

NARAYANI STEELS LIMITED

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

PH-03346025371

NARAYANISTEELSVIZAG@GMAIL.COM

GSTIN:37AAACN8563G1Z8

WWW.NARAYANISTEELS.CO.IN

CIN: L27109WB1996PLC082021

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To,

The General Manager

Department of Corporate Services

BSE Limited,1st Floor, New Trading Wing,

Rotunda Building, P J Towers Dalal Street,

Fort Mumbai 400 001

Dt.14.08.2021

Script Code: 540080

Sub: Outcome of RP and KMP Meeting.

Ref: Regulation 30,33 and 43 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

Pursuant to Regulation 30 read with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 we wish to inform you that a meeting held today **i.e. Saturday, August 14, 2021** has inter-alia approved, considered and took note of the Un-Audited Standalone & Consolidated Financial Statement for the quarter ended 30th June, 2021. We attach herewith a copy of the approved unaudited standalone and Consolidated financial results along with the Independent limited review report on standalone and Consolidated financial for the 1st quarter ended by the statutory auditors. The aforesaid Results shall also be hosted on Company's website at www.narayanisteels.co.in.

The meeting commenced at 05:00 pm and concluded at 06:00 pm.

Kindly take the information in your record.

Thanking You,

Yours faithfully,

For Narayani Steels Limited

ARUN
KUMAR
MEHER

Digitally signed
by ARUN
KUMAR MEHER
Date: 2021.08.14
18:00:38 +05'30'

Arun Kumar Meher

Company secretary

**Issued with approval of Mr. Krishna Komaravolu,
Resolution Professional of Narayani Steels Limited.**



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 Resolution Professional
Narayani Steels Limited

We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **Narayani Steels Limited** ("the Company"), for the quarter ended June 30th, 2021 ("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 which includes Resolution Professional & Key Managerial Personnel, 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 standalone financial results which explain that the Trading & Manufacturing operations of the company has been suspended. The Plant is presently being operated on Conversion basis.
2. As stated in Note 5 and 5A to the standalone financial results, the Bankers have classified its advance to Company as NPA and issued notices under SARFAESI Act, 2002. The ICICI Bank, one of the financial creditor who is unsecured, has filed an application CP(IB) No. 986/KB/2020 before NCLT u/s 7 of the Insolvency & Bankruptcy Code, 2016 (The Code) for initiating Corporate Insolvency Resolution Process (CIRP) against the Company and the same has been admitted by NCLT at its hearing dated 16.03.2021 and pronounced order on 24.03.2021 to initiate CIRP In Narayani Steels Limited.

The RP has invited Expression of Interest (EOI) from prospective resolution applicants as per 2nd COC conducted by RP on 18-06-2021. The accounts are presented based on the assumption of the Going Concern Concept as plant is working and the CIRP is at its preliminary stage. Consequently, 5 applicants have shown interest in submission of their

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Resolution plans for the company to Resolution Professional. Further, Resolution Professional mandated to submit their plans by 24th August 2021.

3. As stated in Note 12 to the standalone financial results, the total Contingent Liabilities amounting to Rs.109.68 Crores is disclosed on account of Collaterals given on behalf of Associates / group companies of the Company and other liabilities.
4. As stated in Note No.13, the Company has recognized Deferred Tax Asset on unabsorbed depreciation and business losses.

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

Basis of Qualified Conclusion:

We draw attention to Note 9 and 10 to the standalone financial results that there has been no realisation from Sundry Debtors aged more than 2 years amounting to Rs. 137.78 Crores during past 24 months. Therefore we express that there is no reasonable certainty of realisation as to its timing and collection of Sundry Debtors of Rs. 168.71 Cr. as on 30.06.2021. The Non-Realisation of Sundry Debtors has resulted in Bank loans becoming NPA in the Banks and subsequently the company went in to Corporate Insolvency Resolution Process (CIRP). The annual interest accrued on Bank outstanding continue to be the reason for the Financial Loss and dented the net worth of the Company. We are unable to quantify the amount of doubtful debtors and the sufficiency or otherwise of Provision made therefor in the given circumstances. Further, the legal documentation for the balance transfer of Rs. 87.15 Cr. from Steel Exchange India Limited (SEIL) to its group company M/s Vizag Profiles Private Limited (VPPL) is not sufficient and needs to be obtained in consultation with Legal Council so as to secure the legal right of the Company.

