

# NARAYANI STEELS LIMITED

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

PH-03346025371

[NARAYANISTEELSVIZAG@GMAIL.COM](mailto:NARAYANISTEELSVIZAG@GMAIL.COM)

[WWW.NARAYANISTEELS.CO.IN](http://WWW.NARAYANISTEELS.CO.IN)

GSTIN:37AAACN8563G1Z8

CIN: L27109WB1996PLC082021

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To,

The General Manager

Dt.14.11.2021

Department of Corporate Services

BSE Limited,1<sup>st</sup> Floor, New Trading Wing,

Rotunda Building, P J Towers Dalal Street,

Fort Mumbai 400 001

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. Sunday, November 14, 2021** has inter-alia approved, considered and took note of the quarter and half year ended 30<sup>th</sup> September,2021. We attach herewith a copy of the approved unaudited standalone and Consolidated financial results for the quarter and half year ended 30<sup>th</sup> September,2021 along with the limited review report on standalone and Consolidated for the quarter and half year ended 30<sup>th</sup> September2021. The aforesaid Results shall also be hosted on Company's website at [www.narayanisteels.co.in](http://www.narayanisteels.co.in). In RP & KMP meeting RP & KMP also Revised June Quarter 2021.

The meeting commenced at 07:00 pm and concluded at 07:45 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: 2021.11.14  
19:52:20 +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 September 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.

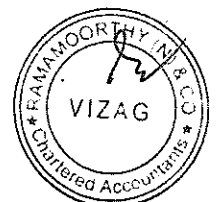
We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to 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 1 and 2 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 Resolution plans for the company to Resolution Professional. Further, Resolution Professional mandated to submit their plans by 24th August 2021.



In response to the paper notification for EOI dated 24.06.2021 issued by the Resolution Professional, the company is in receipt of bids from two Resolution Applicants namely 1. M/s. Rishikunj Vincom Private Limited 2. M/s. Duddu Fin-Lease Private Limited. After negotiations with them, these resolution Plans were considered at 6th CoC Meeting held on 18.10.2021 and put for E-Voting Process during 19.10.2021 to 30.10.2021. On 30.10.2021, E-voting is concluded with 100 % Voting Share in favour of highest Bid Application received from M/s. Rishikunj Vincom Private Limited For Rs. 27.72 Crores. Accordingly, an Application under Section 30(6) and Section 31 of IBC, 2016 was filed with NCLT, Kolkata on 02.11.2021.

2. As stated in Note 3 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.
3. As stated in Note 13 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.

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

#### **Material Uncertainty Related to Going Concern**

4. As stated in Note 15 in the Standalone Financial results which indicate that as the Net worth has become negative, and the realisibility of the debtors is in doubt, the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going Concern .

#### **Basis of Qualified Conclusion:**

1. We draw attention to Note 10 and 11 to the Standalone financial results that there has been no realization from Trade Receivables amounting to Rs. 137.78 Crores during past 27 months. Therefore we express that there is no reasonable certainty of realization as to its timing and collection of Sundry Debtors of Rs. 168.14Cr. as on 30.09.2021. We are also unable to quantify the amount of doubtful debtors and the sufficiency or otherwise of Provision made therefore in the given circumstances. Further, the legal documentation for the balance transfer of Rs. 87.15Cr. from Steel Exchange India Limited (SEIL) to its group company Vizag Profiles Private Limited (VPPL) is not sufficient and Legally binding.

The Non-Realization of Sundry Debtors has resulted in Bank loans becoming NPA in the Banks. The annual interests accrued on Bank outstanding continues to be the reason for the Financial Loss and has dented the net worth of the Company. The ICICI bank approached NCLT. Consequently, the company went into Corporate Insolvency Resolution Process (CIRP) as per NCLT order dated 24.03.2021. Therefore, No further ECL and Provision on Sundry Debtors are made in the accounts.



2. The RP has concluded the CIRP Process and filed an application for confirmation in NCLT, Kolkata. The orders are awaited from the NCLT. The Management has presented accounts based on the assumption of the Going Concern Concept since the plant is working and the CIRP is at its preliminary stage. However, since the Net worth has become negative, and the realisibility of the debtors is in doubt, the Company ceases to be a Going concern and the Assets & Liabilities are to be adjusted in the books.
3. The Differed tax of Rs. 11.42 cr for the period of September 2021 cannot be considered as an Liability since the Company ceases to be a Going concern. As a result, the loss will further be reduced by the Deferred Tax amount.

#### 4. Qualified Conclusion:

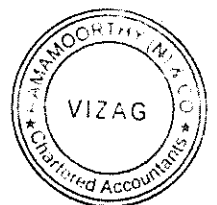
Based on our review, with the exception of the matter described in the preceding paragraph, nothing has come to our attention that causes us to believe that the Statement read with notes thereon, prepared in accordance with aforesaid Indian Accounting Standards and other recognized accounting practices 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: 14.11.2021  
Place: Visakhapatnam

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



(K. Ramachandra Rao)  
Partner  
Membership No: 201334  
UDIN: 21201334AAAADH6075



**NARAYANI STEELS LIMITED**

(CIN: L27109WB1996PLC082021)

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

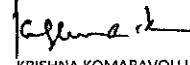
**STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30th SEPTEMBER, 2021**

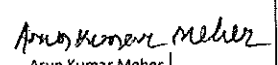
SL. NO.	PARTICULARS	3 Months ended 30-09-2021	Preceding 3 Months ended 30-06-2021	Corresponding 3 months ended 30-09-2020	6 months ended 30 09-2021	6 months ended 30- 09-2020	Year ended 31-03-2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I	Revenue from operations	205.59	171.41	2,590.69	377.00	4,427.41	7,793.26
II	Other income	5.39	62.79	96.66	68.18	215.23	491.04
III	<b>Total Revenue (I + II)</b>	<b>210.98</b>	<b>234.19</b>	<b>2,687.35</b>	<b>445.18</b>	<b>4,642.64</b>	<b>8,284.29</b>
IV	<b>EXPENSES:</b>						
	Cost of Materials Consumed	58.30	41.76	567.98	100.06	1,715.43	3,807.30
	Purchase of Traded Goods	-	-	1,869.93	-	2,015.17	2,304.81
	Changes in Inventories of Finished & Traded Goods	-	-	(49.21)	-	150.97	1,001.66
	Employee benefits expense	-	-	-	-	-	-
	Employee benefits expenses	75.52	65.75	149.98	141.27	260.07	531.11
	Finance Costs	1.15	6.95	461.70	8.10	1,332.97	2,690.21
	Depreciation and amortisation expenses	28.00	26.33	34.45	54.33	71.19	133.59
	Other expenses	121.26	181.10	507.29	302.36	687.02	5,821.50
	<b>Total Expenses (IV)</b>	<b>284.24</b>	<b>321.88</b>	<b>3,542.12</b>	<b>606.12</b>	<b>6,232.83</b>	<b>16,290.19</b>
V	<b>PROFIT BEFORE PRIOR PERIOD ITEMS, EXCEPTIONAL ITEMS AND TAX (III-IV)</b>	<b>(73.26)</b>	<b>(87.69)</b>	<b>(854.77)</b>	<b>(160.94)</b>	<b>(1,590.19)</b>	<b>(8,005.90)</b>
VI	Prior period items before tax	-	-	-	-	-	-
VII	Exceptional Item	-	-	-	-	-	-
	<b>PROFIT BEFORE TAX (V-VI-VII)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
VIII	<b>PROFIT BEFORE TAX (V-VI-VII)</b>	<b>(73.26)</b>	<b>(87.69)</b>	<b>(854.77)</b>	<b>(160.94)</b>	<b>(1,590.20)</b>	<b>(8,005.90)</b>
IX	Tax Expenses						
	Current Tax	-	-	-	-	-	-
	Earlier Year Tax	-	-	-	-	-	-
	Deferred Tax	257.12	884.53	(283.66)	1,141.65	(526.30)	(2,809.12)
	<b>Net Tax Expense</b>	<b>257.12</b>	<b>884.53</b>	<b>(283.66)</b>	<b>1,141.65</b>	<b>(526.30)</b>	<b>(2,809.12)</b>
X	<b>Profit for the period / year (VIII-IX)</b>	<b>(330.38)</b>	<b>(972.22)</b>	<b>(571.11)</b>	<b>(1,302.59)</b>	<b>(1,063.89)</b>	<b>(5,196.77)</b>
	Other Comprehensive Income (net of tax)						
	Items that will not be reclassified to profit or loss	(0.02)	0.03	(0.05)	0.01	(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>(0.02)</b>	<b>0.03</b>	<b>(0.05)</b>	<b>0.01</b>	<b>(0.03)</b>	<b>0.04</b>
XII	<b>PROFIT FOR THE PERIOD (X+XI)</b>	<b>(330.40)</b>	<b>(972.19)</b>	<b>(571.16)</b>	<b>1,302.58</b>	<b>(1,063.92)</b>	<b>(5,196.74)</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)	-	-	-	-	-	(5,202.87)
	Earnings Per Equity Share of Rs. 10/- each Basic & Diluted (in Rs.)	(3.03)	(8.91)	(5.24)	11.94	(9.75)	(47.64)
	See accompanying notes to the financial results						

