specified under section 133 of the Companies Act, 2013.

Significant accounting policies

The accompanying notes form an integral part of these financial statements

As per our report of even date attached  
For P D RUNGTA & CO.,  
Chartered Accountants  
Firm Registration Number: 001150C

*Ritesh Shaw*  
RITESH KUMAR SHAW  
Partner  
Membership No: 305929



Place of Signature: Kolkata  
Dated: The 30th day of May, 2022

For and on behalf of Narayani Steels Limited

*Sumit Kumar Agarwal*  
Sumit Kumar Agarwal  
Director  
DIN: 02184000

*Asit Baran Bhattacharjee*  
Asit Baran Bhattacharjee  
Director  
DIN: 02559634

*Arun Kumar Meher*  
Arun Kumar Meher  
Company Secretary  
M.NO.: ACS48598





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

To  
The Board of Directors  
NARAYANI STEELS LIMITED

Report on the Audit of the Consolidated Ind AS Financial Results

#### Qualified Opinion

We have audited the accompanying statement of Consolidated financial results of NARAYANI STEELS LIMITED ("the company") for the quarter and year ended March 31, 2022 ("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 ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, these Consolidated financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the quarter and year ended March 31, 2022 **except for matters described in the 'Basis of Qualified Opinion' para stated below.**

#### Basis of Qualified Opinion

- a. The Company has, based on their internal evaluation, valued inventories at Rs. 150.86 Lakhs wherein there is no movement since past one year. In the view of current CIRP and in absence of valuation report, we are uncertain on the realisability of the inventories and to that extent, total profit is overstated.
- b. Internal Audit Report is not available, since management has not appointed Internal Auditor as required under section 138 of Companies Act, 2013.
- c. Balances under sundry debtors and loans and advances given by the company are subject to confirmations and adjustments, if any. In the absence of such pending confirmations and reconciliations, consequential impact of the same on financial statements of the company could not be ascertained.
- d. Provision for gratuity and leave encashment is not being made on actuarial basis, which is non-compliance with the requirements of Ind AS - 19 'Employee Benefits'. In the absence of an



21, Hemant Basu Sarani, 3rd Floor, R.N. 317, Kolkata - 700001 ☎ : (033) 4604-2152 / 2153 / 2154  
E-mail : info@pdrungta.com • Website : www.pdrungta.com

Offices at : Ahmedabad (Gujarat), Bhagalpur (Bihar), Delhi (New Delhi), Khatima (Uttaranchal), Mumbai (Maharashtra)



actuarial valuation being made, we are unable to quantify the effect, if any, on the profit/loss of the Company for the year ended 31st March, 2022.

- e. Physical verification / valuation report for Property, Plant & Equipment including assets held for sale of Rs.84.16 Lakhs is not available and in absence of verification / valuation report, we are uncertain on the carried over values / realizable values and its impact on the financials of the company for the year under report.

#### Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters:

(i) **Accounting treatment for the effects of the Resolution Plan:** Refer Note 3 to the Consolidated Financial Results for the details regarding the resolution plan implemented in the Company pursuant to a corporate insolvency resolution process concluded during the year ended 31st March 2022 under Insolvency and Bankruptcy Code, 2016.

Owing to the size of the over-due credit facilities, multiplicity of contractual arrangements and large number of operational and financial creditors, determination of the carrying amount of related liabilities at the date of approval of Resolution Plan was a complex exercise.

In respect of de-recognition of operational and financial creditors, difference amounting to 19969.96 Lakhs between the carrying amount of financial liabilities extinguished and consideration paid, is recognised in statement of profit and loss in accordance with "Ind AS - 109" "Financial Instruments" prescribed under section 133 of the Companies Act, 2013 and accounting policies consistently followed by the Company and disclosed as an "Exceptional item".

Accounting for the effects of the resolution plan is considered by us to be a matter of most significance due to its importance to intended users' understanding of the Financial Statements.

