



National Steel & Agro Industries Ltd

10th November, 2020

Ref. No.: NSAIL/SEC/2020

To,
BSE Limited
1st Floor, New Trading Ring,
Rotunda Building, P J Towers,
Dalal Street, Fort,
Mumbai – 400 001

To,
National Stock Exchange of India Limited
'Exchange Plaza', C-1, Block G,
Bandra - Kurla Complex,
Bandra (E)
Mumbai 400 051

Sub: Submission of Unaudited Financial Results for the Quarter and Half year ended on 30th September, 2020.

Dear Sir/Madam,

Pursuant to the provisions of Regulation 33 of SEBI (LODR) Regulations, 2015, please find enclosed Unaudited Financial Results of the Company for the quarter and half year ended 30th September, 2020 along with Limited Review Report.

Kindly take the same on your record.

Thanking you,
Yours faithfully,

For National Steel and Agro Industries Ltd.

Anurag Gangrade
Company Secretary
Membership No: FCS-9187



Encl.: As above



Regd. Office : 621, Tulsiani Chambers, Nariman Point, Mumbai - 400 021. Ph: +91 22 22886267, 22882949
CIN: L27100MH1985PLC140379

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FADNIS & GUPTE

CHARTERED ACCOUNTANTS

B-14, Ratlam Kothi, Kanchan Bagh Main Road, Indore-452 001 (M.P.) INDIA

Phone : 0731-2514448, 2527716, Fax : 0731-2528730

E-mail : mail@fngca.com

Independent Auditor's Report on the Financial Results of National Steel and Agro Industries Limited, pursuant to the Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclose Requirements) Regulations, 2015 as amended, read with SEBI Circular No. CIRJCFD/CMDI/44/2019 dated March 29, 2019.

To,

The Board of Directors

National Steel and Agro Industries Limited

Indore

We have reviewed the accompanying Statement of unaudited standalone financial results of National Steel and Agro Industries Limited, (the company) for the quarter ended and year to date results for the period from 1st April 2020 to 30th September 2020.

This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review. Our responsibility is to issue a report on these financial results based on our review of such interim financial statements.

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Performed by Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free from material misstatement.

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



Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable Indian Accounting Standards (Ind AS) prescribe under Section 133 of the Companies Act, 2013 read with relevant rules issued made there under and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of Matter

1. The company has accumulated secured debts (inclusive of interest & net of payment) amounting to Rs.1,388.30 Crores which was classified as Non-Performing Assets (NPA) by the banks. Company is under the process of One Time Settlement (OTS) for settlement of these loans with the Banks.
2. One of the financial creditors and some of the operational creditors/parties have filed application/ petition before the NCLT/NCLAT/Supreme Court under Insolvency & Bankruptcy Code against which the company has adopted legal recourse.

Material Uncertainty Related to Going Concern

We draw attention regarding preparation of financial statements on going concern basis, which states that the Company has incurred losses, its liabilities exceeded total assets and its net worth has been fully eroded as on 30th September, 2020. As stated, these events and conditions, along with other matters, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in this regard.

Place of Signature: Indore

Date: 10.11.2020

UDIN: 20 074814 AAAA Fx 4157



For Fadnis and Gupte
Chartered Accountants
FRN 007700C


(CA, Vikram Gupte)

Partner

M. No. 074814



National Steel & Agro Industries Ltd

Unaudited Financial Results for the quarter and half year ended 30th September, 2020

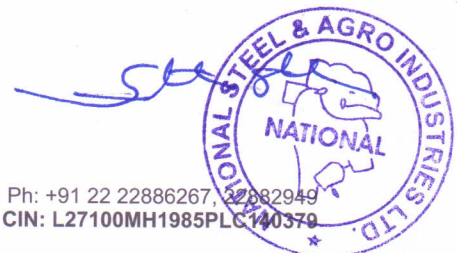
(Rs in Lakhs except EPS)