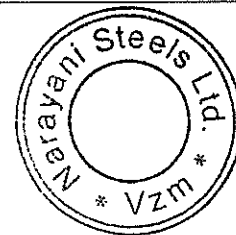
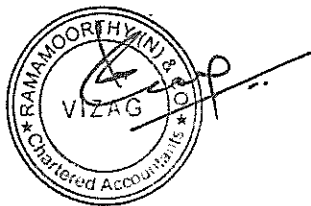
For and on behalf of the Board of Directors of Narayani Steels Limited

Place of Signature: Visakhapatnam  
Date: 14th November 2021

  
Ankit Gupta  
Director & CFO  
DIN: 08415248

  
KRISHNA KOMARAVOLU  
Resolution Professional

  
Arun Kumar Meher  
Company Secretary  
M.NO.: ACS48598



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

(Rs. In Lakhs)

Particulars	Half Year ended 30th September 2021	As at 31st March 2021
<b>ASSETS</b>		
<b>(1) Non-current assets</b>		
(a) Property, plant and equipment	1,355.24	1,398.29
(b) Capital Work In Progress	-	-
(c) Investment Properties	-	-
(d) Right-of-use assets	27.37	107.85
(e) Intangible Assets	0.95	1.45
(f) Financial assets		
(i) Investments	0.37	0.34
(ii) Other assets	90.70	90.02
(g) Deferred Tax Assets (net)	3,232.77	4,374.43
(h) Other non-current assets	10.71	11.45
<b>Total Non-current assets</b>	<b>4,718.11</b>	<b>5,983.83</b>
<b>(2) Current assets</b>		
(a) Inventories	150.86	150.86
(b) Financial assets		
(i) Investments		
(ii) Trade receivables	10,925.78	11,035.46
(iii) Cash and cash equivalents	13.93	5.03
(iv) Other Bank Balances	220.44	
(v) Other assets	10.14	10.14
(c) Current tax assets (net)	81.19	73.60
(d) Other current assets	1,434.16	1,451.02
<b>Total Current assets</b>	<b>12,836.51</b>	<b>12,726.12</b>
<b>TOTAL ASSETS</b>	<b>17,554.62</b>	<b>18,709.95</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	1,090.90	1,090.90
(b) Other equity	(6,505.44)	(5,202.87)
<b>Total Equity</b>	<b>(5,414.54)</b>	<b>(4,111.97)</b>
<b>Liabilities</b>		
<b>(1) Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	124.52	115.29
(ii) Lease liabilities	28.54	82.77
(iii) Other liabilities	3.23	3.08
(b) Other non-current liabilities	2.45	2.61
(c) Deferred tax liabilities (net)		
(d) Provisions	4.54	4.54
<b>Total Non-current liabilities</b>	<b>163.27</b>	<b>208.30</b>
<b>(2) Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	20,170.90	20,136.28
(ii) Lease liabilities	2.42	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	125.34	129.21
(iv) Other liabilities	2,196.33	2,240.18
(b) Other current liabilities	306.98	96.46
(c) Provisions	3.92	3.92
<b>Total Current liabilities</b>	<b>22,805.89</b>	<b>22,613.62</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>17,554.62</b>	<b>18,709.95</b>

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

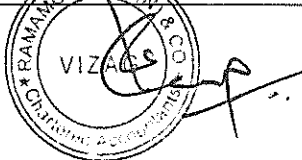
  
Ankit Gupta

Director & CFO  
DIN: 08415248

  
KRISHNA KOMARAVOLU  
Resolution Professional

Arun Kumar Meher  
Company Secretary  
M.NO.: ACS48594

Place of Signature: Vizakhapatnam  
Date: 14th November 2021



**NARAYANI STEELS LIMITED**

(CIN: L27109WB1996PLC082021)

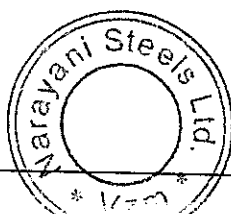
**STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH SEPTEMBER 2021**

(Rs. In Lakhs)

Particulars	For the Half year ended 30.09.2021 (unaudited)	For the year ended 31.03.2021 (audited)
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before tax	(160.94)	(8,005.90)
<b>ADJUSTMENTS FOR:</b>		
Depreciation and amortisation expense	54.33	133.59
Provision for expected credit loss on trade receivables		3,572.06
Provision for bad and doubtful debts	-	691.19
Net (gain) / loss on investments measured at fair value through profit or loss	-	-
Impairment in the value of investment in associate	-	-
Amortisation of corporate guarantee obligation	-	-
Finance Costs	8.10	2,690.21
Rental Income	(0.15)	(34.01)
Commission Income	-	-
Profit on sale of investments	-	(88.35)
Loss on Sale of Property, Plant & Equipment	-	-
Sundry Balance written off (net)	-	(365.54)
Lease Liability written back	(58.28)	40.35
Profit on sale of land	-	(26.74)
Interest income	(1.40)	(1.22)
<b>ROU ASSETS WRITTEN OFF</b>	78.78	
Gratuity	-	
	<b>81.38</b>	<b>6,611.54</b>
<b>Operating profit before working capital changes</b>	<b>(79.56)</b>	<b>(1,394.35)</b>
<b>ADJUSTMENTS FOR :</b>		
Trade receivables, loans, advances and other assets	126.60	1,689.34
Inventories		1,181.31
Trade payables, other liabilities and other financial liabilities	173.90	1,676.21
	<b>300.50</b>	<b>4,546.86</b>
<b>Cash generated from operations</b>	<b>220.94</b>	<b>3,152.51</b>
Income tax paid	(7.59)	(13.15)
<b>Net Cash from / (used in) Operating Activities</b>	<b>213.35</b>	<b>3,139.36</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment (including capital work-in-progress)	(9.10)	(15.04)
Sale of Property, Plant & Equipment	-	950.44
Purchase of Investments	-	-
Sale of investments	-	315.11
(Investments in) / Proceeds from Bank deposits (maturity more than 3 months but less than 12 months)	(220.44)	1,833.96
Rent received		34.01
Interest received	1.40	1.22
<b>Net cash from / (used in) Investing Activities</b>	<b>(227.99)</b>	<b>3,119.70</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/(Repayment) of Borrowings	34.62	-3,562.38
Principal accrued on lease liabilities	-3.00	-18.00
Interest accrued on lease liabilities	-1.89	-11.28
Finance Costs	-6.21	-2,678.93
<b>Net cash from / (used in) financing activities</b>	<b>23.53</b>	<b>(6,270.60)</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash equivalents</b>	<b>8.89</b>	<b>(11.54)</b>
Cash & Cash equivalents at beginning of the year <sup>^</sup>	5.04	16.58
Cash & Cash equivalents at end of the year <sup>^</sup>	<b>13.93</b>	<b>5.04</b>

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

Place of Signature: Visakhapatnam  
Date: 14th November 2021



*Ankit Gupta*  
Ankit Gupta  
Director & CFO  
DIN: 08415248

*Krishna Komaravolu*  
KRISHNA KOMARAVOLU  
Resolution Professional

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

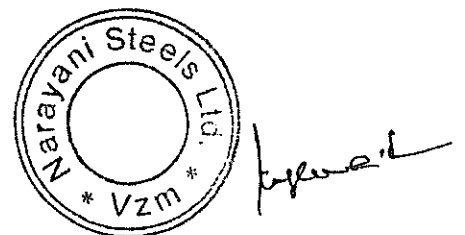
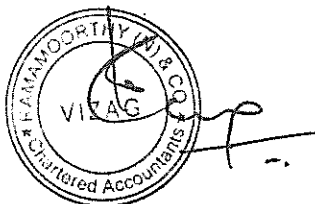
**Notes to the Unaudited Standalone Financial Results:**

1. The 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).
2. 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 was rejected by RP as the order is issued after commencement of CIRP. 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 24<sup>th</sup> August 2021.