**Our procedures included the following:** We have performed the following procedures to determine whether the effect of Resolution Plan has been appropriately recognised in the Financial Statements:

- Reviewed management's process for review and implementation of the Resolution Plan.
- Reviewed the provisions of the Resolution Plan to understand the requirements of the said Plan and evaluated the possible impact of the same on the financial statements.
- Verified the balances of liabilities as on the date of approval of Resolution Plan from supporting documents and computations on a test check basis.
- Verified the payment of funds on test check basis as per the Resolution Plan.
- Tested the implementation of provisions of the Resolution Plan in computation of balances of liabilities owed to financial and operational creditors.
- Evaluated whether the accounting principles applied by the management fairly present the effects of the Resolution Plan in financial statements in accordance with the principles of Ind AS.





- Tested the related disclosures made in notes to the financial statements in respect of the implementation of the resolution plan.

(ii) **Litigations Matters & Contingent liabilities:** Refer Note 3(e) to the Consolidated financial statements. Prior to the approval of the Resolution Plan, the Company was a party to certain litigations. Pursuant to the approval of the Resolution Plan, it was determined that no amounts are payable in respect of those litigations as they stand extinguished.

The estimates related to exact outcome of litigations and its possible impact on the financials in respect thereof have high degree of inherent uncertainty due to insufficient judicial precedents in India in respect of disposal of litigations involving companies admitted to Corporate Insolvency Resolution Process.

**Our procedures included the following:** We have performed the following procedures to test the recoverability of payments made by the Company in relation to litigations instituted against it prior to the approval of the Resolution Plan:

- Verified the underlying documents related to litigations and other correspondences with the statutory authorities.
- Reviewed the provisions of the Resolution Plan to understand the requirements of the said Plan and evaluated the possible impact.
- Evaluated whether the accounting principles applied by the management fairly present the amounts recoverable from relevant authorities in financial statements in accordance with the principles of Ind AS.
- Discussed with the management on the development in these litigations during the year ended 31st March, 2022.
- Obtained representation letter from the management on the assessment of those matters as per SA 580 (revised) - written representations.

(iii) **Non conduct of Internal Audit and Non availability of Internal Financial Controls:** We were not provided with copy of Internal Audit Report and Risk Control Matrix including Standard Operating Procedures of the company which we consider to be significant key matter, keeping in view the nature and size of the operations of the Company.

**Our procedures included the following:** During the year, the Company was under CIRP up to 11<sup>th</sup> January, 2022. The issues relating to Internal Audit Report and Internal Financial Controls have been discussed with the management, who has assured necessary compliances in the current fiscal year.

#### **Management's Responsibilities for the Consolidated Financial Results**

These Consolidated annual financial results have been prepared on the basis of the Consolidated annual financial statements. The Company's Management and the Board of Directors are responsible for the preparation of these Consolidated annual financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian 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 and Regulation 52 read with Regulation 63(2) 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 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 are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated financial results, 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 Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the Consolidated annual 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 these Consolidated annual 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 annual 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures 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 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 Consolidated annual





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 Consolidated annual financial results, including the disclosures, and whether the Consolidated annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 Matters**

The results for the three months and year ended 31st March, 2021 are derived from the audited results for the quarter and year ended 31st March, 2021 and the results for preceding quarter ended 31.12.2021 are taken from published unaudited results for nine months ended 31st December 2021 which were subject to limited review by another auditor.

#### **Qualified Conclusion**

Based on our review, with the exception of the matter described in the preceding paragraph, nothing has come to our attention that causes us to believe that the Statement read with notes thereon, prepared in accordance with aforesaid Indian Accounting Standards and other recognized accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

The Statement includes the results of the following entity:

#### **Hari Equipments Private Limited**

Based on our review conducted and procedures performed as stated in paragraph 3 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



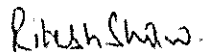


Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

The Consolidated audited financial results also include the Company's share of net loss after tax (and total comprehensive income) of Rs. NIL for the quarter and year ended 31<sup>st</sup> March, 2022 in respect of an associate, whose financial results have not been reviewed by us. The audited financial statements of such associate have been furnished to us by the management and our opinion on the consolidated audited financial results for the quarter and year ended 31<sup>st</sup> March, 2022, is unmodified to the extent that have been derived from such audited financial statements.

