National Steel & Agro Industries Ltd

August 14, 2021

Ref. No.: NSAIL/SEC/2021-22

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: Outcome of Board Meeting held on August 14, 2021

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform that, a meeting of the Board of Directors of the Company was held on Saturday, the 14th day of August, 2021 at 2:30 P.M. at the administrative Office of the Company situated 401, Mahakosh House, 7/5, South Tukoganj, Indore (M.P.)-452001.

The Board inter-alia considered, approved the Quarterly Unaudited Financial Results of the Company .for quarter ended on June 30, 2021.

Kindly take the same on your record.

Thanking you,
Yours faithfully,
For National Steel and Agro Industries Limited

Anusha

Anusha Chandwani
Company Secretary
Membership No: ACS 54977

NATIONAL STEEL & AGRO INDUSTRIES LTD.

Encl: As above

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 Review Report on the Quarterly Unaudited Financial Results of the Company Pursuant to the Regulation33 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 June 30, 2021.The Statement has been prepared by the Company's Management pursuant to requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("the listing regulations").This Statement is the responsibility of the Company's management and approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review in accordance with the Standard on Review 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 is limited primarily to enquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

FADNIS & GUPTE
FRN
006600C
CHARTERED ACCOUNTANTS

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 the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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.1,503.68 Crores which was classified as Non-Performing Assets (NPA) by the banks.The banks have also issued notices to the company and Directors with intent to classify them as "Willful Defaulter".

2. One of the lenders has declared Company and it's Directors as Willful Defaulter. Two lender banks have issued notices to the Company and it's Directors with intent to classify them as "Willful Defaulter". The Company and it's Directors have respectively replied to the said notices.

3. 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.

4. IDBI Bank Limited, State Bank of India, Union Bank of India (Earlier Andhra Bank), Central Bank of India and Bank of Maharashtra (collectively hereinafter referred as "Banks") through joins assignment agreement, as assigned it's debts extended to the Company to JM Financial Asset Reconstruction Company Limited ("JMFARC") along with all underlying securities, rights, title and interest thereof on 31st March, 2021.

FADNIS & GUPTE CHARTERED ACCOUNTANTS FRN 006600C

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 June 30, 2021.

In the matter of alleged unauthorized use of electricity, the supplier Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited (MPPKVVCL) discontinued the power supply and initiated the recovery proceedings for Rs.103.61 Crores by attaching the banks accounts of the company under the provisions of MP Land Revenue Code, 1959. On account of non-availability of power, the production was suspended for some days. The Company has adopted legal recourse and in discussion with the supplier for payment of outstanding dues.

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.

For Fadnis and Gupte
Chartered Accountants
FRN 007700C

FADNIS & GUPTE ★ CHARTERED ACCOUNTANTS ★ FRN 006600C

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

Place of Signature: Indore
Date: August 14, 2021
UDIN: 21074814AAAAER7285

National Steel & Agro Industries Ltd

Statement of Unaudited Financial Results for the Quarter ended 30th June, 2021

(Rs. in Lakhs except EPS)

S. No.	Particulars	QUARTER ENDED			YEAR ENDED
		30.06.2021	31.03.2021	30.06.2020	31.03.2021
		Unaudited	Audited	Unaudited	Audited
1	**Revenue from Operations**				
	(a) Sales / Income from operations (refer note no.6)	24,589	23,585	26,331	152,740
	(b) Other operating income	280	1,406	598	5,108
	Total income from operations	**24,869**	**24,991**	**26,929**	**157,848**
	Other income	42	71	42	827
	Total Revenue	**24,911**	**25,062**	**26,971**	**158,675**
2	**Expenses**				
	(a) Cost of materials consumed (refer note no.5)	17,404	17,159	22,179	135,787
	(b) Purchases of stock-in-trade	1,845	-	-	-
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	501	1,830	1,286	904
	(d) Employee benefits expense	910	965	721	3,293
	(e) Finance costs (refer note no.7)	10,596	4,877	4,464	19,758
	(f) Depreciation and amortisation expense	1,198	1,226	1,217	4,870
	(g) Other expenses (refer note no.7)	5,871	6,063	3,673	19,335
	Total Expenses	**38,325**	**32,120**	**33,540**	**183,947**
3	**Profit / (Loss) from operations before exceptional items and Tax (1-2)**	**(13,414)**	**(7,058)**	**(6,569)**	**(25,272)**
4	Exceptional items	-	-	-	-
5	**Profit / (Loss) before tax (3 + 4)**	**(13,414)**	**(7,058)**	**(6,569)**	**(25,272)**
6	**Tax expenses**				
	a) Current tax	-	-		-
	b) Income tax paid	-	-		-
	c) Deferred tax	(3,132)	(1,892)	473	(2,532)
	Sub total of 6 (a+b+c)	**(3,132)**	**(1,892)**	**473**	**(2,532)**
7	**Net Profit / (Loss) for the period (5 - 6)**	**(10,282)**	**(5,166)**	**(7,042)**	**(22,740)**
8	**Other Comprehensive Income / (Loss)**				
	-Items that will not be reclassified to Profit & loss				
	Re-measurement gains/ (loss) on defined benefit plans	(130)	(491)	(9)	(519)
	Gain on Equity Instruments through Other Comprehensive Income				
9	**Total Comprehensive Income / (Loss) (7+8)**	**(10,412)**	**(5,657)**	**(7,051)**	**(23,258)**
10	**Paid-up equity share capital (Face Value of the Share Rs. 10/- each)**	4,450	4,450	4,450	4,450
11	**Earnings per equity share**				
	(of Rs. 10 /- each) (not annualised):				
	(a) Basic	(23.11)	(11.61)	(15.82)	(51.10)
	(b) Diluted	(23.11)	(11.61)	(15.82)	(51.10)