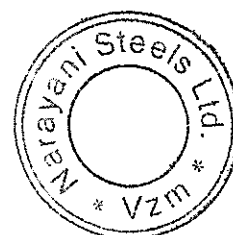
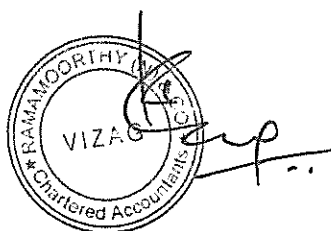


In response to the paper notification for EOI dated 24.06.2021 issued by the Resolution Professional, the company is in receipt of bids from two Resolution Applicants namely 1. M/s. Rishikunj Vincom Private Limited 2. M/s. Duddu Fin-Lease Private Limited. After negotiations with them, these resolution Plans were considered at 6th CoC Meeting held on 18.10.2021 and put for E-Voting Process during 19.10.2021 to 30.10.2021. On 30.10.2021, E-voting is concluded with 100 % Voting Share in favour of highest Bid Application received from M/s. Rishikunj Vincom Private Limited For Rs. 27.72 Crores. Accordingly, an Application under Section 30(6) and Section 31 of IBC, 2016 was filed with NCLT, Kolkata on 02.11.2021.

3. 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 30<sup>th</sup> September, 2021. As a result of the lockdown, the likely revenue from the month of April to September 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. 2.06 Crores 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.

4. 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.
5. The above Standalone Financial Results for the quarter ended September 30<sup>th</sup>, 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 November,2021. The Statutory Auditors have reviewed above standalone financial results for the quarter ended 30<sup>th</sup>September, 2021 and have expressed a modified opinion on the aforesaid results.

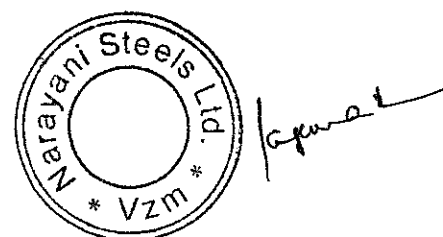
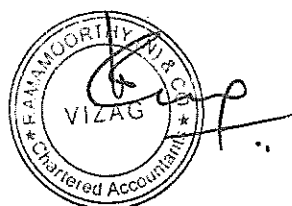


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6. Lease liability and Right of Use of the property for which lease contract is terminated has been derecognised as per IND AS in the financial statements by writing back the liability for Rs. 58.27 lakhs and writing off ROU assets of Rs. 78.78 Lakhs during the quarter. Consequently, the depreciation on Right of Use assets of the said property is also not calculated.
7. 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
8. 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. 2.06 Cr. The Company suffered operating Loss of approximately Rs. 41 lakhs during the half year. The operating loss is attributed to the coal purchases and fuel cost and employee costs. The Loss after Depreciation, Deferred Tax Adjustment and Ind As Adjustment is Rs. 13.02 cr .
9. 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.
10. None of the Confirmation of the Balances as on 31.03.2021 reached the office of Statutory Auditors till the quarter ended September 2021. The total debtors as on 30.09.2021 available in books is Rs. 168.14 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 30.09.2021.
11. The total Sundry Debtors are amounting to Rs. 168.14 Cr. as on 30.09.2021. 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 30.09.2021
Upto 180 days	2.32	1.11
>180 days to < two Years	29.12	29.24
>Two years	112.79	112.79



>Three years	24.99	24.99
Total	169.22	168.14

12. The Company did not conduct the Internal Audit during the quarter of 2021-22 in view of Corporate Insolvency Resolution Process and appointment of Resolution Professional. Forensic Audit Report is received by the Banker and is placed before 6<sup>th</sup> COC meeting held on 18.10.2021. Transaction Audit was also got completed by the RP for the period 2020-21.
13. 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.
14. The Company has recognized Deferred Tax Assets/Liabilities on unabsorbed depreciation and business losses as the management is confident on its realisability.
15. The accounts are presented based on the assumption of the Going Concern Concept as plant Unit-II is working on conversion basis continuously. The Company is able to manage its Cash Flows. Resolution Professional (RP) is appointed on 24.03.2021 for 180days and the period can be extended to complete the Resolution Plan. The Resolution Professional has invited Expression of Interest (EOI) from prospective resolution applicants and the process is about to be concluded. An Application filed with NCLT for approval as stated in Note No. 2. Hence, the Going Concern basis is adopted by the Company.
16. Previous period/year figures have been re-grouped/ rearranged, wherever necessary.

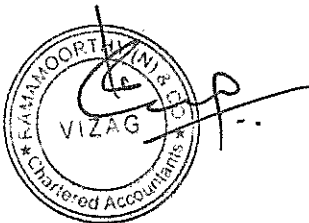
For and on behalf of the Board of Directors of Narayani Steels Limited

Place of Signature: Visakhapatnam  
Dated: The 14<sup>TH</sup> Day of November, 2021

*Arun Kumar Meher*  
Arun Kumar Meher  
Company Secretary  
M.No. ACS 48598

*Krishna Komaravolu*  
Krishna Komaravolu  
Resolution Professional

*Ankit Gupta*  
Ankit Gupta  
Director & CFO  
DIN: 08415248





**Independent Auditor's Report on Quarterly Unaudited Consolidated 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 September 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.

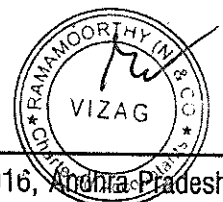
We conducted our review in accordance with the **Standard on Review Engagement (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity"**, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review 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.

#### **Emphasis of Matter**

We draw attention to the following matters –

1. As stated in Note 1 and 2 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. 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.

In response to the paper notification for EOI dated 24.06.2021 issued by the Resolution Professional, the company is in receipt of bids from two Resolution Applicants namely 1. M/s. Rishikunj Vincom Private Limited 2. M/s. Duddu Fin-Lease Private Limited. After negotiations with them, these resolution Plans were considered at 6th CoC Meeting held on 18.10.2021 and put for E-Voting Process during 19.10.2021 to 30.10.2021. On 30.10.2021, E-voting is concluded with 100 % Voting Share in favour of highest Bid Application received from M/s. Rishikunj Vincom Private Limited For Rs. 27.72 Crores. Accordingly, an Application under Section 30(6) and Section 31 of IBC, 2016 was filed with NCLT, Kolkata on 02.11.2021.

2. As stated in Note 3 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.
3. As stated in Note 13 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.

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

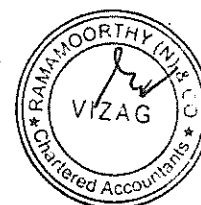
#### **Material Uncertainty Related to Going Concern**

4. As stated in Note 15 in the Consolidated Financial results which indicate that as the Net worth has become negative, and the realisability of the debtors is in doubt, the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going Concern .

#### **Basis of Qualified Conclusion:**

1. We draw attention to Note 10 and 11 to the Consolidated financial results that there has been no realization from Trade Receivables amounting to Rs. 137.78 Crores during past 27 months. Therefore we express that there is no reasonable certainty of realization as to its timing and collection of Sundry Debtors of Rs. 168.14Cr. as on 30.09.2021. We are also unable to quantify the amount of doubtful debtors and the sufficiency or otherwise of Provision made therefore in the given circumstances. Further, the legal documentation for the balance transfer of Rs. 87.15Cr. from Steel Exchange India Limited (SEIL) to its group company Vizag Profiles Private Limited (VPPL) is not sufficient and Legally binding.

