

# 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)

GSTIN:37AAACN8563G1Z8

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

CIN: L27109WB1996PLC082021

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To,

The General Manager

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

Dt.03.09.2021

Script Code: 540080

**Sub: Outcome of RP and KMP Meeting for Revised Financial Results for the quarter and year ended March 31, 2021.**

Dear Sir/Madam,

As per the captioned subject, we enclose herewith the revised file of Financial Results for the quarter and year ended March 31, 2021 ("Financial Results") after inserting the note in notes to accounts as per Regulation 33 (3)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The same was omitted due to an oversight in the results which was submitted on 29<sup>th</sup> June,2021.

We would further like to inform you that due to some typographical errors, some of the figures as appearing in the results filed on 29<sup>th</sup> June 2021 are not matching with the actual figures which were presented to and approved by the RP and KMP meeting in the meeting held on 29<sup>th</sup> June 2021. We have inserted the revised notes in the results which are being uploaded with this letter.

The meeting commenced today at 06:00 pm and concluded at 07:30 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:  
2021.09.06  
12:02:30 +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 Standalone Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended.

To  
The Resolution Professional of  
Narayani Steels Limited

Report on the Audit of the Standalone Financial Results

**Qualified Opinion:**

We have audited the accompanying Statement of Standalone Financial Results of **Narayani Steels Limited** ("the Company"), for the quarter ended March 31st, 2021 ("the Statement") being submitted 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").

In our opinion and to the best of our information and according to the explanations given to us, with the exception of the matter described in the "**Basis for Qualified Opinion paragraph**" and "**Material Uncertainty Related to Going Concern under the Emphasis of Matter Paragraph**", these standalone financial results:

- i. Are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard. And
- ii. Give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India of the net loss and other Comprehensive Income and other financial information for the quarter and year ended March 31, 2021.

**Basis for Qualified Opinion**

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 21 months. Therefore we express that there is no reasonable certainty of realization as to its timing and collection of Sundry Debtors of Rs. 169.22Cr. as on 31.03.2021. 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. We draw attention to Note 15 to the Standalone financial results that 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 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. We draw attention to Note 13 to the Standalone financial results that the deferred taxes of Rs. 4374.42 lakhs as on 31<sup>st</sup> March 2021 cannot be considered as an asset since the Company ceases to be a Going concern. As a result, the loss will further go up by the Deferred Tax amount.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified 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 operations of the company has been impacted significantly.
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.



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. 239.20 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 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 .

#### **Responsibilities of Management for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

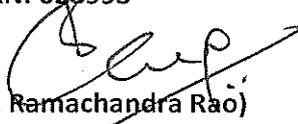
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Date: 03.09.2021  
Place: Visakhapatnam

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

  
(K. Ramachandra Rao)  
Partner  
Membership No: 201334  
UDIN:21201334AAAACT4095



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

(Rs. In Lakhs)

| Particulars  | As at current year ended<br>31-03-2021 | As at Previous year<br>ended 31-03-2020 |
|--|--|---|
| <b>ASSETS</b>  |  |   |
| <b>(1) Non-current assets</b>  |  |   |
| (a) Property, plant and equipment  | 1,398.29                               | 2,088.02                                |
| (b) Capital Work In Progress   | -                                      | -                                       |
| (c) Investment Properties  | -                                      | 135.50                                  |
| (d) Right-of-use assets  | 107.85                                 | 118.38                                  |
| (e) Intangible Assets  | 1.45                                   | 2.45                                    |
| (f) Financial assets   | -                                      | -                                       |
| (i) Investments  | 0.34                                   | 0.29                                    |
| (ii) Other assets  | 90.02                                  | 98.64                                   |
| (g) Deferred Tax Assets (net)  | 4,374.43                               | 1,565.32                                |
| (h) Other non-current assets   | 11.45                                  | 19.48                                   |
| <b>Total Non-current assets</b>  | <b>5,983.83</b>                        | <b>4,028.07</b>                         |
| <b>(2) Current assets</b>  |  |   |
| (a) Inventories  | 150.86                                 | 1,332.17                                |
| (b) Financial assets   | -                                      | -                                       |
| (i) Investments  | -                                      | 93.46                                   |
| (ii) Trade receivables   | 11,035.46                              | 17,500.14                               |
| (iii) Cash and cash equivalents  | 5.03                                   | 16.58                                   |
| (iv) Other Bank Balances   | -                                      | 1,833.96                                |
| (v) Other assets   | 10.14                                  | 10.42                                   |
| (c) Current tax assets (net)   | 73.60                                  | 60.45                                   |
| (d) Other current assets   | 1,451.02                               | 962.34                                  |
| <b>Total Current assets</b>  | <b>12,726.12</b>                       | <b>21,809.53</b>                        |
| <b>TOTAL ASSETS</b>  | <b>18,709.95</b>                       | <b>25,837.60</b>                        |
| <b>EQUITY AND LIABILITIES</b>  |  |   |
| <b>Equity</b>  |  |   |
| (a) Equity share capital   | 1,090.90                               | 1,090.90                                |
| (b) Other equity   | (5,202.87)                             | (6.13)                                  |
| <b>Total Equity</b>  | <b>(4,111.97)</b>                      | <b>1,084.77</b>                         |
| <b>Liabilities</b>   |  |   |
| <b>(1) Non-current liabilities</b>   |  |   |
| (a) Financial liabilities  |  |   |
| (i) Borrowings   | 115.29                                 | 1,669.18                                |
| (ii) Lease liabilities   | 82.77                                  | 115.40                                  |
| (iii) Other liabilities  | 3.08                                   | 5.72                                    |
| (b) Other non-current liabilities  | 2.61                                   | 8.58                                    |
| (c) Deferred tax liabilities (net)   | -                                      | -                                       |
| (d) Provisions   | 4.54                                   | 4.54                                    |
| <b>Total Non-current liabilities</b>   | <b>208.30</b>                          | <b>1,803.42</b>                         |
| <b>(2) Current liabilities</b>   |  |   |
| (a) Financial liabilities  |  |   |
| (i) Borrowings   | 20,136.28                              | 22,044.54                               |
| (ii) Lease liabilities   | 7.57                                   | 8.40                                    |
| (iii) Trade payables   | -                                      | -                                       |
| total outstanding dues of micro enterprises and small enterprises                      | -                                      | -                                       |
| total outstanding dues of creditors other than micro enterprises and small enterprises | 129.21                                 | 367.28                                  |
| (iv) Other liabilities   | 2,240.18                               | 185.85                                  |
| (b) Other current liabilities  | 96.46                                  | 339.42                                  |
| (c) Provisions   | 3.92                                   | 3.92                                    |
| <b>Total Current liabilities</b>   | <b>22,613.62</b>                       | <b>22,949.42</b>                        |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | <b>18,709.95</b>                       | <b>25,837.60</b>                        |