Our opinion on the consolidated financial statements for the quarter and year ended 31<sup>st</sup> March 2022 results is unmodified in respect of the above matters with respect to our reliance on the audited financial statements.

For P. D. Rungta & Co.  
Chartered Accountants  
Firm Registration No.: 001150C

  
CA Ritesh Kumar Shaw  
Partner  
Membership No.: 305929  
UDIN: 22305929AJX08T338



Place: Kolkata  
Date: 30<sup>th</sup> May, 2022



**NARAYANI STEELS LIMITED**  
(CIN: L27109WB1996PLC082021)  
**CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH 2022**

(Rs in Lakhs)		
Particulars	As at current year ended 31-03-2022	As at previous year ended 31-03-2021
	(Audited)	(Audited)
<b>ASSETS</b>		
<b>(1) Non-current assets</b>		
(a) Property, Plant and Equipment	932.07	1,398.29
(b) Right-of-use assets	-	107.85
(c) Intangible Assets	-	1.45
(d) Financial assets	-	-
(i) Investments	0.39	0.34
(ii) Other assets	76.74	90.02
(e) Deferred Tax Assets (net)	698.52	4,266.92
(f) Other non-current assets	-	11.45
<b>Total Non-current assets</b>	<b>1,707.82</b>	<b>5,876.33</b>
<b>(2) Current assets</b>		
(a) Inventories	150.86	150.86
(b) Financial assets	-	-
(i) Trade receivables	3,023.31	11,035.46
(ii) Cash and cash equivalents	43.66	5.03
(iii) Other assets	0.06	10.14
(c) Current tax assets (net)	36.91	73.60
(d) Other current assets	260.07	1,451.02
(e) Assets classified as held for sale	84.16	-
<b>Total Current assets</b>	<b>3,599.04</b>	<b>12,726.12</b>
<b>TOTAL ASSETS</b>	<b>5,306.86</b>	<b>18,602.45</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	54.55	1,090.90
(b) Other equity	4,906.28	(5,310.37)
<b>Total Equity</b>	<b>4,960.83</b>	<b>(4,219.47)</b>
<b>Liabilities</b>		
<b>(1) Non-current liabilities</b>		
(a) Financial liabilities	-	-
(i) Borrowings	271.58	115.29
(ii) Lease liabilities	-	82.77
(iii) Other liabilities	-	3.08
(b) Other non-current liabilities	-	2.61
(c) Provisions	-	4.54
<b>Total Non-current liabilities</b>	<b>271.58</b>	<b>208.30</b>
<b>(2) Current liabilities</b>		
(a) Financial liabilities	-	-
(i) Borrowings	-	20,136.28
(ii) Lease liabilities	-	7.57
(iii) Trade payables	-	-
total outstanding dues of micro enterprises and small enterprises	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	36.69	198.24
(iv) Other liabilities	-	2,240.18
(b) Other current liabilities	37.76	27.43
(c) Provisions	-	3.92
<b>Total Current liabilities</b>	<b>74.46</b>	<b>22,613.62</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,306.86</b>	<b>18,602.45</b>

The accompanying notes form an integral part of these financial statements

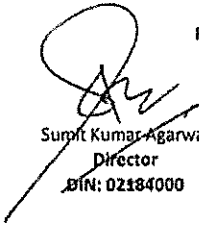
As per our report of even date attached  
For P D RUNGTA & CO.,  
Chartered Accountants  
Firm Registration Number: 001150C


Ritesh Shaw  
RITESH KUMAR SHAW  
Partner  
Membership No: 305929

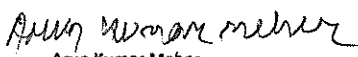


Place of Signature: Kolkata  
Dated: The 30th day of May, 2022

For and on behalf of Narayani Steels Limited

  
Sumit Kumar Agarwal  
Director  
DIN: 02184000

  
Asit Baran Bhattacharjee  
Director  
DIN: 02559634

  
Arun Kumar Meher  
Company Secretary  
M.NO.: ACS48598



**NARAYANI STEELS LIMITED**

(CIN: L27109WB1996PLC082021)

**STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH, 2022**

(Rs. in Lakhs)

SL. NO.	PARTICULARS	3 Months ended 31-03-2022 (Audited)	Corresponding 3 months ended 31-03-2021 (Audited)	Preceding 3 Months ended 31-12-2021 (Unaudited)	Year ended 31-03-2022 (Audited)	Year ended 31-03-2021 (Audited)
I	Revenue from operations	449.67	4,741.93	335.61	1,162.28	7,793.26
II	Other income	(47.83)	475.33	4.60	24.93	491.04
III	<b>Total Revenue (I + II)</b>	<b>401.84</b>	<b>5,217.26</b>	<b>340.21</b>	<b>1,187.21</b>	<b>8,284.29</b>
IV	<b>EXPENSES:</b>					
	Cost of Materials Consumed	-	3,543.66	82.53	-	3,807.30
	Purchase of Traded Goods	-	65.95	-	-	2,304.81
	Changes in Inventories of Finished & Traded Goods	-	656.79	-	-	1,001.66
	Employee benefits expenses	84.89	394.85	81.98	308.14	531.11
	Finance Costs	(7.35)	1,721.05	1.01	1.76	2,690.21
	Depreciation and amortisation expenses	(28.28)	102.34	27.55	53.60	133.59
	Other expenses	167.78	4,793.23	121.09	773.76	5,821.50
	<b>Total Expenses (IV)</b>	<b>217.03</b>	<b>11,277.87</b>	<b>314.16</b>	<b>1,137.25</b>	<b>16,290.19</b>
V	<b>PROFIT BEFORE PRIOR PERIOD ITEMS, EXCEPTIONAL ITEMS AND TAX (III-IV)</b>	<b>184.81</b>	<b>(6,060.61)</b>	<b>26.04</b>	<b>49.96</b>	<b>(8,005.90)</b>
VI	Prior period Items	-	-	-	-	-
VII	Exceptional Items	10,196.39	-	-	10,196.39	-
VIII	<b>PROFIT BEFORE TAX (V-VI-VII)</b>	<b>10,381.20</b>	<b>(6,060.61)</b>	<b>26.04</b>	<b>10,246.35</b>	<b>(8,005.90)</b>
IX	<b>Tax Expenses</b>					
	Current Tax	-	-	-	-	-
	Earlier Year Tax	-	-	-	-	-
	Deferred Tax	2,549.35	(2,159.23)	(122.71)	3,568.29	(2,701.62)
	<b>Net Tax Expense</b>	<b>2,549.35</b>	<b>(2,159.23)</b>	<b>(122.71)</b>	<b>3,568.29</b>	<b>(2,701.62)</b>
X	<b>Profit for the period / year (VII-IX)</b>	<b>7,831.85</b>	<b>(3,901.38)</b>	<b>148.75</b>	<b>6,678.06</b>	<b>(5,304.28)</b>
	Other Comprehensive Income (net of tax)	-	-	-	-	-
	Items that will not be reclassified to profit or loss	(0.03)	(0.01)	0.05	0.03	0.04
	Items that will be reclassified to profit or loss	-	-	-	-	-
XI	<b>Total Other Comprehensive Income for the period / year (net of tax)</b>	<b>(0.03)</b>	<b>(0.01)</b>	<b>0.05</b>	<b>0.03</b>	<b>0.04</b>
XII	Share of profit/ (Loss) of Associate (Net of Tax)	-	-	-	-	-
XIII	<b>PROFIT FOR THE PERIOD (X+XI)</b>	<b>7,831.83</b>	<b>(3,901.39)</b>	<b>148.80</b>	<b>6,678.09</b>	<b>(5,304.24)</b>
	Paid up equity share capital (in lakhs) (Face Value of Share - Rs 10/- per share)	54.55	1,090.90	1,090.90	54.55	1,090.90
	Other Equity (excluding Revaluation Reserves)	-	-	-	4,906.28	(5,310.37)
	Earnings Per Equity Share of Rs. 10/- each					
	Basic (In Rs.)	1,435.85	(35.76)	1.36	1,224.32	(48.62)
	Diluted (In Rs.)	71.79	(35.76)	1.36	61.22	(48.62)