The Non-Realization of Sundry Debtors has resulted in Bank loans becoming NPA in the Banks. The annual interests accrued on Bank outstanding continues to be the reason for the Financial Loss and has dented the net worth of the Company. The ICICI bank approached NCLT. Consequently, the company went into Corporate Insolvency



Resolution Process (CIRP) as per NCLT order dated 24.03.2021. Therefore, No further ECL and Provision on Sundry Debtors are made in the accounts.

2. The RP has concluded the CIRP Process and filed an application for confirmation in NCLT, Kolkata. The orders are awaited from the NCLT. The Management has presented accounts based on the assumption of the Going Concern Concept since the plant is working and the CIRP is at its preliminary stage. However, since the Net worth has become negative, and the realisability of the debtors is in doubt, the Company ceases to be a Going concern and the Assets & Liabilities are to be adjusted in the books.
  
3. The deferred taxes of Rs. 11.42 Cr for the period of September 2021 cannot be considered as an Liability since the Company ceases to be a Going concern. As a result, the loss will further be reduced by the Deferred Tax amount

#### **Qualified Conclusion:**

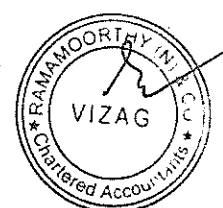
Based on our review, with the exception of the matter described in the preceding paragraph, nothing has come to our attention that causes us to believe that the Statement read with notes thereon, prepared in accordance with aforesaid Indian Accounting Standards and other recognized accounting practices 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.

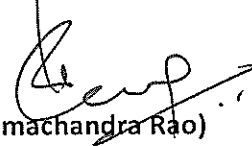
The Consolidated unaudited financial results also include the Company's share of net loss after tax (and total comprehensive income) of Rs. Nil for the quarter ended 30<sup>th</sup> September, 2021 in respect of an associate, whose financial results have not been reviewed by us. The unaudited financial 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 30<sup>th</sup> June, 2021, is unmodified to the extent that have been derived from such unaudited financial statements.



Our opinion on the consolidated quarter ended 30<sup>th</sup>September2021 results is unmodified in respect of the above matters with respect to our reliance on the unaudited financial statements provided by the management.

Date: 14.11.2021  
Place: Visakhapatnam

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



(K. Ramachandra Rao)  
Partner  
Membership No: 201334  
UDIN: 21201334AAAADH6075



**NARAYANI STEELS LIMITED**

(CIN: L27109WB1996PLC082021)

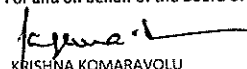
Registered office : 23A, N.S.Road 7th Floor, Kolkata - 700001

**STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30th SEPTEMBER, 2021**

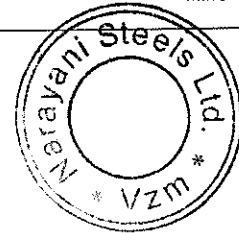
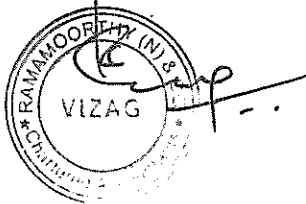
SL. NO.	PARTICULARS	3 Months ended 30-09-2021	Preceding 3 Months ended 30-06-2021	Corresponding 3 months ended 30-09-2020	6 months ended 30-09-2021	6 months ended 30-09-2020	Year ended 31-03-2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I	Revenue from operations	205.59	171.41	2,590.69	377.00	4,427.41	7,793.26
II	Other income	5.39	62.79	96.66	68.18	215.23	491.04
III	<b>Total Revenue (I + II)</b>	<b>210.98</b>	<b>234.19</b>	<b>2,687.35</b>	<b>445.18</b>	<b>4,642.64</b>	<b>8,284.29</b>
IV	<b>EXPENSES:</b>						
	Cost of Materials Consumed	58.30	41.76	567.98	100.06	1,715.43	3,807.30
	Purchase of Traded Goods	-	-	1,869.93	-	2,015.17	2,304.81
	Changes in Inventories of Finished & Traded Goods	-	-	(49.21)	-	150.97	1,001.66
	Employee benefits expense	-	-	-	-	-	-
	Employee benefits expenses	75.52	65.75	149.98	141.27	260.07	531.11
	Finance Costs	1.15	6.95	461.70	8.10	1,332.97	2,690.21
	Depreciation and amortisation expenses	28.00	26.33	34.45	54.33	71.19	133.59
	Other expenses	121.26	181.10	507.29	302.36	687.02	5,821.50
	<b>Total Expenses (IV)</b>	<b>284.24</b>	<b>321.88</b>	<b>3,542.12</b>	<b>606.12</b>	<b>6,232.83</b>	<b>16,290.19</b>
V	<b>PROFIT BEFORE PRIOR PERIOD ITEMS, EXCEPTIONAL ITEMS AND TAX (III-IV)</b>	<b>(73.26)</b>	<b>(87.69)</b>	<b>(854.77)</b>	<b>(160.94)</b>	<b>(1,590.19)</b>	<b>(8,005.90)</b>
VI	Prior period items before tax	-	-	-	-	-	-
VII	Exceptional Item	-	-	-	-	-	-
	<b>PROFIT BEFORE TAX (V-VI-VII)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
VIII	<b>PROFIT BEFORE TAX (V-VI-VII)</b>	<b>(73.26)</b>	<b>(87.69)</b>	<b>(854.77)</b>	<b>(160.94)</b>	<b>(1,590.20)</b>	<b>(8,005.90)</b>
IX	<b>Tax Expenses</b>						
	Current Tax	-	-	-	-	-	-
	Earlier Year Tax	-	-	-	-	-	-
	Deferred Tax	257.12	884.53	(283.66)	1,141.65	(526.30)	(2,809.12)
	<b>Net Tax Expense</b>	<b>257.12</b>	<b>884.53</b>	<b>(283.66)</b>	<b>1,141.65</b>	<b>(526.30)</b>	<b>(2,809.12)</b>
X	<b>Profit for the period / year (VIII-IX)</b>	<b>(330.38)</b>	<b>(972.22)</b>	<b>(571.11)</b>	<b>(1,302.59)</b>	<b>(1,063.89)</b>	<b>(5,196.77)</b>
	Other Comprehensive Income (net of tax)						
	Items that will not be reclassified to profit or loss	(0.02)	0.03	(0.05)	0.01	(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>(0.02)</b>	<b>0.03</b>	<b>(0.05)</b>	<b>0.01</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>(330.40)</b>	<b>(972.19)</b>	<b>(571.16)</b>	<b>1,302.58</b>	<b>(1,063.92)</b>	<b>(5,196.74)</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)	-	-	-	-	-	(5,202.87)
	Earnings Per Equity Share of Rs. 10/- each Basic & Diluted (in Rs.)	(3.03)	(8.91)	(5.24)	11.94	(9.75)	(47.64)
	See accompanying notes to the financial results						

Place of Signature: Visakhapatnam  
Date: 14th November 2021

  
Ankit Gupta  
Director & CFO  
DIN: 08415248

For and on behalf of the Board of Directors of Narayani Steels Limited  
  
KRISHNA KOMARAVOLU  
Resolution Professional

  
Arun Kumar Meher  
Company Secretary  
M.NO.: ACS48598





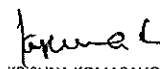
**NARAYANI STEELS LIMITED**  
(CIN: 127109WB1996PLC082021)  
Consolidated Statements of Assets and Liabilities

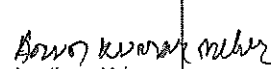
(Rs. In Lakhs)