As per our report of even date attached  
For RAMAMOORTHY (M) & CO.,  
Chartered Accountants  
Firm Registration Number 0028995

K. RAMACHANDRAN  
Partner  
Membership No: 0203334

Place of Signature: Vizianagaram  
Dated: The 3rd day of September, 2021

*Ankit Gupta*  
Ankit Gupta  
Director & CFO  
DIN: 08435248



*Krishna Komaravolu*  
Krishna Komaravolu  
Resolution Professional

For and on behalf of Narayani Steels Limited

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



**NARAYANI STEELS LIMITED**

(CIN: L27109WB1996PLC082021)

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

**REVISED STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE YEAR ENDED 31st MARCH, 2021**

(Rs. In Lakhs)

| SL. NO. | PARTICULARS  | 3 Months ended<br>31-03-2021 | Preceding 3<br>Months ended<br>31-12-2020 | Corresponding 3<br>months ended<br>31-03-2020 | Year ended<br>31-03-2021 | Year Ended<br>31-03-2020 |
|---------|--|------------------------------|---|---|--------------------------|--------------------------|
|         |  | {Audited}                    | {Unaudited}                               | {Audited}                                     | {Audited}                | {Audited}                |
| I       | Revenue from operations  | 4,741.93                     | 3,051.33                                  | 3,600.81                                      | 7,793.26                 | 35,852.02                |
| II      | Other Income   | 475.33                       | 15.71                                     | 97.86   | 491.04                   | 384.26                   |
| III     | <b>Total Revenue (I + II)</b>  | <b>5,217.25</b>              | <b>3,067.04</b>                           | <b>3,698.68</b>                               | <b>8,284.29</b>          | <b>36,236.28</b>         |
| IV      | <b>EXPENSES:</b>   |                              |   |   |                          |                          |
|         | Cost of Materials Consumed   | 3,543.66                     | 263.63                                    | 927.03  | 3,807.30                 | 5,954.43                 |
|         | Purchase of Traded Goods   | 65.95                        | 2,238.87                                  | 1,948.91                                      | 2,304.81                 | 28,050.54                |
|         | Changes in Inventories of Finished & Traded Goods                                    | 656.79                       | 344.87                                    | 877.38  | 1,001.66                 | 293.65                   |
|         | Impairment loss allowance  | -                            | -   | -   | -                        | 56.73                    |
|         | Employee benefits expenses   | 394.85                       | 136.26                                    | 131.23  | 531.11                   | 502.90                   |
|         | Finance Costs  | 1,721.05                     | 969.17                                    | 685.13  | 2,690.21                 | 2,305.80                 |
|         | Depreciation and amortisation expenses   | 102.34                       | 31.25                                     | 53.78   | 133.59                   | 166.64                   |
|         | Other expenses   | 4,793.23                     | 1,028.27                                  | 1,953.07                                      | 5,821.50                 | 3,710.85                 |
|         | <b>Total Expenses (IV)</b>   | <b>11,277.86</b>             | <b>5,012.32</b>                           | <b>6,576.54</b>                               | <b>16,290.19</b>         | <b>41,041.54</b>         |
| V       | <b>PROFIT BEFORE PRIOR PERIOD ITEMS, EXCEPTIONAL ITEMS AND TAX (III-IV)</b>          | <b>(6,060.61)</b>            | <b>(1,945.29)</b>                         | <b>(2,877.86)</b>                             | <b>(8,005.90)</b>        | <b>(4,805.26)</b>        |
| VI      | Prior period Items before tax  | -                            | -   | -   | -                        | -                        |
| VII     | Exceptional Item   | -                            | -   | -   | -                        | -                        |
| VIII    | <b>PROFIT BEFORE TAX (V-VI-VII)</b>  | <b>(6,060.61)</b>            | <b>(1,945.29)</b>                         | <b>(2,877.86)</b>                             | <b>(8,005.90)</b>        | <b>(4,805.26)</b>        |
| IX      | Tax Expenses   |                              |   |   |                          |                          |
|         | Current Tax  | -                            | -   | -   | -                        | -                        |
|         | Earlier Year Tax   | -                            | -   | 0.58  | -                        | 4.60                     |
|         | Deferred Tax   | (2,159.23)                   | (649.90)                                  | (1,029.26)                                    | (2,809.12)               | (1,678.34)               |
|         | <b>Net Tax Expense</b>   | <b>(2,159.23)</b>            | <b>(649.90)</b>                           | <b>(1,028.68)</b>                             | <b>(2,809.12)</b>        | <b>(1,673.74)</b>        |
| X       | <b>Profit for the period / year (VIII-IX)</b>  | <b>(3,901.38)</b>            | <b>(1,295.39)</b>                         | <b>(1,849.18)</b>                             | <b>(5,196.77)</b>        | <b>(3,131.52)</b>        |
|         | Other Comprehensive Income (net of tax)  |                              |   |   |                          |                          |
|         | Items that will not be reclassified to profit or loss                                | (0.01)                       | 0.05                                      | (1.87)  | 0.04                     | (2.49)                   |
|         | Items that will be reclassified to profit or loss                                    | -                            | -   | -   | -                        | -                        |
| XI      | <b>Total Other Comprehensive Income for the period / year (net of tax)</b>           | <b>(0.01)</b>                | <b>0.05</b>                               | <b>(1.87)</b>                                 | <b>0.04</b>              | <b>(2.49)</b>            |
| XII     | <b>PROFIT FOR THE PERIOD (X+XI)</b>  | <b>(3,901.40)</b>            | <b>(1,295.34)</b>                         | <b>(1,851.05)</b>                             | <b>(5,196.74)</b>        | <b>(3,134.01)</b>        |
|         | Paid up equity share capital (in lakhs)<br>(Face Value of Share - Rs 10/- per share) | 1,090.90                     | 1,090.90                                  | 1,090.90                                      | 1,090.90                 | 1,090.90                 |
|         | Other Equity (excluding Revaluation Reserves)  | -                            | -   | -   | -                        | (6.13)                   |
|         | Earnings Per Equity Share of Rs. 10/- each<br>Basic & Diluted (in Rs.)               | (35.76)                      | (11.87)                                   | (16.97)                                       | (47.64)                  | (28.73)                  |
|         | See accompanying notes to the financial results                                      |                              |   |   |                          |                          |

