

November 13, 2020

The Manager  
Department of Corporate Services  
BSE Limited  
Phiroze Jeejeeboy Towers  
Dalal Street, Fort,  
Mumbai - 400 001

**BSE Scrip Code: 540080**

**Sub: Outcome of Board Meeting held on November 13, 2020**

**Dear Sir/Madam,**

This is further to our letter dated 02<sup>nd</sup> and 9<sup>th</sup> November, 2020, intimating the date of Board Meeting for consideration of Unaudited Standalone and Consolidated Financial Results for the quarter and half year ended 30th September, 2020.

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), we would like to inform you that the Board of Directors in their meeting held today have inter-alia approved:

1. The Unaudited Standalone and Consolidated Financial Results for the quarter and half year ended 30th September, 2020.
2. Standalone and Consolidated cash flow statements as on 30<sup>th</sup> September, 2020

In terms of Regulation 30 read with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing a copy of the said Unaudited Financial Results along with a copy of 'Limited Review' Report issued by the Statutory Auditors of the Company.

We are arranging to publish these results in the newspapers as per Regulation 47 of Listing Regulations. The said results along with the Limited Review is available on the website of the Company at [www.narayanisteels.com](http://www.narayanisteels.com).

The meeting was commenced at 12.00 pm and concluded at 02.50 pm

Please take the above information on record.

**Yours Faithfully**

**For NARAYANI STEELS LIMITED**

*Arun Kumar Meher*  
**Arun Kumar Meher**  
**Company Secretary and Compliance Officer**  
**Membership Number: A48598**



Encl.: As above



Steel



Coal



Minerals



Import



Export



Logistics



Warehousing



Agriculture



Brokerage

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

**Review Report to  
The Board of Directors  
Narayani Steels Limited**

We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **Narayani Steels Limited** ("the Company"), for the quarter ended September 30, 2020 ("the Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended (the "Listing Regulations 2015").

This Statement, which is the responsibility of the Company's Management and has been approved by the 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, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

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. 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 is limited primarily to inquire of the Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

**Emphasis of Matter**

We draw attention to the following matters –

1. As stated in Note 4 to the unaudited Standalone financial results which explain the uncertainties and the management's assessment of the financial impact due to the COVID-19 pandemic situation and consequential restrictions, for which a definitive assessment of the impact in the subsequent period is highly dependent upon future developments. The pandemic has caused significant impact on the performance of the Company.
2. As stated in Note 5 to the unaudited standalone financial results, the Bankers have classified its advance to Company as NPA and are not charging interest or have reversed the interest earlier charged. In order to account all probable liabilities, the management in its best judgement has provided interest on such borrowings. Restructure proposal submitted by the Company is under active consideration by the Bank.
3. As stated in Note 9 to the unaudited standalone financial results, the Company has been able to obtain account confirmations in respect of some of Trade Receivables as at September 30, 2020. In the absence of confirmation, for other portion provision to be made for adverse variation in the carrying amounts of Trade Receivables is provided in the Books under expected Credit Risk amounting to Rs.13.28 Crores. The management, however, is confident that

confirmation/ reconciliation, there will not be any material impact on the State of Affairs as stated in the said Note.

4. As stated in Note 11 to the unaudited standalone financial results, the Contingent liabilities amounting to Rs.45.25 Crores is disclosed on account of Collaterals given on behalf of Associates of the Company.

Our opinion is not modified in respect of these above matters.

Based on our review conducted as above, we report that, 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.

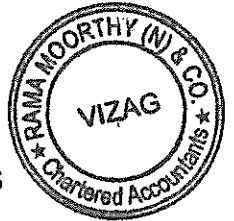
Date: 13.11.2020  
Place: Visakhapatnam

For RAMAMOORTHY (N) & CO.,  
Chartered Accountants  
FRN: 02899S



(K. Ramachandra Rao)  
Partner

Membership No: 201334  
UDIN: 20201334AAAABM2195



**NARAYANI STEELS LIMITED**

(CIN: L27109WB1996PLC082021)


Registered office : 23A, N.S.Road 7th Floor, Kolkata - 700001


**STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER/ SIX MONTHS ENDED 30th SEPTEMBER, 2020**

(Rs. in Lakhs)