Particulars	Half Year ended 30th September 2021	As at 31st March 2021
<b>ASSETS</b>		
<b>(1) Non-current assets</b>		
(a) Property, plant and equipment	1,355.24	1,398.29
(b) Capital Work In Progress	-	-
(c) Investment Properties	-	-
(d) Right-of-use assets	27.37	107.85
(e) Intangible Assets	0.95	1.45
(f) Financial assets		
(i) Investments	0.37	0.34
(ii) Other assets	90.70	90.02
(g) Deferred Tax Assets (net)	3,232.77	4,374.43
(h) Other non-current assets	10.71	11.45
<b>Total Non-current assets</b>	<b>4,718.11</b>	<b>5,983.83</b>
<b>(2) Current assets</b>		
(a) Inventories	150.86	150.86
(b) Financial assets		
(i) Investments		
(ii) Trade receivables	10,925.78	11,035.46
(iii) Cash and cash equivalents	13.93	5.03
(iv) Other Bank Balances	220.44	
(v) Other assets	10.14	10.14
(c) Current tax assets (net)	81.19	73.60
(d) Other current assets	1,434.16	1,451.02
<b>Total Current assets</b>	<b>12,836.51</b>	<b>12,726.12</b>
<b>TOTAL ASSETS</b>	<b>17,554.62</b>	<b>18,709.95</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	1,090.90	1,090.90
(b) Other equity	(6,505.44)	(5,202.87)
<b>Total Equity</b>	<b>(5,414.54)</b>	<b>(4,111.97)</b>
<b>Liabilities</b>		
<b>(1) Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	124.52	115.29
(ii) Lease liabilities	28.54	82.77
(iii) Other liabilities	3.23	3.08
(b) Other non-current liabilities	2.45	2.61
(c) Deferred tax liabilities (net)		
(d) Provisions	4.54	4.54
<b>Total Non-current liabilities</b>	<b>163.27</b>	<b>208.30</b>
<b>(2) Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	20,170.90	20,136.28
(ii) Lease liabilities	2.42	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	125.34	129.21
(iv) Other liabilities	2,196.33	2,240.18
(b) Other current liabilities	305.98	96.46
(c) Provisions	3.92	3.92
<b>Total Current liabilities</b>	<b>22,805.89</b>	<b>22,613.62</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>17,554.62</b>	<b>18,709.95</b>

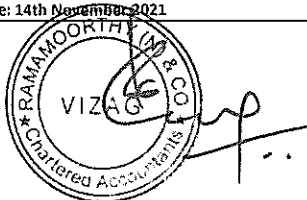
For and on behalf of the Board of Directors of Narayani Steels Limited

  
Ankit Gupta  
Director & CFO  
DIN: 08415248

  
KRISHNA KOMARAVOLU  
Resolution Professional

  
Arun Kumar Meher  
Company Secretary  
M.NO.: ACS48598

Place of Signature: Visakhapatnam  
Date: 14th November 2021



**NARAYANI STEELS LIMITED**

**(CIN: L27109WB1996PLC082021)**

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH SEPTEMBER 2021**

(Rs. in Lakhs)

Particulars	For the Half year ended 30.09.2021		For the year ended 31.03.2021	
	(unaudited)		(audited)	
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit / (Loss) before tax		(160.94)		(8,005.90)
<b>ADJUSTMENTS FOR:</b>				
Depreciation and amortisation expense	54.33		133.59	
Provision for expected credit loss on trade receivables			3,572.06	
Provision for bad and doubtful debts	-		691.19	
Net (gain) / loss on investments measured at fair value through profit or loss	-		-	
Impairment in the value of investment in associate	-		-	
Amortisation of corporate guarantee obligation	-		-	
Finance Costs	8.10		2,690.21	
Rental Income	(0.15)		(34.01)	
Commission Income	-		-	
Profit on sale of investments	-		(88.35)	
Loss on Sale of Property, Plant & Equipment	-		-	
Sundry Balance written off (net)	-		(365.54)	
Lease Liability written back	(58.28)		40.35	
Profit on sale of land	-		(26.74)	
Interest income	(1.40)		(1.22)	
<b>ROU ASSETS WRITTEN OFF</b>	78.78			
Gratuity	-	81.38		6,611.54
Operating profit before working capital changes		(79.56)		(1,394.35)
<b>ADJUSTMENTS FOR :</b>				
Trade receivables, loans, advances and other assets	126.60		1,689.34	
Inventories			1,181.31	
Trade payables, other liabilities and other financial liabilities	173.90	300.50	1,676.21	4,546.86
Cash generated from operations		220.94		3,152.51
Income tax paid		(7.59)		(13.15)
<b>Net Cash from / (used in) Operating Activities</b>		<b>213.35</b>		<b>3,139.36</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Property, Plant & Equipment (including capital work-in-progress)	(9.10)		(15.04)	
Sale of Property, Plant & Equipment	-		950.44	
Purchase of Investments	-		-	
Sale of investments	-		315.11	
(Investments in) / Proceeds from Bank deposits (maturity more than 3 months but less than 12 months)	(220.44)		1,833.96	
Rent received			34.01	
Interest received	1.40	(227.99)	1.22	3,119.70
<b>Net cash from / (used in) Investing Activities</b>		<b>(227.99)</b>		<b>3,119.70</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds/(Repayment) of Borrowings	34.62		-3,562.38	
Principal accrued on lease liabilities	-3.00		-18.00	
Interest accrued on lease liabilities	-1.89		-11.28	
Finance Costs	-6.21	23.53	-2,678.93	(6,270.60)
<b>Net cash from / (used in) financing activities</b>		<b>23.53</b>		<b>(6,270.60)</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash equivalents</b>		<b>8.89</b>		<b>(11.54)</b>
Cash & Cash equivalents at beginning of the year^		5.04		16.58
Cash & Cash equivalents at end of the year^		<b>13.93</b>		<b>5.04</b>

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

Place of Signature: Visakhapatnam  
Date: 14th November 2021



*Ankit Gupta*  
Ankit Gupta  
Director & CFO  
DIN: 08415248

*Krishna Komaravolu*  
KRISHNA KOMARAVOLU  
Resolution Professional

*Arun Kumar Meher*  
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:**

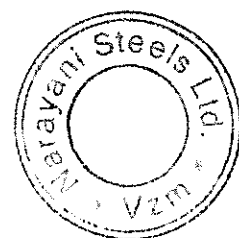
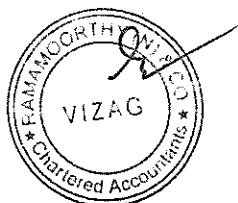
1. The Company has been facing various disruptions, in addition to the pandemic situation, since last year such as stoppage of supply of materials by its largest Vendor i.e., RINL, fall in demand and volatility in iron & steel industry and stress over Channel finance and other borrowing accounts. One of major lender bank, Union Bank of India has issued notice dated 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 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).
2. 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 was rejected by RP as the order is issued after commencement of CIRP.

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 24<sup>th</sup> August 2021.

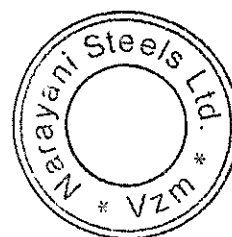
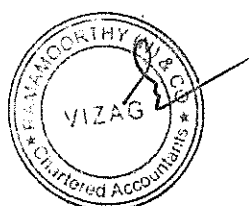


In response to the paper notification for EOI dated 24.06.2021 issued by the Resolution Professional, the company is in receipt of bids from two Resolution Applicants namely 1. M/s. Rishikunj Vincom Private Limited 2. M/s. Duddu Fin-Lease Private Limited. After negotiations with them, these resolution Plans were considered at 6th CoC Meeting held on 18.10.2021 and put for E-Voting Process during 19.10.2021 to 30.10.2021. On 30.10.2021, E-voting is concluded with 100 % Voting Share in favour of highest Bid Application received from M/s. Rishikunj Vincom Private Limited For Rs. 27.72 Crores. Accordingly, an Application under Section 30(6) and Section 31 of IBC, 2016 was filed with NCLT, Kolkata on 02.11.2021.

3. 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 30<sup>th</sup>September, 2021. As a result of the lockdown, the likely revenue from the month of April to September 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. 2.06 Crores 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.

4. 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.
5. The above Consolidated Financial Results for the quarter ended September 30<sup>th</sup>, 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 November,2021. The Statutory Auditors have reviewed above Consolidated financial results for the quarter ended 30<sup>th</sup>September, 2021 and have expressed a modified opinion on the aforesaid results.