As per our report of even date attached  
For RAMAMOORTHY (I) & CO.,  
Chartered Accountants  
Firm Registration Number: 0028995

K. RAMACHANDRAN  
Partner  
Membership No: 0201334

Place of Signature: Vizag

Dated: The 3rd day of September, 2021

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

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

*Krishna Komaravolu*  
Krishna Komaravolu  
Resolution Professional

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



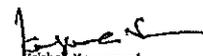
| <b>NARAYANI STEELS LIMITED</b>   |                                  |                                  |  |
|--|----------------------------------|----------------------------------|--|
| <b>(CIN: L27109WB1996PLC082021)</b>  |                                  |                                  |  |
| <b>REVISED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st March 2021</b>                            |                                  |                                  |  |
| (Rs. In Lakhs)   |                                  |                                  |  |
| Particulars  | For the year<br>ended 31.03.2021 | For the year<br>ended 31.03.2020 |  |
|  | (audited)                        | (audited)                        |  |
| <b>A CASH FLOW FROM OPERATING ACTIVITIES</b>   |                                  |                                  |  |
| Profit / (Loss) before tax   | (8,005.90)                       | (4,805.26)                       |  |
| <b>ADJUSTMENTS FOR:</b>  |                                  |                                  |  |
| Depreciation and amortisation expense  | 133.59                           | 166.64                           |  |
| Provision for expected credit loss on trade receivables  | 3,572.06                         | 1,041.58                         |  |
| Provision for bad and doubtful debts   | 691.19                           | 500.00                           |  |
| Net (gain) / loss on investments measured at fair value through profit or loss                       | -                                | 10.93                            |  |
| Impairment in the value of investment in associate   | -                                | 56.73                            |  |
| Amortisation of corporate guarantee obligation   | -                                | 0.52                             |  |
| Finance Costs  | 2,690.21                         | 2,305.80                         |  |
| Rental Income  | (34.01)                          | (33.79)                          |  |
| Commission Income  | -                                | (8.19)                           |  |
| Profit on sale of investments  | (88.35)                          | (1.16)                           |  |
| Loss on Sale of Property, Plant & Equipment  | -                                | 0.05                             |  |
| Sundry Balance written off (net)   | 40.35                            | 6.06                             |  |
| Lease Liability written back   | (26.74)                          | -                                |  |
| Profit on sale of land   | (365.54)                         | -                                |  |
| Interest Income  | (1.22)                           | (342.56)                         |  |
| Gratuity   | -                                | 1.62                             |  |
| Operating profit before working capital changes  | 6,611.53                         | 3,704.23                         |  |
|  | (1,394.36)                       | (1,101.03)                       |  |
| <b>ADJUSTMENTS FOR :</b>   |                                  |                                  |  |
| Trade receivables, loans, advances and other assets  | 1,689.34                         | 2,493.98                         |  |
| Inventories  | 1,181.31                         | 456.68                           |  |
| Trade payables, other liabilities and other financial liabilities                                    | 1,676.21                         | (12,128.11)                      |  |
| Cash generated from operations   | 4,546.86                         | (9,177.45)                       |  |
| Income tax paid  | 3,152.50                         | (10,278.48)                      |  |
| Net Cash from / (used in) Operating Activities   | (13.15)                          | (68.28)                          |  |
|  | 3,139.35                         | (10,346.75)                      |  |
| <b>B CASH FLOW FROM INVESTING ACTIVITIES</b>   |                                  |                                  |  |
| Purchase of Property, Plant & Equipment (including capital work-in-progress)                         | (15.04)                          | (86.59)                          |  |
| Sale of Property, Plant & Equipment  | 950.44                           | 1.15                             |  |
| Purchase of Investments  | -                                | (88.75)                          |  |
| Sale of investments  | 315.11                           | 97.05                            |  |
| (Investments in) / Proceeds from Bank deposits (maturity more than 3 months but less than 12 months) | 1,833.96                         | 607.77                           |  |
| Rent received  | 34.01                            | 33.79                            |  |
| Interest received  | 1.22                             | 342.56                           |  |
| Net cash from / (used in) Investing Activities   | 3,119.70                         | 906.98                           |  |
|  | 3,119.70                         | 906.98                           |  |
| <b>C CASH FLOW FROM FINANCING ACTIVITIES</b>   |                                  |                                  |  |
| Proceeds/(Repayment) of Borrowings   | (3,562.38)                       | 11,580.87                        |  |
| Principal accrued on lease liabilities   | (18.00)                          | (16.60)                          |  |
| Interest accrued on lease liabilities  | (11.28)                          | (11.68)                          |  |
| Finance Costs  | (2,678.93)                       | (2,294.12)                       |  |
| Net cash from / (used in) financing activities   | (6,270.60)                       | 9,258.47                         |  |
|  | (6,270.60)                       | 9,258.47                         |  |
| Net Increase / (Decrease) in Cash & Cash equivalents   | (11.55)                          | (181.30)                         |  |
| Cash & Cash equivalents at beginning of the year^  | 16.58                            | 197.88                           |  |
| Cash & Cash equivalents at end of the year^  | 5.03                             | 16.58                            |  |

As per our report of even date attached  
For RAMAMOORTHY (N) & CO.,  
Chartered Accountants  
Firm Registration Number: 0028955

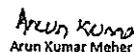
K. RAMACHANDRA RAD  
Partner  
Membership No: 0201334