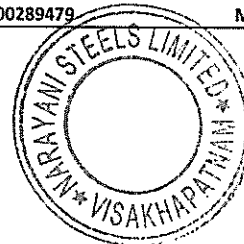
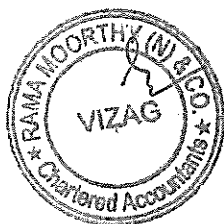
SL. NO.	PARTICULARS	3 Months ended 30-09-2020	Preceding 3 Months ended 30-06-2020	Corresponding 3 months ended 30-09-2019	6 months ended 30-09-2020	6 months ended 30-09-2019	Year Ended 31-03-2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I	Revenue from operations	2,590.68	1,836.72	8,032.19	4,427.40	24,384.51	35,852.02
II	Other income	96.66	118.57	118.85	215.23	203.41	384.26
III	<b>Total Revenue (I + II)</b>	<b>2,687.35</b>	<b>1,955.29</b>	<b>8,151.04</b>	<b>4,642.64</b>	<b>24,587.92</b>	<b>36,236.28</b>
IV	<b>EXPENSES:</b>						
	Cost of Materials Consumed	567.98	1,147.45	1,223.27	1,715.43	3,242.13	5,954.43
	Purchase of Traded Goods	1,869.93	145.24	7,233.67	2,015.17	20,919.37	28,050.54
	Changes in Inventories of Finished & Traded Goods	(49.21)	200.18	(804.03)	150.97	(1,390.13)	293.65
	Impairment loss allowance	-	-	-	-	-	56.73
	Employee benefits expenses	149.97	110.10	127.54	260.07	244.12	502.90
	Finance Costs	461.70	871.27	558.43	1,332.97	983.70	2,305.80
	Depreciation and amortisation expenses	34.45	36.74	38.48	71.19	74.07	166.64
	Other expenses	507.29	179.73	675.03	687.02	1,321.73	3,710.85
	<b>Total Expenses (IV)</b>	<b>3,542.12</b>	<b>2,690.71</b>	<b>9,052.39</b>	<b>6,232.83</b>	<b>25,394.99</b>	<b>41,041.54</b>
V	<b>PROFIT BEFORE TAX (III - IV)</b>	<b>(854.78)</b>	<b>(735.42)</b>	<b>(901.37)</b>	<b>(1,590.20)</b>	<b>(807.07)</b>	<b>(4,805.26)</b>
VI	<b>Tax Expenses</b>						
	Current Tax	-	-	(38.28)	-	-	-
	Earlier Year Tax	-	-	-	-	-	4.60
	Deferred Tax	(283.66)	(242.64)	(268.29)	(526.30)	(268.09)	(1,678.34)
	<b>Net Tax Expense</b>	<b>(283.66)</b>	<b>(242.64)</b>	<b>(306.57)</b>	<b>(526.30)</b>	<b>(268.09)</b>	<b>(1,673.74)</b>
VII	<b>Profit for the period / year (V - VI)</b>	<b>(571.11)</b>	<b>(492.78)</b>	<b>(594.80)</b>	<b>(1,063.89)</b>	<b>(538.98)</b>	<b>(3,131.52)</b>
	<b>Other Comprehensive Income (net of tax)</b>						
	Items that will not be reclassified to profit or loss	(0.05)	0.02	(0.38)	(0.03)	(0.57)	(2.49)
VIII	<b>Total Other Comprehensive Income for the period / year (net of tax)</b>	<b>(0.05)</b>	<b>0.02</b>	<b>(0.38)</b>	<b>(0.03)</b>	<b>(0.57)</b>	<b>(2.49)</b>
IX	<b>PROFIT FOR THE PERIOD (VII + VIII)</b>	<b>(571.16)</b>	<b>(492.76)</b>	<b>(595.18)</b>	<b>(1,063.92)</b>	<b>(539.55)</b>	<b>(3,134.01)</b>
	Paid up equity share capital (in lakhs) (Face Value of Share - Rs 10/- per share)	1,090.90	1,090.90	1,090.90	1,090.90	1,090.90	1,090.90
	Other Equity (excluding Revaluation Reserves)	-	-	-	-	-	(6.13)
	Earnings Per Equity Share of Rs. 10/- each Basic & Diluted (in Rs.)	(5.24)	(4.52)	(5.46)	(9.75)	(4.95)	(28.71)
	See accompanying notes to the financial results						

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

  
**SUNIL CHOUDHARY**  
 Managing Director  
 DIN: 00289479

  
**ARUN KUMAR MEHER**  
 Company Secretary  
 M.NO.: ACS48598

Place of Signature: Visakhapatnam  
 Dated: The 13th day of November, 2020



**NARAYANI STEELS LIMITED**  
(CIN: L27109WB1996PLC082021)  
Standalone Statements of Assets and Liabilities

(Rs. In Lakhs)

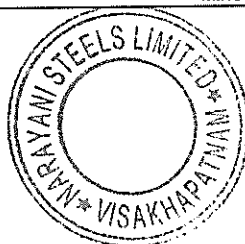
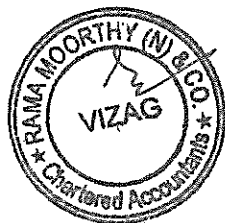
Particulars	As at current half year ended 30-09-2020	As at Previous year ended 31-03-2020
<b>ASSETS</b>		
<b>(1) Non-current assets</b>		
(a) Property, plant and equipment	2,030.42	2,088.02
(b) Investment Properties	-	135.50
(c) Right-of-use assets	111.72	118.38
(d) Intangible Assets	1.96	2.45
(e) Financial assets		
(i) Investments	0.25	0.29
(ii) Other assets	98.84	98.64
(f) Deferred Tax Assets (net)	2,091.64	1,565.32
(g) Other non-current assets	18.46	19.48
<b>Total Non-current assets</b>	<b>4,353.28</b>	<b>4,028.07</b>
<b>(2) Current assets</b>		
(a) Inventories	1,469.40	1,332.17
(b) Financial assets		
(i) Investments	115.38	93.46
(ii) Trade receivables	17,203.50	17,500.14
(iii) Cash and cash equivalents	10.79	16.58
(iv) Other Bank Balances	-	1,833.96
(v) Other assets	10.42	10.42
(c) Current tax assets (net)	62.55	60.45
(d) Other current assets	699.19	962.34
<b>Total Current assets</b>	<b>19,571.22</b>	<b>21,809.53</b>
<b>TOTAL ASSETS</b>	<b>23,924.50</b>	<b>25,837.60</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	1,090.90	1,090.90
(b) Other equity	(1,070.05)	(6.13)
<b>Total Equity</b>	<b>20.85</b>	<b>1,084.77</b>
<b>Liabilities</b>		
<b>(1) Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	1,864.88	1,669.18
(ii) Lease liabilities	110.81	115.40
(iii) Other liabilities	7.34	5.72
(b) Other non-current liabilities	6.92	8.58
(c) Provisions	4.54	4.54
<b>Total Non-current liabilities</b>	<b>1,994.49</b>	<b>1,803.42</b>
<b>(2) Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	20,506.67	22,044.54
(ii) Lease liabilities	8.91	8.40
(iii) Trade payables		
total outstanding dues of micro enterprises and small enterprises	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	125.53	367.28
(iv) Other liabilities	45.17	185.85
(b) Other current liabilities	1,218.11	339.42
(c) Provisions	4.77	3.92
<b>Total Current liabilities</b>	<b>21,909.16</b>	<b>22,949.42</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>23,924.50</b>	<b>25,837.60</b>