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.

Date: 14.08.2021

Place: Visakhapatnam

For RAMAMOORTHY (N) & CO.,

Chartered Accountants

FRN: 028995



(K. Ramachandra Rao)

Partner

Membership No: 201334

UDIN: 21201334AAAACQ1197



NARAYANI STEELS LIMITED

(CIN: L27109WB1996PLC032021)

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

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE, 2021

(Rs. in Lakhs)

SL. NO.	PARTICULARS	3 Months ended	Preceding 3	Correspondin	Year Ended
		(30-06-2021)	Months ended	g 3 Months	(31-03-2021)
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
				ended in the	
				Previous year	
				(30-06-2020)	
I	Revenue from operations	171.41	4,741.93	1,835.72	7793.26
II	Other Income	62.69	478.69	118.57	494.40
III	Total Revenue (I + II)	234.09	5220.61	1955.29	8287.65
IV	EXPENSES:				
	Cost of Materials Consumed	41.76	3,543.66	1,147.46	3807.30
	Purchase of Traded Goods	-	65.95	145.24	2304.81
	Changes in Inventories of Finished & Traded Goods	-	656.79	200.18	1001.66
	Impairment loss allowance	-	-	-	-
	Employee benefits expenses	65.75	394.85	110.10	531.11
	Finance Costs	6.95	1,721.05	871.27	2690.21
	Depreciation and amortisation expenses	26.33	102.34	36.74	133.59
	Other expenses	181.10	4,793.23	179.72	5821.50
	Total Expenses (IV)	321.88	11,277.86	2,690.71	16290.19
V	PROFIT BEFORE PRIOR PERIOD ITEMS, EXCEPTIONAL ITEMS AND TAX (III-IV)	(87.78)	(6057.25)	(735.42)	(8002.53)
VI	Prior period items before tax	-	-	-	-
VII	Exceptional Item	-	-	-	-
VIII	PROFIT BEFORE TAX (V-VI-VII)	(87.78)	(6057.25)	(735.42)	(8002.53)
IX	Tax Expenses	-	-	-	-
	Current Tax	-	-	-	-
	Earlier Year Tax	-	-	-	-
	Deferred Tax	892.76	(1,916.66)	(242.64)	(2566.55)
	Net Tax Expense	892.76	(1,916.66)	(242.64)	(2566.55)
X	Profit for the period / year (VIII-IX)	(980.54)	(4,140.59)	(492.78)	(5435.98)
	Other Comprehensive Income (net of tax)				
	Items that will not be reclassified to profit or loss	0.03	(0.01)	0.02	0.04
	Items that will be reclassified to profit or loss	-	-	-	-
XI	Total Other Comprehensive Income for the period / year (net of tax)	0.03	(0.01)	0.02	0.04
XII	PROFIT FOR THE PERIOD (X+XI)	(980.51)	(4,140.61)	(492.76)	(5435.95)
	Paid up equity share capital (in lakhs) (Face Value of Share - Rs 10/- per share)	1090.90	1,090.90	1,090.90	1,090.90
	Other Equity (excluding Revaluation Reserves)	0.00	-	-	(5,442.07)
	Earnings Per Equity Share of Rs. 10/- each Basic & Diluted (in Rs.)	(8.99)	(37.96)	(4.52)	(49.83)
	See accompanying notes to the financial results				

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

Place of Signature: Visakhapatnam
Dated: The 14th day of August, 2021

Ankit Gupta

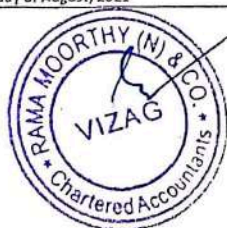
Ankit Gupta
Director & CFO
DIN: 08415248