NATIONAL STEEL & AGRO INDUSTRIES LTD. NATIONAL

Regd. Office : 621, Tulsiani Chambers, Nariman Point, Mumbai - 400 021. Ph: +91 22 22026267, 22025098
Fax: +91 22 22025084
CIN: L27100MH1965PLC140379

Admn. Office : 401, Mahakosh House, 7/5 South Tukoganj, Nath Mandir Road, Indore - 452 001, M.P., India
Ph: +91 731 2518167-8-9, 4017409 Fax: +91 731 2516714. Web: www.nsail.com

National Steel & Agro Industries Ltd

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 14th August, 2021 in terms of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

2 The above financial results have been prepared in accordance with the recognition and measurement principles stated therein and prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued there under and other accounting principles generally accepted in India.

3 (a) Company has accumulated secured debts (inclusive of interest and net payment) of Rs. 1503.68 Crores as of 30th June' 2021, which has been classified as Non Performance Assets (NPA) by the lenders.

(b) One of the lender has declared Company & its Executive Director as Willful Defaulter without following the due procedure. The Company has represented to the lender to remove its name from Willful Defaulter list.

(c) Two lender banks have issued notices to the Company & its' directors with intent to classify them as "Willful Defaulter". The Company and its Directors have given replies, respectively, to the said notices.

(d) IDBI Bank Limited, State Bank of India, Union Bank of India (earlier Andhra Bank), Central Bank of India and Bank of Maharashtra [collectively hereinafter referred as "Banks"] through Joint Assignment Agreement, has assigned its debt, extended to the Company, to JM Financial Asset Reconstruction Company Limited ("JMFARC") along with all underlying securities, rights, title, and interest thereof on 31st March'2021.

(e) One of the financial creditor had filed petition before National Company Law Board NCLT) under Insolvency and Bankruptcy Code (IBC), for which Company has adopted legal recourse.

4 Some of Operational Creditors has filed petition before National Company Law Board (NCLT)/Supreme Court under Insolvency and Bankruptcy Code (IBC), for which, Company has adopted legal recourse.

5 It was decided by the management to utilize majority of its production capacity of the plant & machinery for manufacturing of various products under job-work with effect from 13th January, 2021. Therefore the cost of material consumed for the quarter under review is not comparable with the corresponding quarter of preceding financial year.

6 The Trading Sales of Rs. 2016.17 lakhs is on account of purchase of defective/ second grade material & scrap generated during jobwork process. This material was purchased by the Company and sold in the ordinary course of business. The same has not been identified as a separate segment under the provisions of Ind AS 108 - Business Segments, as it does not fulfill the requisite conditions. The Company has only one Business Segment i.e. manufacturing Steel Coils.

7 a).In the matter of alleged unauthorized use of electricty, the supplier Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited (MPKVVCL) has discontinued the power supply and initiated the recovery proceedings pursuant to the recovery certificate dated July 20, 2021 issued by the office of Collector, District Dhar for recovery of amount of Rs. 103.61 Crores, through Tahsiladaar (Revenue Officer) and attached the Company's Bank Accounts/factory premises under the provisions of Madhya Pradesh Land Revenue Code, 1959. On account of non-availability of power, the production was suspended.

b) Pending settlement and legal proceedings before the Hon'ble High Court and after several discussions/deliberations between the Company and Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited (MPKVVCL), the Bank accounts of the Company ***has now been unfrozen*** with restoration of power supply at the factory premises.

c).In view of the developments in the ongoing litigation, Company has on a conservative basis made provision of Rs 21.68 crores and Rs. 57.39 crores towards "*Outstanding Demand* " and " *Interest & Surcharge*" respectively, in the quarter under review.

8 As on 30th June, 2021, company's net worth has been fully eroded and stand at Rs. (-) 1359.70 Crores and its' current liability exceeds its' current assets by Rs. 1765.95 Crores. Also company has incurred net loss of Rs. 104.12 Crores for the period April, 2021 to June, 2021. However, company has taken appropriate steps to tide over the issue by improving operation/performance by ramping up the capacity utilization, rationalization of operation. In view of these, result has been prepared on the basis of "going concern".

9 The company is successfully navigating through the situation arising out of COVID-19 pandemic with all resources at its disposal. Company is managing its all activities in according with the guidelines issued by various Governments agencies/disaster management committee/local bodies with 100% sanitization, social distancing norms and utmost precautions at its various location.The Company has taken into account possible impact of COVID-19 in preparation of the financial results based on internal and external information upto the date of approval of these 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.

10 The code on Social Security,2020 has been approved by Indian Parliament which would impact Company's contribution towards Provident Fund and Gratuity. The Company will assess its impact once the rules are notified.

11 The figures for three months ended 31st March, 2021 are arrived at as difference between audited figures of full financial year and the unaudited published figures upto nine months ended 31st December, 2020.

For and on behalf of the Board of Directors

Manoj Khetan
(Whole Time Director and CFO)
DIN - 06395265

Date: 14th August, 2021
Place: Indore

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