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

Sunil Choudary  
Managing Director  
DIN: 00289479

Arun Kumar Meher  
Company Secretary  
M.NO.: ACS48598

Place of Signature: Visakhapatnam  
Dated: The 13th day of November, 2020



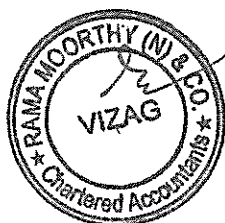
<b>NARAYANI STEELS LIMITED</b>		
<b>(CIN: L27109WB1996PLC082021)</b>		
<b>STATEMENT OF STANDALONE CASH FLOWS FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2020</b>		
<b>(Rs. in Lakhs)</b>		
Particulars	For the half year ended 30.09.2020	For the half year ended 30.09.2019
	(Unaudited)	(Unaudited)
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before tax	(1,590.20)	(807.06)
<b>ADJUSTMENTS FOR:</b>		
Depreciation and amortisation expense	71.19	74.07
Provision for expected credit loss on trade receivables	235.16	10.93
Net (gain) / loss on investments measured at fair value through profit or loss	(21.91)	(2.85)
Amortisation of corporate guarantee obligation	(4.86)	(4.35)
Finance Costs	1,332.97	983.70
Rental Income	(21.12)	(6.97)
Profit on sale of investments	(46.70)	-
Sundry Balance written off (net)	(24.47)	0.54
Interest income	(90.68)	(177.28)
Gratuity	0.85	2.43
<b>Operating profit before working capital changes</b>	<b>(159.75)</b>	<b>73.15</b>
<b>ADJUSTMENTS FOR :</b>		
Trade receivables, loans, advances and other assets	349.93	1,514.06
Inventories	(137.23)	(1,145.17)
Trade payables, other liabilities and other financial liabilities	617.87	(4,049.03)
<b>Cash generated from operations</b>	<b>670.82</b>	<b>(3,607.00)</b>
Income tax paid	(2.10)	(22.57)
<b>Net Cash from / (used in) Operating Activities</b>	<b>668.72</b>	<b>(3,629.56)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment (including capital work-in-progress)	(4.26)	(68.53)
Sale of investments	180.00	(3.22)
(Investments in) / Proceeds from Bank deposits (maturity more than 3 months but less than 12 months)	1,833.96	(73.22)
Rent received	21.12	6.97
Interest received	90.68	177.28
<b>Net cash from / (used in) Investing Activities</b>	<b>2,121.50</b>	<b>39.27</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/(Repayment) of Borrowings	(1,451.63)	4,496.40
Principal accrued on lease liabilities	(11.40)	-
Interest accrued on lease liabilities	(7.33)	-
Finance Costs	(1,325.65)	(983.70)
<b>Net cash from / (used in) financing activities</b>	<b>(2,796.01)</b>	<b>3,512.70</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash equivalents</b>	<b>(5.79)</b>	<b>(77.59)</b>
Cash & Cash equivalents at beginning of the year^	16.58	197.88
Cash & Cash equivalents at end of the year^	10.79	120.29

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

Place of Signature: Visakhapatnam  
Dated: The 13th day of November, 2020

Sunil Choudhary  
Managing Director  
DIN: 00289479

Arun Kumar Meher  
Company Secretary  
M.NO.: ACS48598



**NARAYANI STEELS LIMITED**  
**(CIN: L27109WB1996PLC082021)**  
**Registered office: 23A, N.S.Road 7<sup>th</sup> floor, Kolkata-700 001**

**Notes to the Unaudited Standalone Financial Results:**

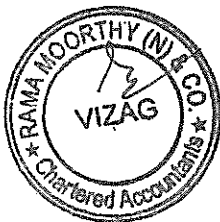
1. The above unaudited financial results of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the companies with (Indian Accounting Standards) (Amendment) Rules, 2016. The company adopted Ind AS from 1<sup>st</sup> April 2018, accordingly these financial results along with the comparatives have been prepared in accordance with the recognition and measurement principles stated therein, prescribed under section 133 of The Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India.
2. The above Unaudited Standalone Financial Results for the quarter ended September 30, 2020 were reviewed by the Audit Committee and approved at the meeting of the Board of Directors of the Company held on 13<sup>th</sup> November, 2020. The statutory auditors have carried out limited review on the above unaudited standalone financial results for the quarter ended September, 2020 and have expressed an unmodified opinion on the aforesaid results.
3. The Company has adopted Ind AS 116 "Leases" which is mandatory for the reporting periods beginning on or after 1<sup>st</sup> April, 2019 and applied the standard to all lease contracts existing on the date of initial application i.e., 1<sup>st</sup> April, 2019. The Company has used the modified retrospective approach for transitioning to Ind AS 116 with right-to-use asset measured as if Ind AS 116 has been applied since the commencement date of the contract. Accordingly, the Comparatives for the earlier periods have not been restated.
4. Impact of COVID-19 pandemic has been rapidly spreading throughout the world, including India. Government in India has taken significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities. Consequently, Company's manufacturing plants and offices had to be closed down for a considerable period of time upto the Quarter ended 30<sup>th</sup> September, 2020. As a result of the lockdown, the likely revenue from the month of July - September, 2020 has also been impacted. Consequently, the results of this quarter are not comparable with the results of the preceding quarter or corresponding quarter in the previous financial year. Continued lockdowns are likely to impact the Company operationally including on supply chain matters. The company is monitoring the situation closely taking into account directives from the Governments.