S. No.	Particulars	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
		30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income from operations						
	(a) Sales /Income from operations	50,394	26,331	28,081	76,725	62,689	126,784
	(b) Other operating income	1,533	598	15	2,132	26	4,149
	Total income from operations	51,927	26,929	28,096	78,857	62,715	130,933
	Other income	482	42	9	524	30	1,595
	Total Income	52,409	26,971	28,105	79,381	62,745	132,527
2	Expenses						
	(a) Cost of materials consumed	46,701	22,179	24,415	68,880	55,957	116,113
	(b) Purchases of stock-in-trade	-	-	-	-	-	-
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(809)	1,286	728	477	(1,667)	(2,505)
	(d) Employee benefits expense	808	721	765	1,529	1,496	3,163
	(e) Finance costs	5,105	4,464	4,361	9,569	8,540	18,242
	(f) Depreciation and amortisation expense	1,219	1,217	1,217	2,436	2,431	4,864
	(g) Expected Credit Loss	933	933		1,866		3,733
	(h) Other expenses	4,264	2,740	2,418	7,004	5,075	12,644
	Total Expenses	58,221	33,540	33,903	91,762	71,831	156,255
3	Profit / (Loss) from operations before exceptional items, extraordinary items and Tax (1-2)	(5,812)	(6,569)	(5,798)	(12,381)	(9,086)	(23,727)
4	Exceptional items	-	-	-	-	-	-
5	Profit / (Loss) before tax (3 + 4)	(5,812)	(6,569)	(5,798)	(12,381)	(9,086)	(23,727)
6	Tax expenses						
	a) Current tax (net of MAT Credit)	-	-	-	-	-	-
	b) Income tax paid for earlier years	-	-	-	-	-	13
	c) Deferred tax	(1,044)	473		(571)		5,343
	Sub total of 8 (a+b+c)	(1,044)	473	-	(571)	-	5,356
7	Net Profit / (Loss) for the period (7 -8)	(4,767)	(7,042)	(5,798)	(11,809)	(9,086)	(29,083)
8	Other Comprehensive Income / (Loss)						
	-Items that will not be reclassified to Profit & loss						
	Re-measurement gains/(loss) on defined benefit plans	(10)	(9)	13	(19)	26	(38)
9	Total Comprehensive Income / (Loss) (9+10)	(4,777)	(7,051)	(5,785)	(11,828)	(9,060)	(29,121)
10	Paid-up equity share capital (Face Value of the Share Rs. 10/- each)	4,450	4,450	4,450	4,450	4,450	4,450
11	Earnings per equity share						
	(of Rs. 10 /- each) (not annualised):						
	(a) Basic	(10.71)	(15.82)	(13.03)	(26.54)	(20.42)	(65.36)
	(b) Diluted	(10.71)	(15.82)	(13.03)	(26.54)	(20.42)	(65.36)



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National Steel & Agro Industries Ltd

Statement of Assets and Liabilities as on 30th September, 2020

(Rs. in Lakhs)

	As at	
	30th September, 2020	31st March, 2020
	(Unaudited)	(Audited)
1 ASSETS		
Non-current assets		
(a) Property, Plant and Equipment	47,893	50,282
(b) Other Intangible Assets	70	60
(c) Financial Assets		
(i) Investments	63	46
(d) Other Non-Current Assets	564	866
	48,590	51,255
2 Current assets		
(a) Inventories	11,609	8,316
(b) Financial Assets		
(i) Trade Receivables	3,693	5,225
(ii) Cash and Cash Equivalents	864	732
(iii) Bank Balance Other than (ii) above	-	-
(c) Other Current Assets	5,610	5,679
	21,776	19,951
	-	-
Total Assets	70,366	71,206
EQUITY AND LIABILITIES		
	-	-
Equity		
1 (a) Equity Share Capital	4,450	4,450
(b) Other Equity	(118,151)	(106,323)
Total Equity	(113,701)	(101,873)
Liabilities		
Non-Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	4,340	4,133
(b) Provisions	72	72
(c) Deferred Tax Liabilities (Net)	4,442	5,013
	8,854	9,219
2 Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	138,830	129,748
(ii) Trade Payables		
(A) Total outstanding dues of Micro & Small Enterprises	490	633
(B) Total outstanding dues Other than Micro & Small Enterprises	22,584	20,142
(iii) Other Financial Liabilities	13	13
(b) Other Current Liabilities	13,105	13,172
(c) Provisions	190	153
	175,213	163,860
Total Equity & Liabilities	70,366	71,206



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National Steel and Agro Industries Limited Cash Flow Statement For The Year Ended 30th September'2020 (Indirect Method set out in Ind As -7 Statement of Cash Flows)

(Rs in Lakhs)