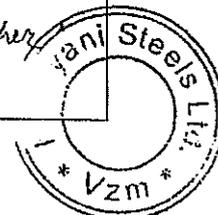
Place of Signature: Vizianagaram  
Dated: The 3rd day of September, 2021

For and on behalf of Narayani Steels Limited

  
Krishna Kumaravolu  
Resolution Professional

  
Ankit Gupta  
Director & CFO  
DIN: 08415248

  
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 Audited Standalone Financial Results:**

1. The above audited financial results of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the companies with (Indian Accounting Standards) (Amendment) Rules, 2016. The company adopted Ind AS from 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 March 31st, 2021 were reviewed and approved at the joint meeting of the Resolution Professional (RP) and Key Managerial Personnel (KMP) of the Company held on 29<sup>th</sup> June, 2021. The Statutory Auditors have carried out audit on the above standalone financial results for the quarter ended 31st March, 2021 and year ending 31st March, 2021 and have expressed a modified opinion on the aforesaid results.
3. Lease liability 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. 26.74 lakhs during the year. 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 up to the Quarter ended 31st March, 2021. As a result of the lockdown, the revenue from the month of February 2020 to March 2021 has also been impacted. Consequently, the results of this quarter and this Year 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 December 2020 at the other plant (Unit-i) and is vacated from its leased premises while equipment therein is shifted to Unit-2.

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 Union Bank has stopped all the recovery proceedings consequential upon the submission of Action plan at the FGM office dt. 04.01.2021. Given the liquidity strain, the company has offered the bank that it would be in a position to attract some liquidity by sale of certain collaterals given to the bank as security. By liquidation of the same, the company would be able to redeem part of the debt. 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.

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 received the claims and convened the first meeting of COC on 24-4-21. He has examined and admitted the claims from Financial Creditors amounting to Rs. 296.13 Cr. The variations between balances as per books and amount claimed by the financial creditors amounting to Rs. 5.32 Cr. may be due to charging of penal interest and other charges claimed by the Financial creditors. 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. 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.



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. During the quarter ending 31.03.2021, Mutual Funds held as long term Investment by the Company amounting to Rs. 68.80 lakhs as on 31st March 2021 have been liquidated and adjusted by the Union Bank of India for the recovery of dues from the company at a value of Rs. 99.35 lakhs. This resulted in a book profit of Rs. 30.55.
8. The Company is principally engaged in a single business segment of Manufacturing and Trading of Iron & Steel and its related products, accordingly there is no separate reportable segment as per Ind AS 108 "Operating Segment".
9. Confirmations of the Balances as on 31.03.2021 have not reached the office of Statutory auditors as at the end of the audit. This may be due to continuation of partial lockdown in the state of Andhra Pradesh. The total Sundry Debtors as on 31.03.2021 available in books is Rs. 169.22 Cr. As per the earlier confirmations available at the company, the Company has obtained Confirmation of Balances from its major Trade Receivables of approx. Rs. 98.93 Cr. (58.47%) as on 31.03.2021. This includes Rs. 87.15 crores (Net confirmation given by Vizag Profiles Private Limited and available on record is Rs. 74.15 Cr.) transferred from M/s. Steel Exchange India Limited to its associate company m/s. Vizag Profiles Private Limited by virtue of Joint understanding agreed in this regard. For this purpose, Mail Confirmation from SEIL and Balance Confirmation from VFPL are obtained. The Company has agreed for transfer in order to improvise the early recovery of the dues from the major Trade Debtor. Company has provided for the Expected Credit Risk amounting to Rs.46.95 Cr. in addition to the Provision for Doubtful Debts amounting to Rs.11.91 Cr as on 31/03/2021 as per Prudence, general practice and IND AS.
10. The total Sundry Debtors are amounting to Rs. 169.22 Cr. as on 31.03.2021. 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                  | Balance O/S.<br>Rs. In Crores |
|-------------------------|-------------------------------|
| Upto 180 days           | 2.32                          |
| >180 days to <two Years | 29.12                         |
| >Two years              | 112.79                        |
| >Three years            | 24.99                         |
| Total                   | 169.22                        |



11. The Union Bank has appointed an Agency for Specialized Monitoring (ASM) for conducting the Audit on behalf of the Lending Institution after the account has become NPA. The Company did not conduct the Internal Audit during the year 20-21 as the major operations of trading is stopped and production is reduced substantially.
12. The Company has given Corporate Guarantees and given collaterals on behalf of its Associate / group 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/group companies. RINL has claimed an amount of Rs. 4.01 Cr. for shortages of quantities in their books. The company is totally denying any claim in this regard. After grant High Court stay for mutual settlement, the correspondence with RINL is going on. The CBI has also collected information in this regard and the matter is under their verification. Thus, the total contingent liability including above as per the disclosures is amounting to Rs. 109.68 Crores.
- During the year, Karur Vysya Bank and Canara Bank have sold two properties mortgaged to them and appropriated the sale proceeds amounting to Rs. 9.45 Cr. towards the liability on account of corporate guarantee given on behalf of its associate company M/s. Kedarnath Commotrade Private Limited discharging about Rs. 15.25 Crores of liability. The total amount of Rs. 9.45 Cr.adjusted by banks has been claimed from the Kedarnath Commotrade Private Limited as receivable to the company.
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 31.03.2021 were finalized and adopted in the board meeting dated 29.06.2021. Those Accounts were audited by the auditors as on that date. The Loss as per those financials is Rs. 54.35 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. 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 it resulted in increase of net loss by Rs. 3.36 Lakhs in P&L Account. Further, the write off of Bad debts was not considered earlier in the calculation of Differed Tax Asset. Now, on account of recalculation the Differed Tax Asset is increased by Rs. 242.57 Lakhs. This resulted in decrease of Net loss by Rs. 242.57 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. 239.20 Lakhs. These revised accounts are adopted by the Management at its meeting dt. 03.09.2021. These modified accounts are presented to the Auditors for their Audit and to issue the Revised Audit Report.

