



National Steel & Agro Industries Ltd

June 1, 2022

Ref. No.: NSAIL/SEC/2022-23

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: Revised Auditors Report with respect to the Audited Financial Results of National Steel and Agro Industries Limited ('the Company') for the quarter and year ended March 31, 2022.

Ref: Disclosure dated May 30, 2022 under the provisions of SEBI (Listing Obligations and Disclosure Requirements Regulations), 2015 ['SEBI (LODR) Regulations, 2015']

Dear Sir/Madam,

This is in reference to the disclosure dated May 30, 2022, wherein the Company has submitted the Approved Audited Financial Results for the quarter and year ended March 31, 2022. However, in the said disclosure, there was an inadvertent error in the Auditors Report. In this regard, we wish to inform you that, the Point No. 1 under 'Emphasis of Matter' mentioned in the Auditors Report:

- 1. One of the lenders has declared Company and its Directors as Willful Defaulter. Two lender banks have issued notices to the Company and its Directors with intent to classify them as "Willful Defaulter". The Company and its Directors have respectively replied to the said notices.*





National Steel & Agro Industries Ltd

may please be read as under:

- 1. Two of the lenders have declared Company and its Directors as Willful Defaulters. One lender bank has issued notices to the Company and its Directors with intent to classify them as "Wilful Defaulter". The Company and its Directors have respectively replied to the said notices.*

It may be noted that the aforesaid revision does not have any financial impact on the Audited Financial Results. We, therefore, request your good self to consider and take on record the revised Auditors Report enclosed herewith as a part of the Audited Financial Results of the Company for the quarter and year ended March 31, 2022 and oblige.

Please let us know if you need any further information/clarification in this regard.

Thanking you,

Yours faithfully,

For National Steel and Agro Industries Limited

(Company under Corporate Insolvency Resolution Process)

Anusha
Anusha Chandwani

Company Secretary

Membership No: ACS 54977



Encl: As above



FADNIS & GUPTE LLP

CHARTERED ACCOUNTANTS

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

To,
The Resolution Professional of
National Steel and Agro Industries Limited
(A Company under Corporate Insolvency Resolution Process (CIRP))

IP Registration No. : IBBI/PA-003/IP-N00061/2017-2018/10502

The Hon'ble National Company Law Tribunal ("NCLT"), Mumbai Bench, admitted petition for initiation of Corporate Insolvency Process ("CIRP") under the provisions of the Insolvency and Bankruptcy Code, 2016 ("the Code") and related rules and regulations issued thereunder, filed by financial creditors vide order no. CP(IB)2067/MB/2019 delivered on 11th April 2022 and appointed an Interim Resolution Professional ("IRP") to manage affairs of the Company in accordance with the provisions of Code. The Committee of Creditors of the Company appointed with the requisite voting share, in its meeting held on 11th May 2022 the IRP as Resolution Professional ("RP") for the Company. Upon initiation of the CIRP proceedings, the management of affairs of the Company and power of Board of Directors are now vested with RP. Further, as mentioned in Note 1 and in terms of Sections 14 of the Code, until the resolution plan has been approved by the Hon'ble NCLT, moratorium shall continue to be in effect.

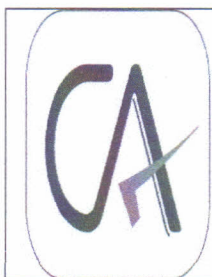
Qualified Opinion

We have audited the quarterly standalone financial results of M/s. National Steel and Agro Industries Limited ("The Company") for the quarter ended March 31, 2022 and the year-to-date results for the period April 1, 2021 to March 31, 2022, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us except for the possible effects of the matter described in the paragraph below "Basis for Qualified Opinion" these quarterly financial results as well as the year to date results:

- i. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and





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- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India; of the net loss and other financial information for the quarter ended March 31 2022 as well as the year to date results for the period from April 1, 2021 to March 31, 2022.