Krishna Kommaravolu

Krishna Kommaravolu
Resolution Professional

Arun Kumar Mehar

Arun Kumar Mehar
Company Secretary
M.No. ACS48538



Notes to the Unaudited Standalone Financial Results:

1. The above audited 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 1st 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 Standalone Financial Results for the quarter ended June 30th, 2021 were reviewed and approved at the joint meeting of the Resolution Professional (RP) and Key Managerial Person (KMP) of the Company held on 14th August,2021. The Statutory Auditors have reviewed above standalone financial results for the quarter ended 30thJune, 2021 and have expressed a modified opinion on the aforesaid results.
3. Lease liability and Right of Use of the property for which lease contract is terminated has been derecognised as per IND AS in the financial statements by writing back the liability for Rs. 58.27 lakhs and writing off ROU assets of Rs. 78.78 Lakhs during the quarter. Consequently, the depreciation on Right of Use assets of the said property is also not calculated.
4. COVID-19 Pandemic has substantially impacted. Consequently, Company's manufacturing plants and offices had to be closed down for a considerable period of time during the Quarter ended 30thJune, 2021. As a result of the lockdown, the likely revenue from the month of April to June 2021 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 and that of previous year. Over and above the impact of COVID-19 and other disruptions such as issues with RINL etc., Presently , Only One plant(Unit-ii) is running out of Company's two plants and the production is stopped from 06-01-2021 at the other plant (Unit-i)and is vacated from its leased premises while equipment therein is shifted to Unit-2. The Company has stopped its Trading and Manufacturing activity.In order tokeep the plant (Unit-2) running, the company has entered into an agreement with M/s Elegant Metals and Minerals Private Limited, to operate the plant on conversion basis at a cost of Rs. 3000 per metric ton. The total gross income earned from conversion is Rs. 171.40 Lakhs during the quarter.

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.



Krishna Komaravolu

5. The Company has been facing various disruptions, in addition to the pandemic situation, since last year such as stoppage of supply of materials by its largest Vendor i.e., RINL, fall in demand and volatility 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 24th 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 Cr. 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 Cr. in the Company Books before providing the provision for interest. The balance in the Books after providing interest is Rs. 37 Cr. 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. The company has deposited an amount of Rs.4.01 Cr. to the loan account of Union Bank of India and requested the bank to revalue the properties and to liquidate the properties during the quarter ending March 2021. Finally, One of the Unsecured creditor Namely, ICICI Bank has approached NCLT, and got an order to initiate the Corporate Insolvency Resolution Process (CIRP).

5A. The ICICI Bank, one of the financial creditor who is unsecured, has filed an application CP(IB) No. 986/KB/2020 before NCLT u/s 7 of the Insolvency & Bankruptcy Code, 2016 (The Code) for initiating Corporate Insolvency Resolution Process(CIRP) against the Company and the same has been admitted by NCLT at its hearing dated 16.03.2021 and pronounced order on 24.03.2021 to initiate CIRP In Narayani Steels Limited. There by, the order prohibits action under SARFAESI Act, 2002 and declares Moratorium as per sec 14 of the Code-2016.

Further, Mr. Krishna Komaravolu, registered with Insolvency and Bankruptcy Board of India, having Registration No. IBBI/IPA-002/IP-N00562/2017-2018/11699 has been appointed as Interim Resolution Professional, for ascertaining the particulars of creditors and to convening a meeting of Committee of Creditors for evolving a resolution plan. The IRP has been confirmed and made as Resolution Professional (RP).

The Resolution Professional has convened the first meeting of COC meeting on 24-4-21 and subsequently received the claims. He has examined and admitted the claims from Financial Creditors amounting to Rs. 296.13 Cr. The differences between balance as per books and amount claimed by the financial creditors needs reconciliation. A claim from State GST, Operational Creditor, amounting to Rs. 35.68 Crores is still under the examination of the RP.

The RP has invited Expression of Interest (EOI) from prospective resolution applicants as per 2nd COC conducted by RP on 18-06-2021.

Consequently, FIVE applicants have shown interest in submission of their Resolution plans for the company to Resolution Professional. Further, Resolution Professional mandated to submit their plans by 24th August 2021.