For Narayani Steels Limited

Place: **Vizianagaram**  
Dated: The 3<sup>rd</sup> Day of  
September, 2021

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

*Krishna Komaravolu*  
Krishna Komaravolu  
Resolution Professional

*Ankit Gupta*  
Ankit Gupta  
CFO



GIL/C



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

To  
The Resolution Professional of  
Narayani Steels Limited

Report on the Audit of the Consolidated Financial Results

Qualified Opinion

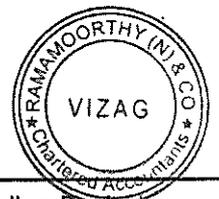
We have audited the accompanying Statement of Consolidated Financial Results of **Narayani Steels Limited** ("the Company"), for the quarter ended March 31st, 2021 ("the Statement") being submitted by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended (the "Listing Regulations 2015").

In our opinion and to the best of our information and according to the explanations given to us, with the exception of the matter described in the "Basis for Qualified Opinion paragraph" and "Material Uncertainty Related to Going Concern under the Emphasis of Matter Paragraph", these consolidated financial results:

- i. Are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard. And
- ii. Give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India of the net loss and other Comprehensive Income and other financial information for the quarter and year ended March 31, 2021.

Basis of Qualified Opinion:

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 21 months. Therefore we express that there is no reasonable certainty of realization as to its timing and collection of Sundry Debtors of Rs. 169.22Cr. as on 31.03.2021. 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.



Address : D.No. 43-21-31, A1, Sri Satya Residency, Dondaparthu, Visakhapatnam - 530 016, Andhra Pradesh.

☎ : (0891) 2540132 / 9848196928 / 9866883425 Email : ramamoorthynandco@gmail.com

Offices at : Hyderabad, ☎ : (040) 24756515 :: Mumbai, ☎ : 9819756806

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. We draw attention to Note 17 to the Consolidated financial results that 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. We draw attention to Note 13 to the Consolidated financial results that the deferred taxes of Rs. 4374.42 lakhs as on 31<sup>st</sup> March 2021 cannot be considered as an asset since the Company ceases to be a Going concern. As a result the loss will further go up by the Deferred Tax amount.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### **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 operations of the company has been impacted significantly.
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



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 18 to the Consolidated financial results, the Audit 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. 239.20 Lakhs.

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

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

5. As stated in Note 17 in the Consolidated Ind AS Financial Statements 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

#### **Responsibilities of Management for the Consolidated Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### Other Matter

We did not audit the financial statements of Associate company i.e., M/s Hari Equipment's Private Limited included in the Consolidated financial statements of the Company whose financial statements have been audited by the other auditors . The investment in Associate in the Consolidated financial statements was impaired due to share of accumulated losses in the associate company has exceeded the cost of investments. As per Equity Method, further share of net loss of the associate company is not included in the financial statements as per INDAS 28 (Investment in Associates) and investment is reported at Nil value .Our opinion is not modified in respect of this matter.

Date: 03.09.2021  
Place: Visakhapatnam

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

  
(K. Ramachandra Rao)  
Partner

Membership No: 201334  
UDIN:21201334AAAACS1816



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

(Rs. In Lakhs)

| Particulars  | As at current year ended<br>31-03-2021         | As at Previous year<br>ended 31-03-2020                  |
|--|--|--|
| <b>ASSETS</b>  |  |  |
| (1) Non-current assets   |  |  |
| (a) Property, plant and equipment  | 1,398.29                                       | 2,088.02   |
| (b) Capital Work In Progress   | -  | -  |
| (c) Investment Properties  | -  | 135.50   |
| (d) Right-of-use assets  | 107.85   | 118.38   |
| (e) Intangible Assets  | 1.45   | 2.45   |
| (f) Financial assets   | -  | -  |
| (i) Investments  | 0.34   | 0.29   |
| (ii) Other assets  | 90.02  | 98.64  |
| (g) Deferred Tax Assets (net)  | 4,374.43                                       | 1,565.32   |
| (h) Other non-current assets   | 11.45  | 19.48  |
| <b>Total Non-current assets</b>  | <b>5,983.83</b>                                | <b>4,028.07</b>  |
| (2) Current assets   |  |  |
| (a) Inventories  | 150.86   | 1,332.17   |
| (b) Financial assets   | -  | -  |
| (i) Investments  | -  | 93.46  |
| (ii) Trade receivables   | 11,035.46                                      | 17,500.14  |
| (iii) Cash and cash equivalents  | 5.03   | 16.58  |
| (iv) Other Bank Balances   | -  | 1,833.96   |
| (v) Other assets   | 10.14  | 10.42  |
| (c) Current tax assets (net)   | 73.60  | 60.45  |
| (d) Other current assets   | 1,451.02                                       | 962.34   |
| <b>Total Current assets</b>  | <b>12,726.12</b>                               | <b>21,809.53</b>   |
| <b>TOTAL ASSETS</b>  | <b>18,709.95</b>                               | <b>25,837.60</b>   |
| <b>EQUITY AND LIABILITIES</b>  |  |  |
| Equity   |  |  |
| (a) Equity share capital   | 1,090.90                                       | 1,090.90   |
| (b) Other equity   | (5,202.87)                                     | (6.13)   |
| <b>Total Equity</b>  | <b>(4,111.97)</b>                              | <b>1,084.77</b>  |
| Liabilities  |  |  |
| (1) Non-current liabilities  |  |  |
| (a) Financial liabilities  |  |  |
| (i) Borrowings   | 115.29   | 1,669.18   |
| (ii) Lease liabilities   | 82.77  | 115.40   |
| (iii) Other liabilities  | 3.08   | 5.72   |
| (b) Other non-current liabilities  | 2.61   | 8.58   |
| (c) Deferred tax liabilities (net)   | -  | -  |
| (d) Provisions   | 4.54   | 4.54   |
| <b>Total Non-current liabilities</b>   | <b>208.30</b>                                  | <b>1,803.42</b>  |
| (2) Current liabilities  |  |  |
| (a) Financial liabilities  |  |  |
| (i) Borrowings   | 20,136.28                                      | 22,044.54  |
| (ii) Lease liabilities   | 7.57   | 8.40   |
| (iii) Trade payables   | -  | -  |
| total outstanding dues of micro enterprises and small enterprises  | -  | -  |
| total outstanding dues of creditors other than micro enterprises and small enterprises                                     | 129.21   | 367.28   |
| (iv) Other liabilities   | 2,240.18                                       | 185.85   |
| (b) Other current liabilities  | 96.46  | 339.42   |
| (c) Provisions   | 3.92   | 3.92   |
| <b>Total Current liabilities</b>   | <b>22,613.62</b>                               | <b>22,949.42</b>   |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | <b>18,709.95</b>                               | <b>25,837.60</b>   |
| As per our report of even date attached for RAMAMOORTHY (N) & CO., Chartered Accountants Firm Registration Number: 0028995 |  |  |
| K. RAMACHANDRAN<br>Partner<br>Membership No: 020133+   | Ankit Gupta<br>Director & CFO<br>DIN: 03425248 | For and on behalf of Narayani Steels Limited             |
| Place of Signature: Vizianageram<br>Dated: The 3rd day of September, 2021  | Krishna Komaravolu                             | Arun Kumar Meher<br>Company Secretary<br>M.NO.: ACS48598 |