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For P D RUNGTA & CO.,

Chartered Accountants

Firm Registration Number: 001150C

*Ritesh Shaw*

RITESH KUMAR SHAW

Partner

Membership No: 305929



Place of Signature: Kolkata

Dated: The 30th day of May, 2022

For and on behalf of the Board of Directors of Narayani Steels Limited

*Sumit Kumar Agarwal*  
Sumit Kumar Agarwal  
Director  
DIN: 02184000

*Asit Baran Bhattacharjee*  
Asit Baran Bhattacharjee  
Director  
DIN: 02559634

*Arun Kumar Meher*  
ARUN KUMAR MEHER  
Company Secretary  
M.NO.: ACS48598



**NARAYANI STEELS LIMITED**  
(CIN: L27169WB1996PLC082021)  
**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st March 2022**

(Rs. In Lakhs)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
	(Audited)	(Audited)
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Taxes & Extraordinary Items	10,246.35	(8,005.90)
<b>ADJUSTMENTS FOR NON-CASH ITEMS:</b>		
Depreciation and Amortisation	53.60	133.59
Provision/(Reversal of Provision) for expected credit loss	(3,768.36)	3,572.06
Provision/(Reversal of Provision) for Doubtful Debts	(1,191.19)	691.19
Extinguishment of Trade Payable, Other Current and Non Current Liabilities	(168.96)	-
Extinguishment of Current & Non-Current Borrowings	(19,801.00)	-
Impairment In Value of Plant, Property & Equipment	361.49	-
Impairment In Value of Intangible Assets	1.45	-
Allowances for Loans & Advances	1,307.01	-
Right of use assets written off upon termination of lease (Net of lease liabilities)	17.51	-
Bad debts written off	12,987.42	-
Finance Costs	1.76	2,690.21
Rental Income	-	(34.01)
Profit on sale of Investments	-	(88.35)
Profit on sale of land	-	(365.54)
Sundry Balance written off (net)	-	40.35
Lease liability written back	-	(26.74)
Interest Income	(3.69)	(1.22)
Reversal of Amortisation of corporate guarantee obligation	(9.75)	-
<b>Operating profit before working capital changes</b>	<b>(10,212.71)</b>	<b>6,611.53</b>
	<b>33.64</b>	<b>(1,394.36)</b>
(Increase)/Decrease in Trade receivables , loans & advances & Other assets	(31.81)	1,689.34
(Increase)/Decrease in Inventories	-	1,181.31
Increase/(Decrease) in Trade payables & Other current/non-current liabilities	3.59	1,676.21
	<b>(28.23)</b>	<b>4,546.86</b>
<b>Cash generated from operations</b>	<b>5.42</b>	<b>3,152.50</b>
Income tax paid	(23.76)	(13.15)
<b>Net Cash from / (used in) Operating Activities</b>	<b>(18.35)</b>	<b>3,139.35</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment	(33.03)	(15.04)
Sale/Write off/impairment of Property, Plant & Equipment	-	950.44
Sale of investments	-	315.11
(Investments In) / Proceeds from Bank deposits	-	1,833.96
Rent received	-	34.01
Interest received	3.69	1.22
<b>Net cash from / (used in) Investing Activities</b>	<b>(29.34)</b>	<b>3,119.70</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds of non current financial borrowings pursuant to resolution plan	1,727.78	(3,562.38)
Proceeds of Share application money pursuant to resolution plan	1,046.00	-
Repayment of Current & Non Current Borrowings pursuant to resolution plan	(2,681.00)	-
Principal (accrued) / reversed on lease liabilities	-	(18.00)
Interest accrued on lease liabilities	-	(11.28)
Finance Costs	(1.76)	(2,678.93)
<b>Net cash from / (used in) financing activities</b>	<b>91.02</b>	<b>(6,270.60)</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash equivalents</b>	<b>43.34</b>	<b>(11.55)</b>
Cash & Cash equivalents at beginning of the year <sup>^</sup>	5.03	16.58
Cash & Cash equivalents written off	(4.71)	-
<b>Cash &amp; Cash equivalents at end of the year<sup>^</sup></b>	<b>43.66</b>	<b>5.03</b>

<sup>^</sup> as disclosed in Note 9

Note :

The Statement of Cash Flow has been prepared under the indirect method as set out in Ind AS - 7 specified under section 133 of the Companies Act, 2013.