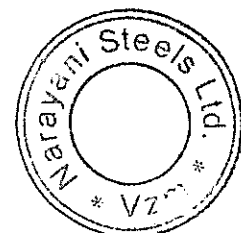
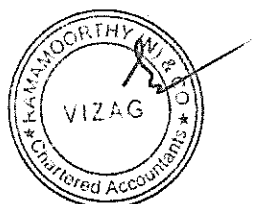


*Signature*

6. 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.
7. 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
8. 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. 2.06 Cr. The Company suffered operating Loss of approximately Rs. 41 lakhs during the half year. The operating loss is attributed to the coal purchases and fuel cost and employee costs. The Loss after Depreciation, Deferred Tax Adjustment and Ind As Adjustment is Rs. 13.02 cr .
9. 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.
10. None of the Confirmation of the Balances as on 31.03.2021 reached the office of Statutory Auditors till the quarter ended September 2021. The total debtors as on 30.09.2021 available in books is Rs. 168.14 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 30.09.2021.
11. The total Sundry Debtors are amounting to Rs. 168.14 Cr. as on 30.09.2021. 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:

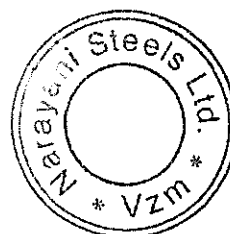
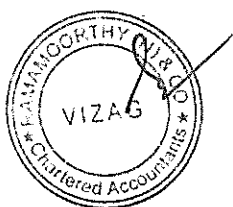
(Rs. In crores)

Period	Bal O/s as on 31.03.2021	Balance O/s as on 30.09.2021
Upto 180 days	2.32	1.11
>180 days to < two Years	29.12	29.24
>Two years	112.79	112.79



>Three years	24.99	24.99
<b>Total</b>	<b>169.22</b>	<b>168.14</b>

12. The Company did not conduct the Internal Audit during the quarter of 2021-22 in view of Corporate Insolvency Resolution Process and appointment of Resolution Professional. Forensic Audit Report is received by the Banker and is placed before 6<sup>th</sup> COC meeting held on 18.10.2021. Transaction Audit was also got completed by the RP for the period 2020-21.
13. 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.
14. The Company has recognized Deferred Tax Assets/Liabilities on unabsorbed depreciation and business losses as the management is confident on its realisability.
15. 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.
16. The associate of the company has suffered substantial losses in the previous financial year as well as in the quarter ended 30<sup>th</sup> September 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.
17. The accounts are presented based on the assumption of the Going Concern Concept as plant Unit-II is working on conversion basis continuously. The Company is able to manage its Cash Flows. Resolution Professional (RP) is appointed on 24.03.2021 for 180days and the period can be extended to complete the Resolution Plan. .The Resolution Professional has invited Expression of Interest (EOI) from prospective resolution applicants and the process is about to be concluded. An Application filed with NCLT for approval as stated in Note No. 2 . Hence, the Going Concern basis is adopted by the Company.



*Approved*

18. Previous period/year figures have been re-grouped/ rearranged, wherever necessary

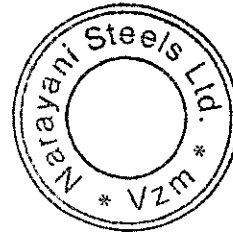
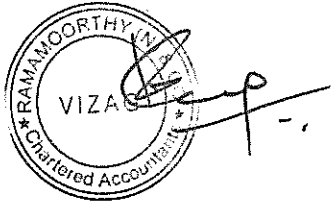
For and on behalf of the Board of Directors of Narayani Steels Limited

Place of Signature: Visakhapatnam  
Dated: The 14<sup>TH</sup> Day of November, 2021

*Arun Kumar Meher*  
Arun Kumar Meher  
Company Secretary  
M.No. ACS 48598

*Krishna Komaravolu*  
Krishna Komaravolu  
Resolution Professional

*Ankit Gupta*  
Ankit Gupta  
Director & CFO  
DIN: 08415248





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").

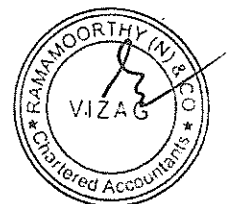
This Statement, which is the responsibility of the Company's Management which includes Resolution Professional & Key Managerial Personnel, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("IND AS 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 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. 16 to the Standalone financial results, the Review Report is issued on the Revised Accounts. The Revision of accounts on the Profit and Loss A/c is resulted in Decrease of Loss by Rs. 8.32 Lakhs.

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

#### **Material Uncertainty Related to Going Concern**

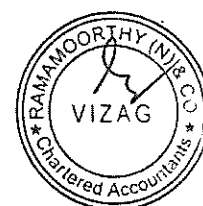
5. As stated in Note 15 in the Standalone Financial results which indicate that as the Net worth has become negative, and the realisibility of the debtors is in doubt, the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going Concern .

#### **Basis of Qualified Conclusion:**

1. We draw attention to Note 9 and 10 to the Standalone financial results that there has been no realization from Trade Receivables amounting to Rs. 137.78 Crores during past 24 months. Therefore we express that there is no reasonable certainty of realization as to its timing and collection of Sundry Debtors of Rs. 168.71Cr. as on 30.06.2021. We are also unable to quantify the amount of doubtful debtors and the sufficiency or otherwise of Provision made therefore in the given circumstances. Further, the legal documentation for the balance transfer of Rs. 87.15Cr. from Steel Exchange India Limited (SEIL) to its group company Vizag Profiles Private Limited (VPPL) is not sufficient and Legally binding.

The Non-Realization of Sundry Debtors has resulted in Bank loans becoming NPA in the Banks. The annual interests accrued on Bank outstanding continues to be the reason for the Financial Loss and has dented the net worth of the Company. The ICICI bank approached NCLT. Consequently, the company went into Corporate Insolvency Resolution Process (CIRP) as per NCLT order dated 24.03.2021.

2. The RP has invited Expression of Interest (EOI) from prospective resolution applicants as per 2nd COC conducted by RP on 18-06-2021. The Management has presented accounts based on the assumption of the Going Concern Concept since the plant is working and the CIRP is at its preliminary stage. However, since the Net worth has become negative, and the realisibility of the debtors is in doubt, the Company ceases to be a Going concern and the Assets & Liabilities are to be adjusted in the books.



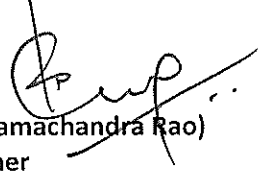
3. The deferred taxes of Rs. 884.53 lakhs as on 30<sup>th</sup> June 2021 cannot be considered as an Liability since the Company ceases to be a Going concern. As a result, the loss will further reduced by the Deferred Tax amount.

**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: 14.11.2021  
Place: Visakhapatnam

For RAMAMOORTHY (N) & CO.,  
Chartered Accountants  
FRN: 018995

  
(K. Ramachandra Rao)  
Partner  
Membership No: 201334  
UDIN: 21201334AAAADG4006



**NARAYANI STEELS LIMITED**

(CIN: L27109WB1996PLC082021)

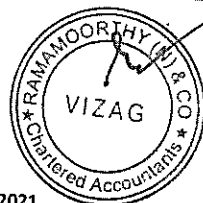
Registered office : 23A, N.S.Road 7th Floor, Kolkata - 700001

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

(Rs. In Lakhs)