**NARAYANI STEELS LIMITED**

(CIN: L27109WB1996PLC082021)

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

**REVISED STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31st MARCH, 2021**

(Rs. In Lakhs)

| SL. NO. | PARTICULARS  | 3 Months ended<br>31-03-2021 | Preceding 3<br>Months ended<br>31-12-2020 | Corresponding 3<br>months ended<br>31-03-2020 | Year ended<br>31-03-2021 | Year Ended<br>31-03-2020 |
|---------|--|------------------------------|---|---|--------------------------|--------------------------|
|         |  | (Audited)                    | (Unaudited)                               | (Audited)                                     | (Audited)                | (Audited)                |
| I       | Revenue from operations  | 4,741.93                     | 3,051.33                                  | 3,600.81                                      | 7,793.26                 | 35,852.02                |
| II      | Other income   | 475.33                       | 15.71                                     | 97.86   | 491.04                   | 384.26                   |
| III     | <b>Total Revenue (I + II)</b>  | <b>5,217.25</b>              | <b>3,067.04</b>                           | <b>3,698.68</b>                               | <b>8,284.29</b>          | <b>36,236.28</b>         |
| IV      | <b>EXPENSES:</b>   |                              |   |   |                          |                          |
|         | Cost of Materials Consumed   | 3,543.66                     | 263.63                                    | 927.03  | 3,807.30                 | 5,954.43                 |
|         | Purchase of Traded Goods   | 65.95                        | 2,238.87                                  | 1,948.91                                      | 2,304.81                 | 28,050.54                |
|         | Changes in Inventories of Finished & Traded Goods                                    | 656.79                       | 344.87                                    | 877.38  | 1,001.66                 | 293.65                   |
|         | Employee benefits expenses   | 394.85                       | 136.26                                    | 131.23  | 531.11                   | 502.90                   |
|         | Finance Costs  | 1,721.05                     | 969.17                                    | 685.13  | 2,690.21                 | 2,305.80                 |
|         | Depreciation and amortisation expenses   | 102.34                       | 31.25                                     | 53.78   | 133.59                   | 166.64                   |
|         | Other expenses   | 4,793.23                     | 1,028.27                                  | 1,953.07                                      | 5,821.50                 | 3,710.85                 |
|         | <b>Total Expenses (IV)</b>   | <b>11,277.86</b>             | <b>5,012.32</b>                           | <b>6,576.54</b>                               | <b>16,290.19</b>         | <b>40,984.80</b>         |
| V       | <b>PROFIT BEFORE PRIOR PERIOD ITEMS, EXCEPTIONAL ITEMS AND TAX (III-IV)</b>          | <b>(6,060.61)</b>            | <b>(1,945.29)</b>                         | <b>(2,877.86)</b>                             | <b>(8,005.90)</b>        | <b>(4,748.52)</b>        |
| VI      | Prior period items before tax  | -                            | -   | -   | -                        | -                        |
| VII     | Exceptional Item   | -                            | -   | -   | -                        | -                        |
| VIII    | <b>PROFIT BEFORE TAX (V-VI-VII)</b>  | <b>(6,060.61)</b>            | <b>(1,945.29)</b>                         | <b>(2,877.86)</b>                             | <b>(8,005.90)</b>        | <b>(4,748.52)</b>        |
| IX      | Tax Expenses   |                              |   |   |                          |                          |
|         | Current Tax  | -                            | -   | -   | -                        | -                        |
|         | Earlier Year Tax   | -                            | -   | 0.58  | -                        | 4.60                     |
|         | Deferred Tax   | (2,159.23)                   | (649.90)                                  | (1,029.26)                                    | (2,809.12)               | (1,678.34)               |
|         | <b>Net Tax Expense</b>   | <b>(2,159.23)</b>            | <b>(649.90)</b>                           | <b>(1,028.68)</b>                             | <b>(2,809.12)</b>        | <b>(1,673.74)</b>        |
| X       | <b>Profit for the period / year (VIII-IX)</b>  | <b>(3,901.38)</b>            | <b>(1,295.39)</b>                         | <b>(1,849.18)</b>                             | <b>(5,196.77)</b>        | <b>(3,074.79)</b>        |
|         | Other Comprehensive Income (net of tax)  | -                            | -   | -   | -                        | -                        |
|         | Items that will not be reclassified to profit or loss                                | (0.01)                       | 0.05                                      | (1.87)  | 0.04                     | (2.49)                   |
|         | Items that will be reclassified to profit or loss                                    | -                            | -   | -   | -                        | -                        |
| XI      | <b>Total Other Comprehensive Income for the period / year (net of tax)</b>           | <b>(0.01)</b>                | <b>0.05</b>                               | <b>(1.87)</b>                                 | <b>0.04</b>              | <b>(2.49)</b>            |
| XII     | Share of profit/ (Loss) of Associate (Net of Tax)                                    | -                            | -   | (68.09)                                       | -                        | (124.82)                 |
| XII     | <b>PROFIT FOR THE PERIOD (X+XI)</b>  | <b>(3,901.40)</b>            | <b>(1,295.34)</b>                         | <b>(1,919.14)</b>                             | <b>(5,196.74)</b>        | <b>(3,202.10)</b>        |
|         | Paid up equity share capital (in lakhs)<br>(Face Value of Share - Rs 10/- per share) | 1,090.90                     | 1,090.90                                  | 1,090.90                                      | 1,090.90                 | 1,090.90                 |
|         | Other Equity (excluding Revaluation Reserves)  | -                            | -   | -   | -                        | (6.13)                   |
|         | <b>Earnings Per Equity Share of Rs. 10/- each<br/>Basic &amp; Diluted (in Rs.)</b>   | <b>(35.76)</b>               | <b>(11.87)</b>                            | <b>(17.59)</b>                                | <b>(47.64)</b>           | <b>(29.35)</b>           |
|         | See accompanying notes to the financial results                                      |                              |   |   |                          |                          |

As per our report of even date attached  
for RAMAMOORTHY (I) & CO.,  
Chartered Accountants  
Firm Registration Number: 0218995

*(Signature)*  
K. RAJACHANDRAN  
Partner  
Membership No: 0201334

Place of Signature: Vizag.