Significant accounting policies

The accompanying notes form an integral part of these financial statements

As per our report of even date attached  
For P D RUNGTA & CO.,  
Chartered Accountants  
Firm Registration Number: 001150C

*Ritesh Shaw*  
RITESH KUMAR SHAW  
Partner  
Membership No: 305929



Place of Signature: Kolkata  
Dated: The 30th day of May, 2022

For and on behalf of Narayani Steels Limited

*Sumit Kumar Agarwal*  
Sumit Kumar Agarwal  
Director  
DIN: 02184000

*Asit Baran Bhattacharjee*  
Asit Baran Bhattacharjee  
Director  
DIN: 02559634

*Arun Kumar Meher*  
Arun Kumar Meher  
Company Secretary  
M.NO.: ACS48598



**NARAYANI STEELS LIMITED**  
(CIN: L27109WB1996PLC082021)

**Notes to the Standalone & Consolidated Financial Results for the year ended 31<sup>st</sup> March 2022:**

1. Based on the petition filed by a financial creditor, the Hon'ble NCLT, Kolkata Bench, passed the order for initiation of CIRP under section 7 of the Insolvency and Bankruptcy Code, 2016 (As amended and hereinafter referred to as "the Code") dated 24th March 2021 appointing Mr. Krishna Komaravolu as Interim Resolution Professional, subsequently confirming him as the Resolution Professional ("RP") under the provisions of the Code. Further, the erstwhile RP had invited expression of Interest (EoI) from Prospective Resolution Applicants (PRAs) to submit the Resolution Plan for the Company. Final plans received were placed, put to vote in the 6th CoC meeting held on 19th October 2021. The resolution plan submitted by Rishikunj Vincom Private Limited was approved by CoC. The application for Plan approval was filed with Hon'ble National Company Law Tribunal (NCLT) on 02nd November 2021 and subsequently has been approved/allowed by the Hon'ble NCLT vide Order dated 11th January 2022.
2. With the approval of the Resolution Plan by the Hon'ble National Company Law Tribunal (NCLT) vide Order dated 11th January 2022, the CIRP of the Company has concluded and Mr. Krishna Komaravolu ceased to be the resolution professional of the Company. The said Resolution plan has been implemented by the Monitoring Committee and the management of the Company has been handed over to the RA by the Monitoring Committee w.e.f. 1<sup>st</sup> April 2022.
3. In view of the approved resolution plan, following effects have been given in the accounts of the Company for the year ended 31<sup>st</sup> March 2022 -
  - (a) The Face value of existing Equity shares was reduced from Rs. 10 per share to Re. 0.50 per share, and after such reduction in face value of existing equity shares to Re. 0.50, the Face value of shares were consolidated to Rs. 10/- per share resulting in reduction of the quantity of the shares held by the existing shareholders by 1/20th of the existing quantity i.e. the shares of existing shareholders holding 1,09,09,000 equity shares were reduced to 5,45,450 equity shares.
  - (b) The existing directors of the Company as on the date of Order stand replaced by the new Board of Directors with effect from 16-03-2022. As on date, the Board consists of Sumit Kumar Agarwal, as Promoter Director being Nominee of RA, and three Independent Directors, namely, Asit Baran Bhattacharjee, Ajit Kumar Nath and Akansha Agarwal.
  - (c) In view of extinguishment of balances of operational and financial creditors, post payment as per the Resolution Plan, the same is recognised in the statement of profit or loss in accordance with "Ind AS - 109" on "Financial Instruments" prescribed under section 133 of the Companies Act, 2013 and disclosed and included under "Exceptional items".
  - (d) Funds amounting to Rs. 1,726.20 Lakhs were brought by way of Unsecured Loans and Rs. 1,046 Lakhs by way of Share Application Money by the RA as per the terms of the approved resolution plan. However, the allotment against the Share Application Money received is pending for approval from Bombay Stock Exchange.
  - (e) As per approved resolution plan, the contingent liabilities and commitments, claims and obligations, Corporate guarantees and Legal Proceedings initiated against the Company stand extinguished and accordingly no outflow of economic benefits is expected in respect thereof. The Resolution plan further provides that implementation of resolution plan will not affect the rights of the Company to recover any amount due to the Company and there shall be no set off of any such amount recoverable by the Company against any liability discharged or extinguished.
4. The above audited financial results have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.
5. The above standalone and consolidated financial results for the year ended 31<sup>st</sup> March 2022 were reviewed by the Audit Committee and approved at the meeting of the Board of Directors of the Company held on 30<sup>th</sup> May, 2022. The Statutory Auditors have expressed a modified opinion on the aforesaid results.