6. Gratuity is not provided as per actuarial calculations as required to be done as per IND AS. However the same has been continued as per last year amounting to Rs. 8.46 Lakhs
7. The Plant (Unit-2) is running purely on Conversion basis as per the Agreement entered with M/s. Elegant Metals and Minerals Private Limited. During the quarter the Revenue generated as per Conversion Agreement is Rs. 1.71Cr. The Company suffered operating loss of approximately Rs. 42 Lakhs during the quarter. The operating loss is attributed to the coal purchases and fuel cost. The Loss after Depreciation, Deferred Tax Adjustment and Ind As Adjustment is Rs. 9.80 cr .-



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". However, as explained in Note 7 the Plant is now running on Conversion basis.
9. None of the Confirmation of the Balances as on 31.03.2021 reached the office of Statutory auditors till the quarter ended June 2021. The total debtors as on 31.03.2021 available in books is Rs. 169.22 Cr. As per the earlier confirmations available at the company, the Company has obtained Confirmation of Balances from its major Trade Receivables of approx. Rs. 98.93 Cr. (58.47%) as on 31.03.2021. This includes Rs. 87.15 crores (Net confirmation given by Vizag Profiles Private Limited and available on record is Rs. 74.15 Cr.) transferred from M/s. Steel Exchange India Limited to its associate company M/s. Vizag Profiles Private Limited by virtue of Joint understanding agreed in this regard. For this purpose, Mail Confirmation from SEIL and Balance Confirmation from VFPL are obtained. The Company has agreed for transfer in order to improvise the early recovery of the dues from the major Trade Debtor. Company has provided for the Expected Credit Risk amounting to Rs.46.95 Cr. in addition to the Provision for Doubtful Debts amounting to Rs.11.91 Cr as on 31/03/2021. as per Prudence, general practice and IND AS. The same balance is continued for the quarter ending 30.06.2021.
10. The total Sundry Debtors are amounting to Rs. 168.71 Cr. as on 30.06.2021. Company is hopeful of recovering the major portion of Sundry Debtors as promised by the major group of Debtors. The ageing of Sundry Debtors is as under:

Rs. In Crores"

Period	Bal O/s as on 31.03.2021	Balance O/s as on 30.06.2021
Upto 180 days	2.32	1.81
>180 days to < two Years	29.12	29.11
>Two years	112.79	112.79
>Three years	24.99	24.99
Total	169.22	168.71

11. The Company did not conduct the Internal Audit during the quarter 2021-22 in view of Corporate Insolvency Resolution Process and appointment of Resolution Professional.
12. The Company has given Corporate Guarantees and given collaterals on behalf of its Associate Companies to the Lending Institutions. On default by those associate companies, the Banks have issued possession Notices to the Company for liquidating the Assets. The claims as admitted by the Resolution Professional after the company went into CIRP is Rs.67.23 Crores. On account of corporate guarantees given by this



company to its associates. Thus, the total contingent liability including above as per the disclosures is amounting to Rs. 109.68 Cr.

13. The Company has recognized Deferred Tax Assets on unabsorbed depreciation and business losses as the management is confident on its realisability.
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

Arun Kumar Meher
Arun Kumar Meher
Company Secretary
M.No. ACS48598

Krishna Kommaravolu
Krishna Kommaravolu
Resolution Professional

Ankit Gupta
Ankit Gupta
Director & CFO
DIN: 08415248

Place of Signature: Visakhapatnam
Dated: The 14th Day of August, 2021



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 Resolution Professional
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 June 30, 2021 ("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 which includes Resolution Professional & Key Managerial Personnel, 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 , 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 consolidated financial results which explain that the Trading & Manufacturing operations of the company has been suspended. The Plant is presently being operated on Conversion basis.
2. As stated in Note 5 and 5A to the consolidated financial results, the Bankers have classified its advance to Company as NPA and issued notices under SARFAESI Act, 2002. The ICICI Bank, one of the financial creditor who is unsecured, has filed an application CP(IB) No. 1000/2021.