Management believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic and the resultant lockdowns in the preparation of the financial statements including but not limited to its assessment of groups liquidity and going concern, recoverable values of its property, plant and equipment, intangible assets and the realizable values of other assets. However, given the effect of this lockdown on the overall economic activity and in particular on the Iron and Steel related items Industry, the impact assessment of COVID-19 on the above mentioned financial statement captions is subject to significant estimation uncertainties given its nature and duration and accordingly, the actual impacts in future may be different from those estimated as at the date of approval of these financial statements.

The Company will continue to monitor any material changes to future economic conditions and consequential impact on its financial results. The Company is hopeful of reviving the present situation to a normalcy with in a period of 24 Months.

5. The Company has, during the year, faced various disruptions due to stoppage of supply of materials by its largest Vendor i.e., RINL, fall in demand and prices of steel, recession in iron & steel industry and stress over Channel finance and other borrowing accounts. One of major lender bank, Union Bank of India has issued notice dated 24<sup>th</sup> August 2020 u/s 13(2) of the SARFAESI Act of 2002 and sought to realize the entire outstanding amounts alleged to be Rs. 174.17 crores owing to them by the Company. There are 5 Channel Finance Lenders who are unsecured creditors whose liability after adjustment of Margin available with them is approx. Rs.34 crores in the Company Books before providing the provision for interest. The balance in the Books after providing interest is Rs. 37 crores. One of the 5 Lenders, namely Andhra Bank, got merged with Union Bank. The default can be attributed to non-realization of Debtors, substantial decrease in volume of business and sales on account of major disruption of supply.

In order to come out from the impact of COVID – 19 and its uncertainties the Company has submitted a detailed Restructure proposal to the Union Bank of India covering the unsecured Lenders stated above. The Proposal is under active consideration of the Bank. In the meantime, Company is trying to gather Cash inflows from its Trade Receivables and from other internal sources to comply the conditions of Restructure proposal that is under way.





Despite the fact of COVID-19 and provision made for unsecured creditors in the restructure proposal, the ICICI Bank proceeded with NCLT. The Company is hopeful that the ICICI Bank may not press for its application before NCLT.

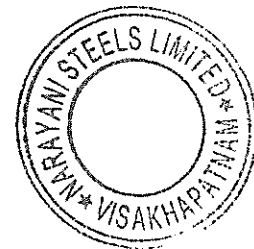
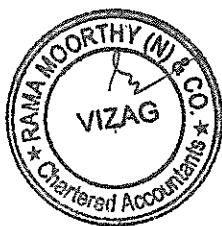
6. The Bank facilities have been classified as Non- Performing Assets by various Banks and they are not charging interest or have reversed the interest earlier charged. However, in order to account all probable liabilities, the management in its best judgment has provided provision for interest on such borrowings.
7. In the absence of statements, Book balances in respect of some of the Banks have been considered for the purpose of preparation of these financials.
8. 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".
9. The Company has obtained Confirmation of Balances from its major Trade Receivables of approx. Rs. 101.79 crores as on 30.09.2020 including Rs. 87.15 crores transferred from SEIL to its Associate Company, namely Vizag Profiles Ltd by virtue of Joint understanding agreed in this regard. The Company has agreed for transfer in order to improve the early recovery of the dues from the major Trade Debtor. In other cases where, the Company did not receive the Letter of Confirmations from the parties, the management is following up with the parties for the letters of confirmations and in any case the management is hopeful that there would not be significant variation on account of non-receipt of such letters of confirmations. Company is providing for the Expected Credit Risk in addition to the Provision for Doubtful Debts as per general practice.
10. The Union Bank has appointed an Agency for Specialized Monitoring (ASM) for conducting the Audit on behalf of the Lending Institution. The functions are more akin to the functions of Internal Audit. In order to avoid duplication in functions of Internal Audit, the Company has not appointed any other firm for Internal Audit. The Audit by ASM is commenced and expected to conclude soon for the period up to September, 2020.
11. The Company has given Corporate Guarantees on behalf of its Associate Companies and given collaterals to the Lending Institutions. The Banks have issued possession Notices to the Company for liquidating the Asset. A Contingent liability of Rs. 45.51 crores is disclosed in accounting ending on 31.03.2020 and the position remains the same as on 30.09.2020.
12. The Company has recognized Deferred Tax Assets on unabsorbed depreciation and business losses as the management is confident on its realisability.
13. Previous period/year figures have been re-grouped/ rearranged, wherever necessary.

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

Place of Signature: Visakhapatnam  
Dated: The 13<sup>th</sup> Day of November, 2020.

