National Steel & Agro Industries Ltd

January 20, 2022

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 January 20, 2022

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015, the Board of Directors of the Company, at their meeting held today i.e.,Thursday, January 20, 2022 at 4:30 P.M. inter-alia considered and approved the Quarterly Unaudited Financial Results of the Companyfor the quarter and nine monthsended on December 31, 2021.

Kindly take the same on your record.

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

AnushaChandwani
Company Secretary
Membership No: ACS 54977

Encl: As above

FADNIS & GUPTE LLP

CHARTERED ACCOUNTANTS

B-14, Ratlam Kothi, Kanchan Bagh Main Road, Indore- 452001
(M.P.) INDIA
Phone: 0731-2514448, 2527716, 2528730
E-mail: mail@fngca.com, Website: www.fngca.in

Independent Auditor's Review Report on the Quarterly and Year To Date Standalone Unaudited Financial Results of the Company 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 ("the Statement") of National Steel and Agro Industries Limited ("the Company") for the quarter ended December 31st, 2021 and year to date from April 01, 2021 to December 31, 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, which is the responsibility of the company's management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the statements based on our review.

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

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for qualified conclusion.

Basis for Qualified Conclusion

Interest on debts payable to JM Financial Asset Reconstruction Company Limited amounting to Rs.106.22 Crores has not been provided as per Note 2(a) for the period ended on 31st December, 2021. The accumulated losses and the borrowings are understated by Rs.106.22 Crores as on 31st December, 2021.

Based on our review conducted except for the matters described in the Basis for qualified conclusion, 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. Attention is drawn to Note 3(a) that the Company has accumulated secured debts (inclusive of interest & net of payment) amounting to Rs. 1,490.19 Crores.

2. As per Note 3(b) and 3(c), two of the erstwhile lenders have declared Company and it's Executive Directors as Willful Defaulter.

3. Attention is drawn to Note 3(e) that Punjab National Bank have also assigned their debts to JM Financial Reconstruction Company Limited ("JMFARC") along with all underlying securities, rights, title and interest thereof on 31st December, 2021. JM Financial Reconstruction Company Limited ("JMFARC") is now the sole lender of the Company.

4. Attention is drawn to Note 3(f) that M/s. JM Financial Reconstruction Company Limited ("JMFARC") has filed an Interlocutory Application (IA) before National Company Law Tribunal (NCLT) seeking substitution of it's name in place of financial creditor.

5. As per Note 3(g), 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.

6. Attention is drawn to Note 3(h) that JM Financial Asset Reconstruction Company Limited (JMFARC) served notice under Section 13(2) of Securitization and Reconstruction of Financial Asset and Enforcement of Security Interest Act, 2002 ('SARFAESI Act') for recovery of Rs. 1,119.55 Crores in respect of loans and interest thereon.

Material Uncertainty Related to Going Concern

We draw attention to Note (4) regarding preparation of financial statements on going concern basis, which states that the Company's net worth has been fully eroded and stands at Rs. (-) 1,387.45 Crores and it's current liabilities exceeded current assets by Rs. 1,775.72 Crores as on 31st December, 2021.

FADNIS & GUPTE LLP

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As stated, these events and conditions mentioned in Emphasis of Matter paragraph above, 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 conclusion is not modified in this regard.

For Fadnis and Gupte LLP
Chartered Accountants
FRN 006600C/C400324

Place of Signature: Indore
Date: January 20, 2022
UDIN: **22074814AAAAAU1017**

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

National Steel & Agro Industries Ltd

Statement of Unaudited Financial Results for the quarter and nine months ended 31st December, 2021

(Rs. in Lakhs except EPS)