986/KB/2020 before NCLT u/s 7 of the Insolvency & Bankruptcy Code, 2016 (The Code) for initiating Corporate Insolvency Resolution Process(CIRP) against the Company and the same has been admitted by NCLT at its hearing dated 16.03.2021 and pronounced order on 24.03.2021 to initiate CIRP In Narayani Steels Limited.

The RP has invited Expression of Interest (EOI) from prospective resolution applicants as per 2nd COC conducted by RP on 18-06-2021. The accounts are presented based on the assumption of the Going Concern Concept as plant is working and the CIRP is at its preliminary stage. Consequently, 5 applicants have shown interest in submission of their Resolution plans for the company to Resolution Professional. Further, Resolution Professional mandated to submit their plans by 24th August 2021.

3. As stated in Note 12 to the consolidated financial results, the total Contingent Liabilities amounting to Rs.109.68 Crores is disclosed on account of Collaterals given on behalf of Associates / group companies of the Company and other liabilities. As stated in Note 12 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.
4. As stated in Note No.13, the Company has recognized Deferred Tax Asset on unabsorbed depreciation and business losses.

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

Basis for Qualified Conclusion:

We draw attention to Note 9 and 10 to the consolidated financial results that there has been no realisation from Sundry Debtors aged more than 2 years amounting to Rs. 137.78 Crores during past 24 months. Therefore we express that there is no reasonable certainty of realisation as to its timing and collection of Sundry Debtors of Rs. 168.71Cr. as on 30.06.2021. The Non-Realisation of Sundry Debtors has resulted in Bank loans becoming NPA in the Banks and subsequently the company went in to Corporate Insolvency Resolution Process (CIRP). The annual interest accrued on Bank outstanding continue to be the reason for the Financial Loss and dented the net worth of the Company. We are unable to quantify the amount of doubtful debtors and the sufficiency or otherwise of Provision made therefor in the given circumstances. Further, the legal documentation for the balance transfer of Rs. 87.15 Cr. from . Steel Exchange India Limited (SEIL) to its group company M/sVizag Profiles Private Limited (VPPL) is not sufficient and needs to be obtained in consultation with Legal Council so as to secure the legal right of the Company.

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:

I. Hari Equipments Private Limited

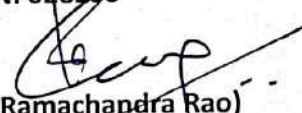
Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard 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 include the Company's share of net loss after tax (and total comprehensive income) of Rs. Nil for the quarter ended 30th June, 2021 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 quarter ended 30th June, 2021, is unmodified to the extent that have been derived from such unaudited financial statements.

Our opinion on the consolidated quarter ended 30th June 2021 results is unmodified in respect of the above matters with respect to our reliance on the unaudited financial statements provided by the management.

Date: 14.08.2021
Place: Visakhapatnam

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


(K. Ramachandra Rao)
Partner
Membership No: 201334
UDIN: 21201334AAAACQ1197



NARAYANI STEELS LIMITED

(CIN: L27109WB1996PLC082021)

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

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE, 2021

(Rs. in Lakhs)