  
Suhil Choudary  
Managing Director  
DIN: 00289479

  
Arun Kumar Meher  
Company secretary  
M.NO.: ACS48598





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

**Review Report to  
The Board of Directors  
Narayani Steels Limited**

We have reviewed the accompanying statement of Unaudited Consolidated Financial Results of Narayani Steels Limited ("the Company"), and its share of the net loss after tax and total comprehensive income of its associate company for the quarter ended September 30, 2020 ("the Statement"), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

This Statement, which is the responsibility of the Company's Management and approved by the 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, read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33 (8) of the SEBI Listing Regulations, to the extent applicable.

**Emphasis of Matter**

We draw attention to the following matters –

1. As stated in Note 4 to the unaudited consolidated financial results which explains the uncertainties and the management's assessment of the financial impact due to the COVID-19 pandemic situation and consequential restrictions, for which a definitive assessment of the impact in the subsequent period is highly dependent upon future developments. The pandemic has caused significant impact on the performance of the Company.
2. As stated in Note 5 to the unaudited consolidated financial results, the Bankers have classified its advance to Company as NPA and are not charging interest or have reversed the interest earlier charged. In order to account all probable liabilities, the management in its

judgement has provided interest on such borrowings. Restructure proposal submitted by the Company is under active consideration by the Bank.

3. As stated in Note 9 to the unaudited consolidated financial results, the company and its associate have been able to obtain account confirmations in respect of some of Trade Receivables as at September 30, 2020. In the absence of confirmation, for other portion provision to be made for adverse variation in the carrying amounts of Trade Receivables is provided in the Books under expected Credit Risk amounting to Rs. 13.28 Crores. The management, however, is confident that on confirmation/ reconciliation, there will not be any material impact on the state of affairs as stated in the said Note.
4. As stated in Note 11 to the unaudited consolidated financial results, the Contingent liabilities amounting to Rs.45.25 Crores is disclosed on account of Collaterals given on behalf of Associates of the Company.

Our opinion is not modified in respect of these above matters.

The Statement includes the results of the following entity:

- I. 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.

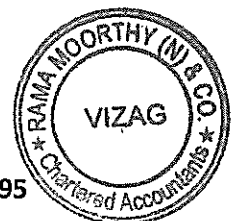
The Consolidated unaudited financial results also includes the Company's share of net loss after tax (and total comprehensive income) of Rs. Nil for the quarter ended 30<sup>th</sup> September, 2020 in respect of an associate, whose financial results have not been reviewed by us. The unaudited financial statements of such associate has been furnished to us by the management and our opinion on the consolidated unaudited financial results for the half year ended 30<sup>th</sup> September, 2020, to the extent they have been derived from such unaudited financial statements.

Our opinion on the consolidated quarter ended 30<sup>th</sup> September 2020 results is not modified in respect of the above matters with respect to our reliance on the unaudited financial statements provided by the management.

Date: 13.11.2020  
Place: Visakhapatnam

For RAMAMOORTHY (N) & CO.,  
Chartered Accountants  
FRN: 028995

  
(K. Ramachandra Rao)  
Partner  
Membership No: 201334  
UDIN: 20201334AAAABM2195



**NARAYANI STEELS LIMITED**

(CIN: L27109WB1996PLC082021)

Registered office : 23A, N.S.Road 7th Floor, Kolkata - 700001

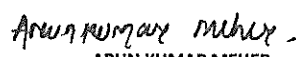
**STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER/ SIX MONTHS ENDED 30th SEPTEMBER, 2020**

(Rs. In Lakhs)