SL. NO.	PARTICULARS	3 Months ended (30-06-2021)	Preceding 3 Months ended (31-03-2021)	Correspondin g 3 Months ended in the Previous year (30-06-2020)	Year Ended (31-03-2021)
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
I	Revenue from operations	171.41	4,741.93	1,836.72	7,793.26
II	Other income	62.78	478.69	118.57	491.04
III	<b>Total Revenue (I + II)</b>	<b>234.19</b>	<b>5220.61</b>	<b>1955.29</b>	<b>8,284.29</b>
IV	<b>EXPENSES:</b>				
	Cost of Materials Consumed	41.76	3,543.66	1,147.46	3,807.30
	Purchase of Traded Goods	-	65.95	145.24	2,304.81
	Changes in Inventories of Finished & Traded Goods	-	656.79	200.18	1,001.66
	Impairment loss allowance	-	-	-	-
	Employee benefits expenses	65.75	394.85	110.10	531.11
	Finance Costs	6.95	1,721.05	871.27	2,690.21
	Depreciation and amortisation expenses	26.33	102.34	36.74	133.59
	Other expenses	181.10	4,793.23	179.72	5,821.50
	<b>Total Expenses (IV)</b>	<b>321.88</b>	<b>11,277.86</b>	<b>2,690.71</b>	<b>16,290.19</b>
V	<b>PROFIT BEFORE PRIOR PERIOD ITEMS, EXCEPTIONAL ITEMS AND TAX (III-IV)</b>	<b>(87.69)</b>	<b>(6057.25)</b>	<b>(735.42)</b>	<b>(8,005.90)</b>
VI	Prior period items before tax	-	-	-	-
VII	Exceptional Item	-	-	-	-
VIII	<b>PROFIT BEFORE TAX (V-VI-VII)</b>	<b>(87.69)</b>	<b>(6057.25)</b>	<b>(735.42)</b>	<b>(8,005.90)</b>
IX	Tax Expenses	-	-	-	-
	Current Tax	-	-	-	-
	Earlier Year Tax	-	-	-	-
	Deferred Tax	884.53	(1,916.66)	(242.64)	(2,809.12)
	<b>Net Tax Expense</b>	<b>884.53</b>	<b>(1,916.66)</b>	<b>(242.64)</b>	<b>(2,809.12)</b>
X	<b>Profit for the period / year (VIII-IX)</b>	<b>(972.22)</b>	<b>(4,140.59)</b>	<b>(492.78)</b>	<b>(5,196.77)</b>
	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	<b>Total Other Comprehensive Income for the period / year (net of tax)</b>	<b>0.03</b>	<b>(0.01)</b>	<b>0.02</b>	<b>0.04</b>
XII	<b>PROFIT FOR THE PERIOD (X+XI)</b>	<b>(972.19)</b>	<b>(4,140.61)</b>	<b>(492.76)</b>	<b>(5,196.74)</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
	Other Equity (excluding Revaluation Reserves)	-	-	-	(5,202.87)
	Earnings Per Equity Share of Rs. 10/- each Basic & Diluted (in Rs.)	(8.91)	(37.96)	(4.52)	(47.64)
	See accompanying notes to the financial results				

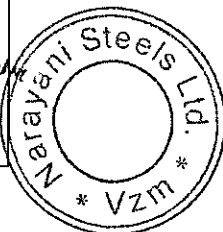
For and on behalf of the Board of Directors of Narayani Steels Limited

Place of Signature: Visakhapatnam  
Dated: The 14th day of November, 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. ACS48598

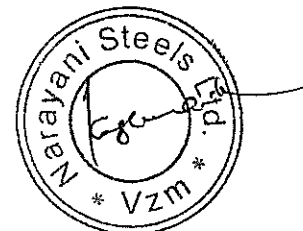


**NARAYANI STEELS LIMITED**  
**(CIN: L27109WB1996PLC082021)**  
**Registered office: 23A, N.S.Road 7<sup>th</sup> floor, Kolkata-700 001**

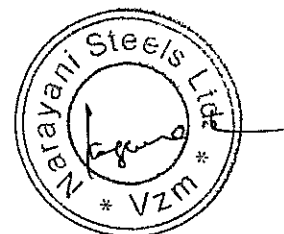
**Notes to the Unaudited Standalone Financial Results:**

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 Standalone Financial Results for the quarter ended June 30<sup>th</sup>, 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 30<sup>th</sup>June, 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 30<sup>th</sup>June, 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.



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 24<sup>th</sup> 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

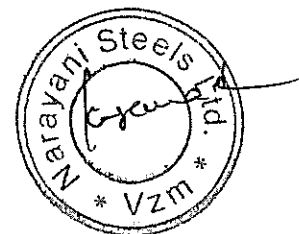


Lakhs during the quarter. The operating loss is attributed to the coal purchases and fuel cost. The Loss after Depreciation, Deferred Tax Adjustment and Ind As Adjustment is Rs. 9.80 cr.

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 30.06.2021 available in books is Rs. 168.71 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:

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
<b>Total</b>	<b>169.22</b>	<b>168.71</b>

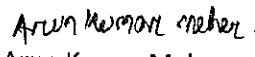
11. The Company did not conduct the Internal Audit during the quarter of 2021-22 in view of Corporate Insolvency Resolution Process and appointment of Resolution Professional.

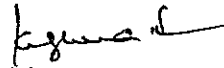


12. The Company has given Corporate Guarantees and given collaterals on behalf of its Associate Companies to the Lending Institutions. On default by those associate companies, the Banks have issued possession Notices to the Company for liquidating the Assets. The claims as admitted by the Resolution 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.
15. The accounts are presented based on the assumption of the Going Concern Concept as plant Unit-II is working on conversion basis continuously. The Company is able to manage its Cash Flows. Resolution Professional (RP) is appointed on 24.03.2021 for 180days and the period can be extended to complete the Resolution Plan. .The Resolution Professional has invited Expression of Interest (EOI) from prospective resolution applicants as per 2nd COC conducted by RP on 18-06-2021. Hence, the Going Concern basis is adopted by the Company.
16. The Financials for the year ended as on 30.06.2021 were finalized and adopted in the RP & KMP meeting dated 14.08.2021. Those Accounts were reviewed by the auditors as on that date. The Loss as per those financials is Rs. 9.80 Cr. Subsequently, It has come to the Notice of the Management that Investment in Mutual Funds of Union Bank of India has been got liquidated amounting to Rs. 39.11 Lakhs by the Union Bank of India as on 31.03.2021 and the same is not shown in the Books of Accounts as on 31.03.2021 and have been Revised in its annual accounts and Quarterly Results as on 03.09.2021 . Hence, the revision of Accounts is made to give effect to the appropriation of Investment against the Loan Account made by the Bank. The effect of change in Investment is that the Loan Component of Union Bank is reduced by Rs. 35.75 Lakhs. and notional loss recognised in other income of Rs.0.09 lakhs with respect to fair valuation of investment is to be eliminated and it resulted in decrease of net loss by Rs. 0.09 Lakhs in P&L Account. Now, on account of recalculation the Differed Tax is decreased by Rs. 8.23 Lakhs. This resulted in decrease of Net loss by Rs.8.32 Lakhs in P&L Account. Thus, the Net effect of adjustment of Mutual Fund and recalculation of Differed Tax Asset in the P&L Account comes to Rs. 8.32 Lakhs. These revised accounts are adopted by the Management at its meeting dt. 14.11.2021. These modified accounts are presented to the Auditors for their Review and to issue the Revised Review Report.

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

Place of Signature: Visakhapatnam  
Dated: The 14<sup>TH</sup> Day of November, 2021

  
Arun Kumar Meher  
Company Secretary  
M.No. ACS 48598

  
Krishna Komaravolu  
Resolution Professional

  
Ankit Gupta  
Director & CFO  
DIN: 08415248





Independent Auditor's Report on Quarterly Unaudited Consolidated 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.

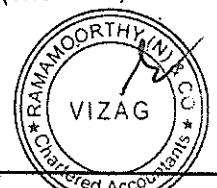
We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to 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. 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.
4. As stated in Note No. 16 to the Consolidated financial results, the Review Report is issued on the Revised Accounts. The Revision of accounts on the Profit and Loss A/c resulted in Decrease of Loss by Rs. 8.32 Lakhs.

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

#### **Material Uncertainty Related to Going Concern**

5. As stated in Note 15 in the Consolidated Financial results which indicate that as the Net worth has become negative, and the realisibility of the debtors is in doubt, the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going Concern .

#### **Basis of Qualified Conclusion:**

1. We draw attention to Note 9 and 10 to the Consolidated financial results that there has been no realization from Trade Receivables amounting to Rs. 137.78 Crores during past 24 months. Therefore we express that there is no reasonable certainty of realization as to its timing and collection of Sundry Debtors of Rs. 168.71Cr. as on 30.06.2021. We are also unable to quantify the amount of doubtful debtors and the sufficiency or otherwise of Provision made therefore in the given circumstances. Further, the legal documentation for the balance transfer of Rs. 87.15Cr. from Steel Exchange India Limited (SEIL) to its group company Vizag Profiles Private Limited (VPPL) is not sufficient and Legally binding.

The Non-Realization of Sundry Debtors has resulted in Bank loans becoming NPA in the Banks. The annual interests accrued on Bank outstanding continues to be the reason for the Financial Loss and has dented the net worth of the Company. The ICICI bank approached NCLT. Consequently, the company went into Corporate Insolvency Resolution Process (CIRP) as per NCLT order dated 24.03.2021.