Basis for Qualified Opinion

1. As mentioned in Note 3(a) regarding non-recognition of interest on borrowing of banks and financial institutions and taken over by JM Financial Asset Reconstruction Company Limited amounting to Rs. 15,698.49 Lakhs for the year ended 31st March 2022. The same is not in compliance with requirements of Ind AS - 23 on "Borrowing Cost" read with Ind AS - 109 on "Financial Instruments".

Had provision for interest been recognised, finance cost and total loss for the year, would have been higher to that extent as mentioned above, having consequential impact on borrowings and other equity.

2. We draw your attention to Note 3(b) wherein the rent amounting to Rs. 74.88 Lakhs (including GST) has been paid to the various related parties for the periods from August 2018 to April 2021. According to the information and explanation provided to us these premises has been utilized by the company without any consideration. The owners approached the company for the payment of the rent which has been quantified and approved by the Board of Directors during the year. The management is of the opinion that the liability has crystalized during the year and accordingly the payment has been made. However, the provisions of Ind AS 116- Leases have not been complied with.
3. In accordance with the Insolvency and Bankruptcy Code ("Code"), the Resolution Professional ("RP") has to receive, collate and admit the claims submitted by the creditors as a part of Corporate Insolvency Process ("CIRP"). Such claims can be submitted to the RP within 90 days from the date of commencement of CIRP. Pending final outcome of the CIRP, no accounting impact in the books of accounts has been made in respect of excess, short, or nonreceipts of claims for operational and financial creditors and disclosed under the head contingent liabilities. Hence, consequential impact, if any, is currently not ascertainable and we are unable to comment on possible financial impacts of the same.





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We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results 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 results 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

1. Two of the lenders have declared Company and its Directors as Wilful Defaulter. One lender bank has issued notices to the Company and its Directors with intent to classify them as "Wilful Defaulter". The Company and its Directors have respectively replied to the said notices.
2. As per Note 7 the company has written off Target Plus Incentive receivable amounting to Rs. 4,043.75 Lakhs to the Statement of Profit & Loss as an exceptional item as the same cannot be utilized due to expiry of validity period of the scheme.

Our opinion is not qualified on these matters.

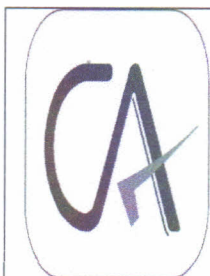
Material Uncertainty Related to Going Concern

We draw attention to Note 5 of the results, regarding preparation of results on going concern basis, which states that the Company has incurred losses during the year, its liabilities exceeded total assets and its net worth has been fully eroded as on 31st March 2022. The Corporate Insolvency Resolution Process (CIRP) against the Company is in process. Since the CIRP is currently in progress, as per the Code, it is required that the Company be managed as a going concern during the CIRP. The results are continued to be prepared on going concern basis. However there exists material uncertainty about the Company's ability to continue as going concern since the same is dependent upon the resolution plan to be approved by NCLT. The appropriateness of preparation of results on going concern basis is critically dependent upon CIRP as specified in the Code. Our opinion is not modified in respect of this matter.

Management's and Resolution Professional's Responsibilities for the Standalone Financial Results

These quarterly financial results as well as the year to date standalone financial results have been prepared on the basis of the interim financial statements. The Company's Board of Directors and Resolution Professional are responsible for the preparation of these financial





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results that give a true and fair view of the net loss and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone financial results 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 standalone financial results.

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

- Identify and assess the risks of material misstatement of the standalone financial results, 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.





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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 results 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 standalone financial results, including the disclosures, and whether the financial results 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.



Place: Indore
Dated: 30.05.2022
UDIN: 22074814AJXWNB9255

For Fadnis & Gupta LLP
Chartered Accountants
FRN 006600C/C400324

(CA. Vikram Gupta)
Partner
M.No. 074814