Dated: The 3rd day of September, 2021

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

*(Signature)*  
Ankit Gupta  
Director & CFO  
DIN: 02415248

*(Signature)*  
Krishna Komaravolu  
Resolution Professional

*(Signature)*  
ARUN KUMAR MEHER  
Company Secretary  
M.NO.: ACS48598



**NARAYANI STEELS LIMITED**  
**(CIN: L27109WB1995PLC082021)**  
**REVISED STATEMENT OF CONSOLIDATED CASH FLOWS FOR THE YEAR ENDED 31st March 2021**

(Rs. In Lakhs)

| Particulars  | For the year<br>ended 31.03.2021 | For the year<br>ended 31.03.2020 |
|--|----------------------------------|----------------------------------|
|  | (audited)                        | (audited)                        |
| <b>A CASH FLOW FROM OPERATING ACTIVITIES</b>   |                                  |                                  |
| Profit / (Loss) before tax   | (8,005.90)                       | (4,805.26)                       |
| <b>ADJUSTMENTS FOR:</b>  |                                  |                                  |
| Depreciation and amortisation expense  | 133.59                           | 166.64                           |
| Provision for expected credit loss on trade receivables  | 3,572.06                         | 1,041.58                         |
| Provision for bad and doubtful debts   | 691.19                           | 500.00                           |
| Net (gain) / loss on investments measured at fair value through profit or loss                       | -                                | 10.93                            |
| Impairment in the value of investment in associate   | -                                | 56.73                            |
| Amortisation of corporate guarantee obligation   | -                                | 0.52                             |
| Finance Costs  | 2,690.21                         | 2,305.80                         |
| Rental Income  | (34.01)                          | (33.79)                          |
| Commission Income  | -                                | (8.19)                           |
| Profit on sale of Investments  | (88.35)                          | (1.16)                           |
| Loss on Sale of Property, Plant & Equipment  | -                                | 0.05                             |
| Sundry Balance written off (net)   | 40.35                            | 6.06                             |
| Lease Liability written back   | (26.74)                          | -                                |
| Profit on sale of land   | (365.54)                         | -                                |
| Interest income  | (1.22)                           | (342.56)                         |
| Gratuity   | -                                | 1.62                             |
| Operating profit before working capital changes  | (1,394.36)                       | (1,101.03)                       |
| <b>ADJUSTMENTS FOR :</b>   |                                  |                                  |
| Trade receivables, loans, advances and other assets  | 1,689.34                         | 2,493.98                         |
| Inventories  | 1,181.31                         | 456.68                           |
| Trade payables, other liabilities and other financial liabilities                                    | 1,676.21                         | (12,128.11)                      |
| Cash generated from operations   | 3,152.50                         | (10,278.48)                      |
| Income tax paid  | (13.15)                          | (68.28)                          |
| Net Cash from / (used in) Operating Activities   | 3,139.35                         | (10,346.75)                      |
| <b>B CASH FLOW FROM INVESTING ACTIVITIES</b>   |                                  |                                  |
| Purchase of Property, Plant & Equipment (including capital work-in-progress)                         | (15.04)                          | (86.59)                          |
| Sale of Property, Plant & Equipment  | 950.44                           | 1.15                             |
| Purchase of Investments  | -                                | (88.75)                          |
| Sale of Investments  | 315.11                           | 97.05                            |
| (Investments in) / Proceeds from Bank deposits (maturity more than 3 months but less than 12 months) | 1,833.96                         | 607.77                           |
| Rent received  | 34.01                            | 33.79                            |
| Interest received  | 1.22                             | 342.56                           |
| Net cash from / (used in) Investing Activities   | 3,119.70                         | 906.98                           |
| <b>C CASH FLOW FROM FINANCING ACTIVITIES</b>   |                                  |                                  |
| Proceeds/(Repayment) of Borrowings   | (3,562.38)                       | 11,580.87                        |
| Principal accrued on lease liabilities   | (18.00)                          | (16.60)                          |
| Interest accrued on lease liabilities  | (11.28)                          | (11.68)                          |
| Finance Costs  | (2,678.93)                       | (2,294.12)                       |
| Net cash from / (used in) financing activities   | (6,270.60)                       | 9,258.47                         |
| Net Increase / (Decrease) In Cash & Cash equivalents   | (11.55)                          | (181.30)                         |
| Cash & Cash equivalents at beginning of the year^  | 16.58                            | 197.88                           |
| Cash & Cash equivalents at end of the year^  | 5.03                             | 16.58                            |

As per our report of even date attached  
For RAMAMOORTHY (N) & CO.,  
Chartered Accountants  
Firm Registration Number: 0028935

K. RAMACHANDRA RAO  
Partner  
Membership No: 0201334

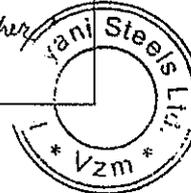
Place of Signature: Vizianagaram  
Dated: The 3rd day of September, 2021.

For and on behalf of Narayani Steels Limited

*Prithvi Kumaravolu*  
Prithvi Kumaravolu  
Resolution Professional

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

*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 Audited Consolidated Financial Results:**

1. The above audited financial results of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the companies with (Indian Accounting Standards) (Amendment) Rules, 2016. The company adopted Ind AS from 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 March 31st, 2021 were reviewed and approved at the joint meeting of the Resolution Professional (RP) and Key Managerial Personnel (KMP) of the Company held on 29th June, 2021. The Statutory Auditors have carried out audit on the above Consolidated financial results for the quarter ended 31st March, 2021 and year ending 31st March, 2021 and have expressed a modified opinion on the aforesaid results.
3. Lease liability 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. 26.74 lakhs during the year. 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 up to the Quarter ended 31st March, 2021. As a result of the lockdown, the revenue from the month of February 2020 to March 2021 has also been impacted. Consequently, the results of this quarter and this Year 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 December 2020 at the other plant (Unit-i) and is vacated from its leased premises while equipment therein is shifted to Unit-2.