2. The RP has invited Expression of Interest (EOI) from prospective resolution applicants as per 2nd COC conducted by RP on 18-06-2021. The Management has presented accounts based on the assumption of the Going Concern Concept since the plant is working and the CIRP is at its preliminary stage. However, since the Net worth has become negative, and the realisibility of the debtors is in doubt, the Company ceases to be a Going concern and the Assets & Liabilities are to be adjusted in the books.



3. The deferred taxes of Rs. 884.53 lakhs as on 30<sup>th</sup> June 2021 cannot be considered as an Liability since the Company ceases to be a Going concern. As a result, the loss will further reduced by the Deferred Tax amount.

**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

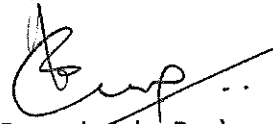
Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard 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 30<sup>th</sup> 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 30<sup>th</sup> June, 2021, is unmodified to the extent that have been derived from such unaudited financial statements.

Our opinion on the consolidated quarter ended 30<sup>th</sup> 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: 14.11.2021  
Place: Visakhapatnam

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

  
(K. Ramachandra Rao)  
Partner  
Membership No: 201334  
UDIN: 21201334AAAADG4006



**NARAYANI STEELS LIMITED**

(CIN: L27109WB1996PLC082021)

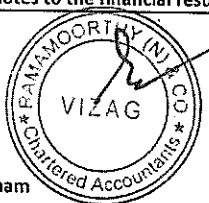
Registered office : 23A, N.S.Road 7th Floor, Kolkata - 700001

**STATEMENT OF REVISED 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	7,793.26
II	Other income	62.78	478.69	118.57	491.04
III	<b>Total Revenue (I + II)</b>	<b>234.19</b>	<b>5,220.61</b>	<b>1,955.29</b>	<b>8,284.29</b>
IV	<b>EXPENSES:</b>				
	Cost of Materials Consumed	41.76	3,543.66	1,147.46	3,807.30
	Purchase of Traded Goods	-	65.95	145.24	2,304.81
	Changes in Inventories of Finished & Traded Goods	-	656.79	200.18	1,001.66
	Employee benefits expenses	65.75	394.85	110.10	531.11
	Finance Costs	6.95	1,721.05	871.27	2,690.21
	Depreciation and amortisation expenses	26.33	102.34	36.74	133.59
	Other expenses	181.10	4,793.23	179.72	5,821.50
	<b>Total Expenses (IV)</b>	<b>321.88</b>	<b>11,277.86</b>	<b>2,690.71</b>	<b>16,290.19</b>
V	<b>PROFIT BEFORE PRIOR PERIOD ITEMS, EXCEPTIONAL ITEMS AND TAX (III-IV)</b>	<b>(87.69)</b>	<b>(6057.25)</b>	<b>(735.42)</b>	<b>(8,005.90)</b>
VI	Prior period items before tax	-	-	-	-
VII	Exceptional Item	-	-	-	-
VIII	<b>PROFIT BEFORE TAX (V-VI-VII)</b>	<b>(87.69)</b>	<b>(6057.25)</b>	<b>(735.42)</b>	<b>(8,005.90)</b>
IX	Tax Expenses				
	Current Tax	-	-	-	-
	Earlier Year Tax	-	-	-	-
	Deferred Tax	884.53	(1,916.66)	(242.64)	(2,809.12)
	<b>Net Tax Expense</b>	<b>884.53</b>	<b>(1,916.66)</b>	<b>(242.64)</b>	<b>(2,809.12)</b>
X	<b>Profit for the period / year (VIII-IX)</b>	<b>(972.22)</b>	<b>(4,140.59)</b>	<b>(492.78)</b>	<b>(5,196.77)</b>
	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	<b>Total Other Comprehensive Income for the period / year (net of tax)</b>	<b>0.03</b>	<b>(0.01)</b>	<b>0.02</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>(972.19)</b>	<b>(4,140.61)</b>	<b>(492.76)</b>	<b>(5,196.74)</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
	Other Equity (excluding Revaluation Reserves)	-	-	-	(5,202.87)
	Earnings Per Equity Share of Rs. 10/- each Basic & Diluted (in Rs.)	(8.91)	(37.96)	(4.52)	(47.64)
	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 November, 2021



**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 Consolidated Financial Results for the quarter ended June 30<sup>th</sup>, 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 Consolidated financial results for the quarter ended 30<sup>th</sup>June, 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 30<sup>th</sup>June, 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.



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 24<sup>th</sup> 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

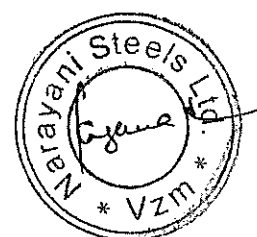


Lakhs during the quarter. The operating loss is attributed to the coal purchases and fuel cost. The Loss after Depreciation, Deferred Tax Adjustment and Ind As Adjustment is Rs. 9.80 cr.

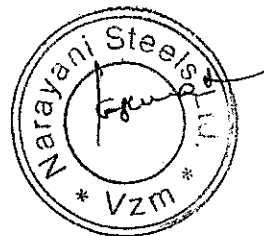
8. The Company is principally engaged in a single business segment of Manufacturing and Trading of Iron & Steel and its related products, accordingly there is no separate reportable segment as per Ind AS 108 "Operating Segment". However, as explained in Note 7 the Plant is now running on Conversion basis.
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 30.06.2021 available in books is Rs. 168.71 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 improve 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:

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
<b>Total</b>	<b>169.22</b>	<b>168.71</b>

11. The Company did not conduct the Internal Audit during the quarter of 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 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.
15. The associate of the company has suffered substantial losses in the previous financial year as well as in the quarter ended 30<sup>th</sup> June 2021 and has resulted in complete erosion of the net worth of the associate., 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.
17. The accounts are presented based on the assumption of the Going Concern Concept as plant Unit-II is working on conversion basis continuously. The Company is able to manage its Cash Flows. Resolution Professional (RP) is appointed on 24.03.2021 for 180days and the period can be extended to complete the Resolution Plan. .The Resolution Professional has invited Expression of Interest (EOI) from prospective resolution applicants as per 2nd COC conducted by RP on 18-06-2021. Hence, the Going Concern basis is adopted by the Company.
18. The Financials for the year ended as on 30.06.2021 were finalized and adopted in the RP & KMP meeting dated 14.08.2021. Those Accounts were reviewed by the auditors as on that date. The Loss as per those financials is Rs. 9.80 Cr. Subsequently, It has come to the Notice of the Management that Investment in Mutual Funds of Union Bank of India has been got liquidated amounting to Rs. 39.11 Lakhs by the Union Bank of India as on 31.03.2021 and the same is not shown in the Books of Accounts as on 31.03.2021 and have been Revised in its annual accounts and Quarterly Results as on 03.09.2021 . Hence, the revision of Accounts is made to give effect to the appropriation of Investment against the Loan Account made by the Bank. The effect of change in Investment is that the Loan Component of Union Bank is reduced by Rs. 35.75 Lakhs. and notional loss recognised in other income of Rs.0.09 lakhs with respect to fair valuation of investment is to be eliminated and it resulted in decrease of net loss by Rs. 0.09 Lakhs in P&L Account.



Now, on account of recalculation the Differed Tax is decreased by Rs. 8.23 Lakhs. This resulted in decrease of Net loss by Rs.8.32 Lakhs in P&L Account. Thus, the Net effect of adjustment of Mutual Fund and recalculation of Differed Tax Asset in the P&L Account comes to Rs. 8.32 Lakhs. These revised accounts are adopted by the Management at its meeting dt. 14.11.2021. These modified accounts are presented to the Auditors for their Review and to issue the Revised Review Report.

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

Place of Signature: Visakhapatnam  
Dated: The 14<sup>TH</sup> Day of November, 2021

*Arun Kumar Meher.*  
Arun Kumar Meher  
Company Secretary  
M.No. ACS 48598

*Krishna Komaravolu*  
Krishna Komaravolu  
Resolution Professional

*Ankit Gupta*  
Ankit Gupta  
Director & CFO  
DIN: 08415248