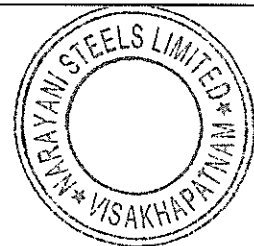
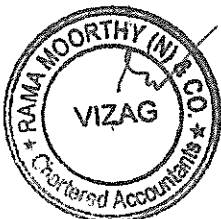
SL. NO.	PARTICULARS	3 Months ended 30-09-2020	Preceding 3 Months ended 30-06-2020	Corresponding 3 months ended 30-09-2019	6 months ended 30-09-2020	6 months ended 30-09-2019	Year Ended 31-03-2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I	Revenue from operations	2,590.68	1,836.72	8,032.19	4,427.40	24,384.51	35,852.02
II	Other income	96.66	118.57	118.85	215.23	203.41	384.26
III	<b>Total Revenue (I + II)</b>	<b>2,687.35</b>	<b>1,955.29</b>	<b>8,151.04</b>	<b>4,642.64</b>	<b>24,587.92</b>	<b>36,236.28</b>
IV	<b>EXPENSES:</b>						
	Cost of Materials Consumed	567.98	1,147.45	1,223.27	1,715.43	3,242.13	5,954.43
	Purchase of Traded Goods	1,869.93	145.24	7,233.67	2,015.17	20,919.37	28,050.54
	Changes in Inventories of Finished & Traded Goods	(49.21)	200.18	(804.03)	150.97	(1,390.13)	293.65
	Employee benefits expenses	149.97	110.10	127.54	260.07	244.12	502.90
	Finance Costs	461.70	871.27	558.43	1,332.97	983.70	2,305.80
	Depreciation and amortisation expenses	34.45	36.74	38.48	71.19	74.07	166.64
	Other expenses	507.29	179.73	675.03	687.02	1,321.73	3,710.85
	<b>Total Expenses (IV)</b>	<b>3,542.12</b>	<b>2,690.71</b>	<b>9,052.39</b>	<b>6,232.83</b>	<b>25,394.99</b>	<b>40,984.80</b>
V	<b>PROFIT BEFORE TAX (III - IV)</b>	<b>(854.78)</b>	<b>(735.42)</b>	<b>(901.37)</b>	<b>(1,590.20)</b>	<b>(807.07)</b>	<b>(4,748.52)</b>
VI	<b>Tax Expenses</b>						
	Current Tax	-	-	(38.28)	-	-	-
	Earlier Year Tax	-	-	-	-	-	4.60
	Deferred Tax	(283.66)	(242.64)	(268.29)	(526.30)	(268.09)	(1,678.34)
	<b>Net Tax Expense</b>	<b>(283.66)</b>	<b>(242.64)</b>	<b>(306.57)</b>	<b>(526.30)</b>	<b>(268.09)</b>	<b>(1,673.74)</b>
VII	<b>Profit for the period / year (V - VI)</b>	<b>(571.11)</b>	<b>(492.78)</b>	<b>(594.80)</b>	<b>(1,063.89)</b>	<b>(538.98)</b>	<b>(3,074.79)</b>
	<b>Other Comprehensive Income (net of tax)</b>						
	Items that will not be reclassified to profit or loss	(0.05)	0.02	(0.38)	(0.03)	(0.57)	(2.49)
VIII	<b>Total Other Comprehensive Income for the period / year (net of tax)</b>	<b>(0.05)</b>	<b>0.02</b>	<b>(0.38)</b>	<b>(0.03)</b>	<b>(0.57)</b>	<b>(2.49)</b>
IX	<b>Share of profit/ (Loss) of Associate (Net of Tax)</b>	-	-	-	-	(88.57)	(124.82)
X	<b>PROFIT FOR THE PERIOD (VII + VIII + IX)</b>	<b>(571.16)</b>	<b>(492.76)</b>	<b>(595.18)</b>	<b>(1,063.92)</b>	<b>(628.12)</b>	<b>(3,202.10)</b>
	Paid up equity share capital (in lakhs) (Face Value of Share - Rs 10/- per share)	1,090.90	1,090.90	1,090.90	1,090.90	1,090.90	1,090.90
	Other Equity (excluding Revaluation Reserves)	-	-	-	-	-	(6.13)
	<b>Earnings Per Equity Share of Rs. 10/- each Basic &amp; Diluted (in Rs.)</b>	<b>(5.24)</b>	<b>(4.52)</b>	<b>(5.46)</b>	<b>(9.75)</b>	<b>(5.76)</b>	<b>(29.35)</b>
	See accompanying notes to the financial results						

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

  
**SUNIL CHOUDHARY**  
 Managing Director  
 DIN: 00289479

  
**ARUN KUMAR MEHER**  
 Company Secretary  
 M.NO.: ACS48598

Place of Signature: Visakhapatnam  
 Dated: The 13th day of November, 2020



**NARAYANI STEELS LIMITED**  
(CIN: L27109WB1996PLC082021)  
Consolidated Statements of Assets and Liabilities

(Rs. In Lakhs)

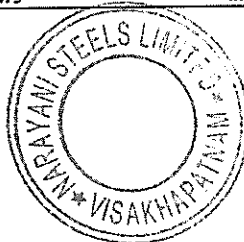
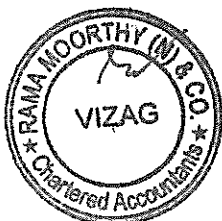
Particulars	As at current half year ended 30-09-2020	As at Previous year ended 31-03-2020
<b>ASSETS</b>		
<b>(1) Non-current assets</b>		
(a) Property, plant and equipment	2,030.42	2,088.02
(b) Investment Properties	-	135.50
(c) Right-of-use assets	111.72	118.38
(d) Intangible Assets	1.96	2.45
(e) Financial assets		
(i) Investments	0.25	0.29
(ii) Other assets	98.84	98.64
(f) Deferred Tax Assets (net)	2,091.64	1,565.32
(g) Other non-current assets	18.46	19.48
<b>Total Non-current assets</b>	<b>4,353.28</b>	<b>4,028.07</b>
<b>(2) Current assets</b>		
(a) Inventories	1,469.40	1,332.17
(b) Financial assets		
(i) Investments	115.38	93.46
(ii) Trade receivables	17,203.50	17,500.14
(iii) Cash and cash equivalents	10.79	16.58
(iv) Other Bank Balances	-	1,833.96
(v) Other assets	10.42	10.42
(c) Current tax assets (net)	62.55	60.45
(d) Other current assets	699.19	962.34
<b>Total Current assets</b>	<b>19,571.22</b>	<b>21,809.53</b>
<b>TOTAL ASSETS</b>	<b>23,924.50</b>	<b>25,837.60</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	1,090.90	1,090.90
(b) Other equity	(1,070.05)	(6.13)
<b>Total Equity</b>	<b>20.85</b>	<b>1,084.77</b>
<b>Liabilities</b>		
<b>(1) Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	1,864.88	1,669.18
(ii) Lease liabilities	110.81	115.40
(iii) Other liabilities	7.34	5.72
(b) Other non-current liabilities	6.92	8.58
(c) Provisions	4.54	4.54
<b>Total Non-current liabilities</b>	<b>1,994.49</b>	<b>1,803.42</b>
<b>(2) Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	20,506.67	22,044.54
(ii) Lease liabilities	8.91	8.40
(iii) Trade payables		
total outstanding dues of micro enterprises and small enterprises	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	125.53	367.28
(iv) Other liabilities	45.17	185.85
(b) Other current liabilities	1,218.11	339.42
(c) Provisions	4.77	3.92
<b>Total Current liabilities</b>	<b>21,909.16</b>	<b>22,949.42</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>23,924.50</b>	<b>25,837.60</b>