SL. NO.	PARTICULARS	3 Months ended	Preceding 3	Corresponding 3	Year Ended
		(30-06-2021)	Months ended	Months ended	(31-03-2021)
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
I	Revenue from operations	171.41	4,741.93	1,836.72	7793.26
II	Other income	62.69	478.69	118.57	494.40
III	Total Revenue (I + II)	234.09	5,220.61	1,955.29	8287.65
IV	EXPENSES:				
	Cost of Materials Consumed	41.76	3,543.66	1,147.46	3807.30
	Purchase of Traded Goods	-	65.95	145.24	2304.81
	Changes in Inventories of Finished & Traded Goods	-	656.79	200.18	1001.66
	Employee benefits expenses	65.75	394.85	110.10	531.11
	Finance Costs	6.95	1,721.05	871.27	2690.21
	Depreciation and amortisation expenses	26.33	102.34	36.74	133.59
	Other expenses	181.10	4,793.23	179.72	5821.50
	Total Expenses (IV)	321.88	11,277.86	2,690.71	16290.19
V	PROFIT BEFORE PRIOR PERIOD ITEMS, EXCEPTIONAL ITEMS AND TAX (III-IV)	(87.78)	(6057.25)	(735.42)	(8002.53)
VI	Prior period items before tax	-	-	-	-
VII	Exceptional Item	-	-	-	-
VIII	PROFIT BEFORE TAX (V-VI-VII)	(87.78)	(6057.25)	(735.42)	(8002.53)
IX	Tax Expenses				
	Current Tax	-	-	-	-
	Earlier Year Tax	-	-	-	-
	Deferred Tax	892.76	(1,916.66)	(242.64)	(2566.55)
	Net Tax Expense	892.76	(1,916.66)	(242.64)	(2566.55)
X	Profit for the period / year (VIII-IX)	(980.54)	(4,140.59)	(492.78)	(5435.98)
	Other Comprehensive Income (net of tax)	-	-	-	-
	Items that will not be reclassified to profit or loss	0.03	(0.01)	0.02	0.04
	Items that will be reclassified to profit or loss	-	-	-	-
XI	Total Other Comprehensive Income for the period / year (net of tax)	0.03	(0.01)	0.02	0.04
XII	Share of profit / (loss) of Associate (net of tax)	-	-	-	-
XIII	PROFIT FOR THE PERIOD (X+XI)	(980.51)	(4,140.61)	(492.76)	(5435.95)
	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
	Other Equity (excluding Revaluation Reserves)	-	-	-	(5,442.07)
	Earnings Per Equity Share of Rs. 10/- each Basic & Diluted (In Rs.)	(8.99)	(37.96)	(4.52)	(49.83)
	See accompanying notes to the financial results				

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

Ankit Gupta

Ankit Gupta
Director & CFO
DIN: 08415248

Krishna Kommaravolu

Krishna Kommaravolu
Resolution Professional

Arun Kumar Mehar
Arun Kumar Mehar
Company Secretary
M.No. ACS48598

Place of Signature: Visakhapatnam
Dated: The 14th day of August, 2021



5. The Company has been facing various disruptions, in addition to the pandemic situation, since last year such as stoppage of supply of materials by its largest Vendor i.e., RINL, fall in demand and volatility 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 24th 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 Cr. 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 Cr. in the Company Books before providing the provision for interest. The balance in the Books after providing interest is Rs. 37 Cr. 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. The company has deposited an amount of Rs.4.01 Cr. to the loan account of Union Bank of India and requested the bank to revalue the properties and to liquidate the properties during the quarter ending March 2021. Finally, One of the Unsecured creditor Namely, ICICI Bank has approached NCLT, and got an order to initiate the Corporate Insolvency Resolution Process (CIRP).
- 5A. The ICICI Bank, one of the financial creditor who is unsecured, has filed an application CP(IB) No. 986/KB/2020 before NCLT u/s 7 of the Insolvency & Bankruptcy Code, 2016 (The Code) for initiating Corporate Insolvency Resolution Process(CIRP) against the Company and the same has been admitted by NCLT at its hearing dated 16.03.2021 and pronounced order on 24.03.2021 to initiate CIRP in Narayani Steels Limited. There by, the order prohibits action under SARFAESI Act, 2002 and declares Moratorium as per sec 14 of the Code-2016.
- Further, Mr. Krishna Komaravolu, registered with Insolvency and Bankruptcy Board of India, having Registration No. IBBI/IPA-002/IP-N00562/2017-2018/11699 has been appointed as Interim Resolution Professional, for ascertaining the particulars of creditors and to convening a meeting of Committee of Creditors for evolving a resolution plan. The IRP has been confirmed and made as Resolution Professional (RP).
- The Resolution Professional has convened the first meeting of COC meeting on 24-4-21 and subsequently received the claims. He has examined and admitted the claims from Financial Creditors amounting to Rs. 296.13 Cr. The differences between balance as per books and amount claimed by the financial creditors needs reconciliation. A claim from State GST, Operational Creditor, amounting to Rs. 35.68 Crores is still under the examination of the RP.
- The RP has invited Expression of Interest (EOI) from prospective resolution applicants as per 2nd COC conducted by RP on 18-06-2021.
- Consequently, FIVE applicants have shown interest in submission of their Resolution plans for the company to Resolution Professional. Further, Resolution Professional mandated to submit their plans by 24th August 2021.
6. Gratuity is not provided as per actuarial calculations as required to be done as per IND AS. However the same has been continued as per last year amounting to Rs. 8.46 Lakhs.
7. The Plant (Unit-2) is running purely on Conversion basis as per the Agreement entered with M/s. Elegant Metals and Minerals Private Limited. During the quarter the Revenue generated as per Conversion Agreement is Rs. 1.71Cr. The Company suffered operating loss of approximately Rs. 42 Lakhs during the quarter. The operating loss is attributed to the coal purchases and fuel cost. The Loss after Depreciation, Deferred Tax Adjustment and Ind As Adjustment is Rs. 9.80 Cr.