		Year ended 30.09.2020 (Unaudited)	Year ended 30.09.2019 (Unaudited)
A.	Cash Flow operating activities :		
a)	Net profit/ (loss) before Tax & Extra ordinary item	(12,381)	(9,086)
	Adjustment for:	-	-
	Depreciation	2,436	2,431
	Interest Expenses	9,569	8,540
	Fair Value (gain) /loss on Investment	(17)	27
	Remeasurment of gain/(loss) on actuarial	(19)	26
	Interest & Dividend Income	(5)	(15)
		(416)	1,922
b)	Operating Profit before Working Capital Changes		
	Adjustment for;		
	Trade and other Receivable	1,531	(326)
	Inventories	(3,292)	199
	Other Current Assets	68	(632)
	Other Non Current Assets	302	12
	Trade Payable	2,300	(1,440)
	Other Current Liability	(67)	919
	Provisions	38	7
		880	(1,262)
		464	660
c)	Cash Generated from Operations		
	Income Tax	-	(31)
d)	Cash flow before Extra ordinary item	464	629
	Net Cash flow from Operating Activities (A)	464	629
B.	Cash flow from Investing Activities :		
	Interest received	5	15
	Purchase of Tangible Assets	(37)	(13)
	Purchase of Intangible Assets	(20)	(20)
	Sale of Fixed Assets	-	1
	Net Cash Flow Used in Investing Activities (B)	(52)	(17)
C.	Cash flow from Financing Activities :		
	Borrowing /Adjustment for unpaid interest	(280)	(276)
	Net Cash Flow Used in Financing Activities (C)	(280)	(276)
D.	Net increase/ (decrease) in Cash and Cash Equivalent (A+B+C)	132	336
	Cash and Cash Equivalent at beginning of the year	732	(801)
	Cash and Cash Equivalent at end of the year	864	1,137
		132	336



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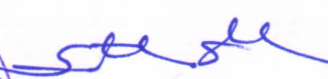
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NOTES:

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company in their meeting held on 10th November 2020.
- 2 Company has accumulated secured debts (inclusive of interest and net payment) of Rs. 1388.30 Crores as of 30th September, 2020, which has been classified as Non Performance Assets (NPA) by the lenders. Two lending banks have issued notices to the Company & its directors with intent to classify them as "Willful Defaulter". Company has replied to the notices. Simultaneously, company has proposed settlement with the lenders, which has been sanctioned by lenders covering approx 70% of the debts. Time limit for payment of OTS has expired on 30th September, 2020 however the Company/promoters has requested to the lenders for extension of time. Pending settlement with all the lenders the Company has provided for interest on accumulated secured debts on estimated basis.
- 3 As on 30th September, 2020, company's net worth has been fully eroded and stands at Rs. 1137.01 Crores and its' current liability exceeds its' current assets by Rs. 1534.37 Crores. Company has also incurred net loss of Rs. 118.28 Crores in the period from April, 2020 to September, 2020. However, Company has taken appropriate steps to tide over the issue by improving operation/performance by ramping up the capacity utilization, rationalization of operation and proposing One Time Settlement (OTS) with the secured lenders. In view of these, results have been prepared on the basis of "going concern".
- 4 One of the financial creditors and some of Operational Creditors/ parties filed petition before National Company Law Board NCLT/ Supreme Court under Insolvency and Bankruptcy Code (IBC), for which Company has adopted legal recourse.
- 5 The company is successfully navigating through the situation arising out of COVID-19 pandemic with all resources at its disposal. The Company's operations and revenue during the current year were impacted due to COVID-19. The Company has taken into account possible impact of COVID-19 in preparation of the unaudited financial results based on internal and external information upto the date of approval of these unaudited financial results and current indicators of future economic conditions. The management does not foresee any material impact on its business due to non fulfillment of obligation by any party.
- 6 The Securities and Exchange Board of India (SEBI) vide its final Order No. WTM/AB/IVD/ID11/8666/2020-21 dated 12th August, 2020 has revoked all the orders passed earlier regarding barring the Company from buying, selling or dealing in any manner in the securities market.
- 7 In the matter of alleged unauthorised use of electricity, the supplier MPPKVVCL has raised demand of Rs.61.73 crores (Principal amount Rs 23.88 crores and penalty amount Rs.37.85crores) . The demand was not accepted by the Company and accordingly a WP was filed before Hon'ble MP High Court, Indore Bench. The High Court has granted relief for charging of penalty/penal interest. MPPKVVCL had filed a review petition for the same and relief granted by the High Court was withdrawn. Meantime the supplier MPPKVVCL has raised demand for interest for Rs.51 Crores. The Company is in the process of filing of SLP in the Supreme Court. Meantime the Company has paid Rs37.54 under protest. The management is of the opinion that present obligation that arises from past events is not required to be recognised as it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. The amount deposited under protest has been recognised as current assets in the books of account and an equivalent amount of provision has been made on prudent basis as the matter is under litigation.
- 8 The Company has only one Business Segment i.e. manufacturing of GP/GC/CC coil and sheets as per Ind -As 108 Operating Segments.
- 9 The figures have been regrouped and/ or reclassified wherever considered necessary.

For and on behalf of the Board of Directors




Santosh Shihra
Executive Chairman
DIN - 00305846

Date: 10th November'2020
Place: Indore



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