6. The Company is principally engaged in a single business segment of manufacturing and trading of Iron & Steel and its related products, accordingly there is no separate reportable segment as per Ind AS 108 "Operating Segment". However, presently the Company is engaged only in undertaking conversion work on contractual basis.
7. The results for the three months ended 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021 are derived from the audited accounts of the Company for the financial years ended 31<sup>st</sup> March 2022 & 31<sup>st</sup> March 2021 respectively after excluding figures as per published unaudited results for the nine months ended 31<sup>st</sup> December 2021 and 31<sup>st</sup> December 2020 respectively.
8. The Consolidated financial statements are prepared in accordance with the principles and procedures for the preparation and presentation of Consolidated accounts as set out in Ind AS 110 "Consolidated Financial Statements" notified by the Ministry of Corporate Affairs. The Consolidated financial statements of the Company include its associate namely 'Hari Equipments Private Limited' combined as per Equity Method under Ind AS. The consolidated financial statements are prepared applying uniform accounting policies on all material items.
9. The associate of the Company has suffered substantial losses in the previous financial year as well as the current financial year ending 31<sup>st</sup> March 2022, resulting in complete erosion of net worth of the associate, namely Hari Equipments Private Limited. In view of the same, 100% impairment of investments was provided by Narayani Steels Limited in its accounts for the financial year ended 31<sup>st</sup> March 2020. However, the accounts of the associate company have been prepared on a going concern basis as the management of the associate is exploring the options to raise additional finance to revive the operations.
10. Previous year's / period's figures have been regrouped / rearranged, wherever necessary.

For P D RUNGTA & CO.,  
Chartered Accountants  
Firm Registration No.: 001150C

*Ritesh Shaw*  
RITESH KUMAR SHAW  
Partner  
Membership No: 305929



Place: Kolkata  
Dated: The 30<sup>th</sup> Day of May, 2022

For & on behalf of Narayani Steels Limited

*Sumit Kumar Agarwal*  
Sumit Kumar Agarwal  
Director  
(DIN: 02184000)

*Asit Baran Bhattacharjee*  
Asit Baran Bhattacharjee  
Director  
(DIN: 02559634)