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 Union Bank has stopped all the recovery proceedings consequential upon the submission of Action plan at the FGM office dt. 04.01.2021. Given the liquidity strain, the company has offered the bank that it would be in a position to attract some liquidity by sale of certain collaterals given to the bank as security. By liquidation of the same, the company would be able to redeem part of the debt. 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.

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 received the claims and convened the first meeting of COC on 24-4-21. He has examined and admitted the claims from Financial Creditors amounting to Rs. 296.13 Cr. The variations between balances as per books and amount claimed by the financial creditors amounting to Rs. 5.32 Cr. may be due to charging of penal interest and other charges claimed by the Financial creditors. 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. 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.

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



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7. During the quarter ending 31.03.2021, Mutual Funds held as long term Investment by the Company amounting to Rs. 68.80 lakhs as on 31st March 2021 have been liquidated and adjusted by the Union Bank of India for the recovery of dues from the company at a value of Rs. 99.35 lakhs. This resulted in a book profit of Rs. 30.55.
8. The Company is principally engaged in a single business segment of Manufacturing and Trading of Iron & Steel and its related products, accordingly there is no separate reportable segment as per Ind AS 108 "Operating Segment".
9. Confirmations of the Balances as on 31.03.2021 have not reached the office of Statutory auditors as at the end of the audit. This may be due to continuation of partial lockdown in the state of Andhra Pradesh. The total Sundry Debtors as on 31.03.2021 available in books is Rs. 169.22 Cr. As per the earlier confirmations available at the company, the Company has obtained Confirmation of Balances from its major Trade Receivables of approx. Rs. 98.93 Cr. (58.47%) as on 31.03.2021. This includes Rs. 87.15 crores (Net confirmation given by Vizag Profiles Private Limited and available on record is Rs. 74.15 Cr.) transferred from M/s. Steel Exchange India Limited to its associate company m/s. Vizag Profiles Private Limited by virtue of Joint understanding agreed in this regard. For this purpose, Mail Confirmation from SEIL and Balance Confirmation from VFPL are obtained. The Company has agreed for transfer in order to improvise the early recovery of the dues from the major Trade Debtor. Company has provided for the Expected Credit Risk amounting to Rs.46.95 Cr. in addition to the Provision for Doubtful Debts amounting to Rs.11.91 Cr as on 31/03/2021 as per Prudence, general practice and IND AS.
10. The total Sundry Debtors are amounting to Rs. 169.22 Cr. as on 31.03.2021. 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                  | Balance O/S.<br>Rs. In Crores |
|-------------------------|-------------------------------|
| Upto 180 days           | 2.32                          |
| >180 days to <two Years | 29.12                         |
| >Two years              | 112.79                        |
| >Three years            | 24.99                         |
| Total                   | 169.22                        |

11. The Union Bank has appointed an Agency for Specialized Monitoring (ASM) for conducting the Audit on behalf of the Lending Institution after the account has become NPA. The Company did not conduct the



Internal Audit during the year 20-21 as the major operations of trading is stopped and production is reduced substantially.

12. The Company has given Corporate Guarantees and given collaterals on behalf of its Associate / group 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/group companies. RINL has claimed an amount of Rs. 4.01 Cr. for shortages of quantities in their books. The company is totally denying any claim in this regard. After grant High Court stay for mutual settlement, the correspondence with RINL is going on. The CBI has also collected information in this regard and the matter is under their verification. Thus, the total contingent liability including above as per the disclosures is amounting to Rs. 109.68 Crores.

During the year, Karur Vysya Bank and Canara Bank have sold two properties mortgaged to them and appropriated the sale proceeds amounting to Rs. 9.45 Cr. towards the liability on account of corporate guarantee given on behalf of its associate company M/s. Kedarnath Commotrade Private Limited discharging about Rs. 15.25 Crores of liability. The total amount of Rs. 9.45 Cr.adjusted by banks has been claimed from the Kedarnath Commotrade Private Limited as receivable to the company.

13. The Company has recognized Deferred Tax Assets on unabsorbed depreciation and business losses as the management is confident on its realisability.
14. The Audited consolidated quarterly financial statements are prepared in accordance with the principles and procedures for the preparation and presentation of consolidated accounts as set out in IND AS 110 "Consolidated Financial Statements" notified by Ministry of Corporate Affairs. The unaudited consolidated quarterly financial statements of the Company "Narayani Steels Limited", include its associate namely "Hari Equipments Private Limited" combined as per Equity Method under Ind AS. The consolidated financial statements are prepared applying uniform accounting policies on all material items
15. The associate of the company has suffered substantial losses in the previous financial year as well as in the quarter ended 31<sup>st</sup> March 2021 and has resulted in complete erosion of the net worth of the associate i.e., 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 31.03.2021 were finalized and adopted in the board meeting dated 29.06.2021. Those Accounts were audited by the auditors as on that date. The Loss as per those financials is Rs. 54.35 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. 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 it resulted in increase of net loss by Rs. 3.36 Lakhs in P&L Account. Further, the write off of Bad debts was not considered earlier in the calculation of Differed Tax Asset. Now, on account of recalculation the Differed Tax Asset is increased by Rs. 242.57 Lakhs. This resulted in decrease of Net loss by Rs. 242.57 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. 239.20 Lakhs. These revised accounts are adopted by the Management at its meeting dt. 03.09.2021. These modified accounts are presented to the Auditors for their Audit and to issue the Revised Audit Report.

For Narayani Steels Limited

Place: **Vizianagaram**  
Dated: The 3<sup>rd</sup> Day of  
September, 2021

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

*Krishna Kommaravolu*  
Krishna Kommaravolu  
Resolution Professional

*Ankit Gupta*  
Ankit Gupta  
CFO