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

Sunil Choudary  
Managing Director  
DIN: 00289479

Arun Kumar Meher  
Company Secretary  
M.NO.: ACS48598

Place of Signature: Visakhapatnam  
Dated: The 13th day of November, 2020



**NARAYANI STEELS LIMITED**

**(CIN: L27109WB1996PLC082021)**

**STATEMENT OF CONSOLIDATED CASH FLOWS FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2020**

(Rs. In Lakhs)

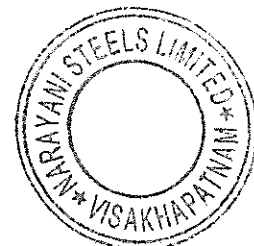
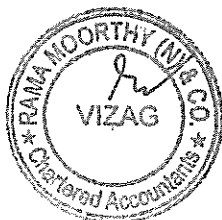
Particulars	For the half year ended 30.09.2020	For the half year ended 30.09.2019
	(Unaudited)	(Unaudited)
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before tax	(1,590.20)	(807.06)
<b>ADJUSTMENTS FOR:</b>		
Depreciation and amortisation expense	71.19	74.07
Provision for expected credit loss on trade receivables	235.16	10.93
Net (gain) / loss on investments measured at fair value through profit or loss	(21.91)	(2.85)
Amortisation of corporate guarantee obligation	(4.86)	(4.35)
Finance Costs	1,332.97	983.70
Rental Income	(21.12)	(6.97)
Profit on sale of investments	(46.70)	-
Sundry Balance written off (net)	(24.47)	0.54
Interest income	(90.68)	(177.28)
Gratuity	0.85	2.43
<b>Operating profit before working capital changes</b>	<b>(159.75)</b>	<b>73.15</b>
<b>ADJUSTMENTS FOR :</b>		
Trade receivables, loans, advances and other assets	349.93	1,514.06
Inventories	(137.23)	(1,145.17)
Trade payables, other liabilities and other financial liabilities	617.87	(4,049.03)
<b>Cash generated from operations</b>	<b>670.82</b>	<b>(3,607.00)</b>
Income tax paid	(2.10)	(22.57)
<b>Net Cash from / (used in) Operating Activities</b>	<b>668.72</b>	<b>(3,629.56)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment (including capital work-in-progress)	(4.26)	(68.53)
Sale of investments	180.00	(3.22)
(Investments in) / Proceeds from Bank deposits (maturity more than 3 months but less than 12 months)	1,833.96	(73.22)
Rent received	21.12	6.97
Interest received	90.68	177.28
<b>Net cash from / (used in) Investing Activities</b>	<b>2,121.50</b>	<b>39.27</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/(Repayment) of Borrowings	(1,451.63)	4,496.40
Principal accrued on lease liabilities	(11.40)	-
Interest accrued on lease liabilities	(7.33)	-
Finance Costs	(1,325.65)	(983.70)
<b>Net cash from / (used in) financing activities</b>	<b>(2,796.01)</b>	<b>3,512.70</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash equivalents</b>	<b>(5.79)</b>	<b>(77.59)</b>
<b>Cash &amp; Cash equivalents at beginning of the year<sup>^</sup></b>	<b>16.58</b>	<b>197.88</b>
<b>Cash &amp; Cash equivalents at end of the year<sup>^</sup></b>	<b>10.79</b>	<b>120.29</b>

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

Place of Signature: Visakhapatnam  
Dated: The 13th day of November, 2020

*(Signature)*  
Sunil Choudhary  
Managing Director  
DIN: 00289479

*(Signature)*  
Arun Kumar Meher  
Company Secretary  
M.NO.: ACS48598



**NARAYANI STEELS LIMITED**  
**(CIN: L27109WB1996PLC082021)**  
Registered office: 23A, N.S.Road 7<sup>th</sup> floor, Kolkata-700 001

**Notes to the Unaudited Consolidated Financial Results:**

1. The above unaudited financial results of the company 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 with (Indian Accounting Standards) (Amendment) Rules, 2016. The company adopted Ind AS from 1<sup>st</sup> April 2018, accordingly these financial results along with the comparatives have been prepared in accordance with the recognition and measurement principles stated therein, prescribed under section 133 of The Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India.
2. The above Unaudited Standalone Financial Results for the quarter ended September 30, 2020 were reviewed by the Audit Committee and approved at the meeting of the Board of Directors of the Company held on 13<sup>th</sup> November, 2020. The statutory auditors have carried out limited review on the above unaudited standalone financial results for the quarter ended September, 2020 and have expressed an unmodified opinion on the aforesaid results.
3. The Company has adopted Ind AS 116 "Leases" which is mandatory for the reporting periods beginning on or after 1<sup>st</sup> April, 2019 and applied the standard to all lease contracts existing on the date of initial application i.e., 1<sup>st</sup> April, 2019. The Company has used the modified retrospective approach for transitioning to Ind AS 116 with right-to-use asset measured as if Ind AS 116 has been applied since the commencement date of the contract. Accordingly, the Comparatives for the earlier periods have not been restated.
4. Impact of COVID-19 pandemic has been rapidly spreading throughout the world, including India. Government in India has taken significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities. Consequently, Company's manufacturing plants and offices had to be closed down for a considerable period of time upto the Quarter ended 30<sup>th</sup> September, 2020. As a result of the lockdown, the likely revenue from the month of July - September, 2020 has also been impacted. Consequently, the results of this quarter are not comparable with the results of the preceding quarter or corresponding quarter in the previous financial year. Continued lockdowns are likely to impact the Company operationally including on supply chain matters. The company is monitoring the situation closely taking into account directives from the Governments.