S. No.	Particulars	QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
		31.12.2021	30.09.2021	31.12.2020	31.12.2021	31.12.2020	31.03.2021
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**Revenue from Operations**						
	(a) Sales / Income from operations	18,276	17,766	52,430	60,631	1,29,155	1,52,740
	(b) Other operating income	1,739	2,991	1,570	5,010	3,702	5,108
	Total income from operations	**20,015**	**20,757**	**54,000**	**65,641**	**1,32,857**	**1,57,848**
	Other income	4	7	232	53	756	827
	Total Revenue	**20,019**	**20,764**	**54,232**	**65,694**	**1,33,613**	**1,58,675**
2	**Expenses**						
	(a) Cost of materials consumed	12,192	13,655	49,748	43,251	1,18,628	1,35,787
	(b) Purchases of stock-in-trade	1,979	2,179	-	6,003	-	-
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	577	774	(1,404)	1,852	(926)	904
	(d) Employee benefits expense	909	955	799	2,774	2,328	3,293
	(e) Finance costs	2,142	1,641	5,312	14,379	14,881	19,758
	(f) Depreciation and amortisation expense	1,197	1,199	1,208	3,594	3,644	4,870
	(g) Other expenses	3,867	3,290	4,402	13,028	13,272	19,335
	Total Expenses	**22,863**	**23,693**	**60,066**	**84,881**	**1,51,827**	**1,83,947**
3	**Profit / (Loss) from operations before exceptional items and Tax (1-2)**	**(2,844)**	**(2,929)**	**(5,834)**	**(19,187)**	**(18,214)**	**(25,272)**
4	Exceptional items	-	3,258	-	3,258	-	-
5	**Profit / (Loss) before tax (3 + 4)**	**(2,844)**	**329**	**(5,834)**	**(15,929)**	**(18,214)**	**(25,272)**
6	**Tax expenses**						
	a) Current tax	-	-	-	-	-	-
	b) Deferred tax (refer note no.8)	-	-	(69)	(3,132)	(640)	(2,532)
	Sub total of 6 (a+b)	**-**	**-**	**(69)**	**(3,132)**	**(640)**	**(2,532)**
7	**Net Profit / (Loss) for the period (5 - 6)**	**(2,844)**	**329**	**(5,764)**	**(12,797)**	**(17,574)**	**(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)	(129)	(9)	(389)	(28)	(519)
	Gain on Equity Instruments through Other Comprehensive Income						
9	**Total Comprehensive Income / (Loss) (7+8)**	**(2,974)**	**200**	**(5,774)**	**(13,186)**	**(17,602)**	**(23,258)**
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	(6.39)	0.74	(12.95)	(28.76)	(39.49)	(51.10)
	(b) Diluted	(6.39)	0.74	(12.95)	(28.76)	(39.49)	(51.10)

NATIONAL STEEL & AGRO INDUSTRIES LTD.

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

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 20th January, 2022 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 of Indian Accounting Standards (Ind AS) 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, except:-

a) Interest amounting to Rs. 106.22 Crores (Rs. 66.32 Crores up to September'2021) for the nine months ended on 31st December, 2021 has not been provided on debt payable to JM Financial Asset Reconstruction Company Limited (JMFARC).

b) Had the company provided interest on dues to JMFARC , the loss for the quarter would have been increased by Rs.39.90 crores and for Rs. 106.22 crores for the nine months ended on 31st December'2021.

3 (a) Company has accumulated secured debts (inclusive of interest and net payment) of Rs. 1490.19 Crores as of 31st December' 2021.

(b) One of the erstwhile lender, Union Bank of India (erstwhile Andhra Bank) has declared Company & its Executive Director as Willful Defaulters without following the due procedure. The Company has represented to the lenders to remove its name from Willful Defaulter list.

(c) Prior to the Assignment of Debt, Punjab National Bank has declared the Company & its Promoter Director as Willful Defaulter. The Company & its Promoter Director, have made their respective representation before the Review Committee of lender to remove their names from Willful Defaulter list.

(d) Punjab National Bank vide its letter dated 5th January, 2022 has informed the Assignment of its Debt, extended to the Company to JMFARC through an Assignment Agreement dated 31st December, 2021.

(e) With the assignment of Debt by Punjab National Bank to JMFARC on 31st December, 2021, JMFARC has became the sole lender to the Company.

(f) JMFARC has filed an Interlocutory Application (IA) dated December 6, 2021 before National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code (IBC) seeking substitution of its name in place of the Bank of India.

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

(h) JMFARC has served notice under Section 13(2) of Securitisation and Reconstruction of Financial Asset and Enforcement of Security InterestAct, 2002 ('SARFAESI Act') for recovery of Rs. 1,119.55 Crores.

4 As on 31st December, 2021, company's net worth has been fully eroded and stand at Rs. (-) 1387.45 Crores and its' current liability exceeds its' current assets by Rs. 1775.72 Crores. Also company has incurred net loss of Rs. 131.87 Crores for the period April, 2021 to December, 2021. However,with nearly 90% capacity utilization, cost rationalization and improved process results have been prepared on the basis of "going concern".

5 The Company operates in one Business Segment as per Ind AS 108- Operating Segments i.e. manufacturing Steel Coils & Sheets.

6 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.

7 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.

8 Deferred Tax Asset (DTA) on accumulated losses has been recognised to the extent of MAT Credit entitlement available and the Deferred Tax Liability created on equity component of compound financial instruments.

9 The figures for quarter ended 31st December, 2021 are balancing figure between the unaudited figures for nine months ended 31st December, 2021 and figures for six months ended 30th September, 2021.

For and on behalf of the Board of Directors

NATIONAL STEEL & AGRO INDUSTRIES LTD.

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

Date: 20th January, 2022
Place: Indore