*Arun Kumar Meher*  
Arun Kumar Meher  
Company Secretary  
M.N. ACS 48598



I. Statement on Impact of Audit Qualifications for the FY ended 31<sup>st</sup> March, 2022.

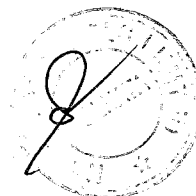
NIL

II.	Audit Qualification (each audit qualification separately):	Standalone	Consolidated
	Details of Audit Qualification:	<p>a. The Company has, based on their internal evaluation, valued inventories at Rs. 150.86 Lakhs wherein there is no movement since past one year. In the absence of valuation report, we are unable to ascertain the realisability of the inventories and to that extent, total profit is overstated.</p> <p>b. Internal Audit Report is not available, since management has not appointed Internal Auditor as required under section 138 of Companies Act, 2013.</p> <p>c. Balances under sundry debtors and loans and advances considered by the company as realizable are subject to confirmations and adjustments, if any. In the absence of such pending confirmations and reconciliations, consequential impact of the same on financial statements of the company could not be ascertained.</p> <p>d. Provision for gratuity and leave encashment is not</p>	<p>a. The Company has, based on their internal evaluation, valued inventories at Rs. 150.86 Lakhs wherein there is no movement since past one year. In the view of current CIRP and in absence of valuation report, we are uncertain on the realisability of the inventories and to that extent, total profit is overstated.</p> <p>b. Internal Audit Report is not available, since management has not appointed Internal Auditor as required under section 138 of Companies Act, 2013.</p> <p>c. Balances under sundry debtors and loans and advances given by the company are subject to confirmations and adjustments, if any. In the absence of such pending confirmations and reconciliations, consequential impact of the same on financial statements of the company could not be ascertained.</p> <p>d. Provision for gratuity and leave encashment is not being made on actuarial basis, which is non-</p>

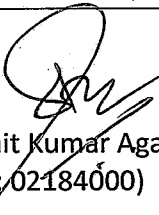
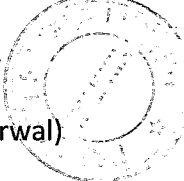
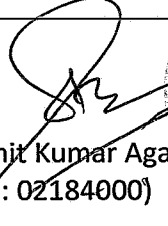
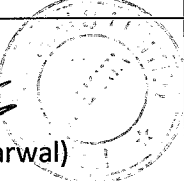
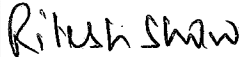

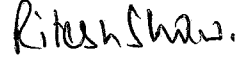





		<p>being made on actuarial basis, which is non-compliance with the requirements of Ind AS – 19 'Employee Benefits'. In the absence of an actuarial valuation being made, we are unable to quantify the effect, if any, on the profit/loss of the Company for the year ended 31st March, 2022.</p> <p>e. Physical verification / valuation report for Property, Plant &amp; Equipment including assets held for sale of Rs.84.16 Lakhs is not available and in absence of verification / valuation report, we are unable to ascertain the fair / realizable values of such items and its impact on the financials of the company for the year under report.</p>	<p>compliance with the requirements of Ind AS – 19 'Employee Benefits'. In the absence of an actuarial valuation being made, we are unable to quantify the effect, if any, on the profit/loss of the Company for the year ended 31st March, 2022.</p> <p>e. Physical verification / valuation report for Property, Plant &amp; Equipment including assets held for sale of Rs.84.16 Lakhs is not available and in absence of verification / valuation report, we are uncertain on the carried over values / realizable values and its impact on the financials of the company for the year under report.</p>
	Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified Opinion	Qualified Opinion
	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	First Time	First Time
	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	None	None
	For Audit Qualification(s) where the impact is not quantified by the auditor:		
	(i) Management's	Not Applicable	Not Applicable





	estimation on the impact of audit qualification:		
	(ii) If management is unable to estimate the impact, reasons for the same:	Not Quantifiable	Not Quantifiable
	(iii) Auditors' Comments on (i) or (ii) above:	The Company is in the process of reconciliations and related compliances.	The Company is in the process of reconciliations and related compliances.
<b>III.</b>	<b>Signatories:</b>		
	<ul style="list-style-type: none"> <li>Director:</li> </ul>	  (Sumit Kumar Agarwal) (DIN: 02184000)	  (Sumit Kumar Agarwal) (DIN: 02184000)
	<ul style="list-style-type: none"> <li>Statutory Auditor:</li> </ul>	For P. D. Rungta & Co. Chartered Accountants Firm Registration No.: 001150C    CA Ritesh Kumar Shaw Partner Membership No.: 305929	For P. D. Rungta & Co. Chartered Accountants Firm Registration No.: 001150C    CA Ritesh Kumar Shaw Partner Membership No.: 305929
	Date: 30.05.2022		