Management believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic and the resultant lockdowns in the preparation of the financial statements including but not limited to its assessment of groups liquidity and going concern, recoverable values of its property, plant and equipment, intangible assets and the realizable values of other assets. However, given the effect of this lockdown on the overall economic activity and in particular on the Iron and Steel related items Industry, the impact assessment of COVID-19 on the above mentioned financial statement captions is subject to significant estimation uncertainties given its nature and duration and accordingly, the actual impacts in future may be different from those estimated as at the date of approval of these financial statements.

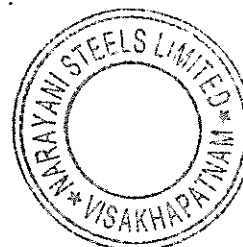
The Company will continue to monitor any material changes to future economic conditions and consequential impact on its financial results. The Company is hopeful of reviving the present situation to a normalcy within a period of 24 Months.

5. The Company has, during the year, faced various disruptions due to stoppage of supply of materials by its largest Vendor i.e., RINL, fall in demand and prices of steel, recession in iron & steel industry and stress over Channel finance and other borrowing accounts. One of major lender bank, Union Bank of India has issued notice dated 24<sup>th</sup> August 2020 u/s 13(2) of the SARFAESI Act of 2002 and sought to realize the entire outstanding amounts alleged to be Rs. 174.17 crores owing to them by the Company. There are 5 Channel Finance Lenders who are unsecured creditors whose liability after adjustment of Margin available with them is approx. Rs.34 crores in the Company Books before providing the provision for interest. The balance in the Books after providing interest is Rs. 37 crores. One of the 5 Lenders, namely Andhra Bank, got merged with Union Bank. The default can be attributed to non-realization of Debtors, substantial decrease in volume of business and sales on account of major disruption of supply.

In order to come out from the impact of COVID - 19 and its uncertainties the Company has submitted a detailed Restructure proposal to the Union Bank of India covering the unsecured Lenders stated above. The Proposal is under active consideration of the Bank. In the meantime, Company is trying to gather Cash inflows from its Trade Receivables and from other internal sources to comply the conditions of Restructure proposal that is under way.

Despite the fact of COVID-19 and provision made for unsecured creditors in the restructure proposal, the ICICI Bank proceeded with NCLT. The Company is hopeful that the ICICI Bank may not press for its application before NCLT.


6. The Bank facilities have been classified as Non- Performing Assets by various Banks and they are not charging interest or have reversed the interest earlier charged. However, in order to account all probable liabilities, the management in its best judgment has provided provision for interest on such borrowings.
7. In the absence of statements, Book balances in respect of some of the Banks have been considered for the purpose of preparation of these financials.
8. 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".




9. The Company has obtained Confirmation of Balances from its major Trade Receivables of approx. Rs. 101.79 crores as on 30.09.2020 including Rs. 87.15 crores transferred from SEIL to its Associate Company, namely Vizag Profiles Ltd by virtue of Joint understanding agreed in this regard. The Company has agreed for transfer in order to improvise the early recovery of the dues from the major Trade Debtor. In other cases where, the Company did not receive the Letter of Confirmations from the parties, the management is following up with the parties for the letters of confirmations and in any case the management is hopeful that there would not be significant variation on account of non-receipt of such letters of confirmations. Company is providing for the Expected Credit Risk in addition to the Provision for Doubtful Debts as per general practice.
10. The Union Bank has appointed an Agency for Specialized Monitoring (ASM) for conducting the Audit on behalf of the Lending Institution. The functions are more akin to the functions of Internal Audit. In order to avoid duplication in functions of Internal Audit, the Company has not appointed any other firm for Internal Audit. The Audit by ASM is commenced and expected to conclude soon for the period up to September, 2020.
11. The Company has given Corporate Guarantees on behalf of its Associate Companies and given collaterals to the Lending Institutions. The Banks have issued possession Notices to the Company for liquidating the Asset. A Contingent liability of Rs. 45.51 crores is disclosed in accounting ending on 31.03.2020 and the position remains the same as on 30.09.2020.
12. The Unaudited consolidated quarterly 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 Ministry of Corporate Affairs. The unaudited consolidated quarterly financial statements of the Company "Narayani Steels Limited", 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.
13. The associate of the company has suffered substantial losses in the previous financial figure as well in the half year ended 30<sup>th</sup> September 2020 and has resulted in complete erosion of the net worth of the associate. In fact 100% Impairment was provided in the Books of NSL as on 31.03.2020. The Company, however, has prepared the accounts of the associate on a "going concern" basis as the management is hopeful that the disruption in the operations of the associate is mainly on account of paucity of finance and they are exploring options to raise additional finance to revive the operations.
14. Previous period/ year figures have been re-grouped/ rearranged, wherever necessary.

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

Place of Signature: Visakhapatnam  
Dated: The 13<sup>th</sup> Day of November, 2020.

  
Sunil Choudary  
Managing Director  
DIN: 00289479

  
Arun Kumar Meher  
Company secretary  
M.NO.: ACS48598