Agreed

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". However, as explained in Note 7 the Plant is now running on Conversion basis.
9. None of the Confirmation of the Balances as on 31.03.2021 reached the office of Statutory auditors till the quarter ended June 2021. The total debtors as on 31.03.2021 available in books is Rs. 169.22 Cr. As per the earlier confirmations available at the company, the Company has obtained Confirmation of Balances from its major Trade Receivables of approx. Rs. 98.93 Cr. (58.47%) as on 31.03.2021. This includes Rs. 87.15 crores (Net confirmation given by Vizag Profiles Private Limited and available on record is Rs. 74.15 Cr.) transferred from M/s. Steel Exchange India Limited to its associate company M/s. Vizag Profiles Private Limited by virtue of Joint understanding agreed in this regard. For this purpose, Mail Confirmation from SEIL and Balance Confirmation from VFPL are obtained. The Company has agreed for transfer in order to improvise the early recovery of the dues from the major Trade Debtor. Company has provided for the Expected Credit Risk amounting to Rs.46.95 Cr. in addition to the Provision for Doubtful Debts amounting to Rs.11.91 Cr as on 31/03/2021. as per Prudence, general practice and IND AS. The same balance is continued for the quarter ending 30.06.2021.
10. The total Sundry Debtors are amounting to Rs. 168.71 Cr. as on 30.06.2021. Company is hopeful of recovering the major portion of Sundry Debtors as promised by the major group of Debtors. The ageing of Sundry Debtors is as under:

Rs. In Crores^{''}

Period	Bal O/s as on 31.03.2021	Balance O/s as on 30.06.2021
Upto 180 days	2.32	1.81
>180 days to < two Years	29.12	29.11
>Two years	112.79	112.79
>Three years	24.99	24.99
Total	169.22	168.71

11. The Company did not conduct the Internal Audit during the quarter 2021-22 in view of Corporate Insolvency Resolution Process and appointment of Resolution Professional.
12. The Company has given Corporate Guarantees and given collaterals on behalf of its Associate Companies to the Lending Institutions. On default by those associate companies, the Banks have issued possession Notices to the Company for liquidating the Assets. The claims as admitted by the Resolution Professional after the company went into CIRP is Rs.67.23 Crores. On account of corporate guarantees given by this



company to its associates. Thus, the total contingent liability including above as per the disclosures is amounting to Rs. 109.68 Cr.

13. The Company has recognized Deferred Tax Assets on unabsorbed depreciation and business losses as the management is confident on its realisability.
14. The Audited 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.
15. The associate of the company has suffered substantial losses in the previous financial year as well as in the quarter ended 30th June 2021 and has resulted in complete erosion of the net worth of the associatee., M/s Hari Equipments Private Limited. 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.
16. Previous period/ year figures have been re-grouped/ rearranged, wherever necessary.

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

Arun Kumar Meher
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Company Secretary
M.No. ACS48598

Krishna Kommaravolu
Krishna Kommaravolu
Resolution Professional

Ankit Gupta
Ankit Gupta
Director & CFO
DIN: 08415248

Place of Signature: Visakhapatnam
Dated: The 14th Day of August, 2021

