



National Steel & Agro Industries Ltd

Ref. No.: NSAIL/SEC/2018-19

28th February, 2019

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 28th February, 2019

Dear Sir/Madam,

We would like to inform you that the Board of Directors in their meeting held on 28th February, 2019 have *inter alia* considered and approved Unaudited Financial Results of the Company for the quarter and nine month ended 31st December, 2018.

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 nine month ended 31st December, 2018 along with Limited Review Report.

Kindly take the same on your record.

Thanking you,

Yours faithfully,

For National Steel and Agro Industries Limited

Anurag Gangrade

Company Secretary

Membership No: FCS-9187



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Fax: +91 22 22025084 **CIN: L27100MH1985PLC140379**

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National Steel & Agro Industries Ltd

Unaudited Financial Results for the Quarter and Nine months ended 31st December, 2018

(Rs in Lacs except EPS)

S. No.	Particulars	QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
		31.12.2018	30.09.2018	31.12.2017	31.12.2018	31.12.2017	31.03.2018
	(Refer Notes Below)	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income from operations						
	(a) Sales /Income from operations	19,635	28,828	1,02,858	94,818	3,21,020	4,23,092
	(b) Other operating income	55	180	60	432	125	1,098
	Total income from operations	19,690	29,008	1,02,918	95,250	3,21,145	4,24,190
	Other income	33	1,817	220	2,452	963	1,509
	Total Income	19,723	30,825	1,03,138	97,702	3,22,108	4,25,699
2	Expenses						
	(a) Cost of materials consumed	17,903	13,188	23,952	55,494	76,587	1,06,578
	(b) Purchases of stock-in-trade	45	14,858	59,707	32,073	2,02,297	2,76,124
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	546	(901)	9,639	1,908	12,453	19,877
	(d) Central Excise Duty	0	0	0	0	0	3,143
	(e) Employee benefits expense	917	1,188	1,261	3,320	3,939	5,342
	(f) Finance costs	3,150	4,441	3,028	10,270	9,284	13,417
	(g) Depreciation and amortisation expense	1,215	1,214	424	3,669	1,269	4,952
	(h) Provision for Doubtful Debts	8,972	0	0	8,972	0	0
	(i) Bad Debts Written off	456	0	0	456	0	0
	(j) Other expenses	1,701	3,221	4,305	7,095	13,698	18,642
	Total Expenses	34,905	37,209	1,02,316	1,23,258	3,19,527	4,48,075
3	Profit / (Loss) from operations before exceptional items, extraordinary items and Tax (1-2)	(15,182)	(6,384)	822	(25,557)	2,581	(22,376)
4	Exceptional items	0	0	0	0	0	-
5	Profit / (Loss) from ordinary activities before extraordinary items and tax (3 + 4)	(15,182)	(6,384)	822	(25,557)	2,581	(22,376)
6	Extraordinary items		0				
7	Profit / (Loss) from ordinary activities before tax (5 + 6)	(15,182)	(6,384)	822	(25,557)	2,581	(22,376)
8	Tax expense						
	a) Current tax (net of MAT Credit)	0	0	159	0	503	-
	b) Income tax paid for earlier years	(35)	0	59	(35)	59	92
	c) Deferred tax	0	0	(22)	0	243	(8,179)
	Sub total of 8 (a+b+c)	(35)	0	196	(35)	805	(8,087)
9	Net Profit / (Loss) for the period (7 -8)	(15,147)	(6,384)	626	(25,522)	1,776	(14,289)
10	Other Comprehensive Income / (Loss)	44	44	30	131	90	175
	-Items that will not be reclassified to Profit & loss						
	Re-measurement gains/(loss) on defined benefit plans						
11	Total Comprehensive Income / (Loss) (9+10)	(15,103)	(6,340)	656	(25,390)	1,866	(14,114)
12	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
13	Reserves	0	0	0	0	0	(55,889)
14	Earnings per equity share						
	(of Rs. 10 /- each) (not annualised):						
	(a) Basic	(34.04)	(14.35)	1.41	(57.35)	3.99	(32.11)
	(b) Diluted	(34.04)	(14.35)	1.41	(57.35)	3.99	(32.11)

Signature



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Segment wise Revenue, Results and Capital Employed

S. No.	Particulars	QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
		31.12.2018	30.09.18	31.12.17	31.12.2018	31.12.17	31.03.2018
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment Revenue						
a)	Manufacturing (Including other operation income)	19,690	12,794	32,915	59,671	1,05,260	1,35,194
b)	Traded goods	-	16,214	70,003	35,579	2,15,885	2,88,996
	Total	19,690	29,008	1,02,918	95,250	3,21,145	4,24,190
	Less: Inter Segment Revenue						
	Sales/ Income From Operations	19,690	29,008	1,02,918	95,250	3,21,145	4,24,190
2	Segment Results						
	Profit/(Loss) before tax and interest from each segment						
a)	Manufacturing (Including other operation income)	(11,898)	(4,111)	1,927	(17,990)	6,275	(8,491)
b)	Traded goods	(166)	351	1,732	278	4,713	(1,864)
	Total	(12,064)	(3,760)	3,659	(17,712)	10,988	(10,355)
	Add: i) Other Income	33	1,817	220	2,452	963	1,509
	ii) Exceptional items		-				
	Total	(12,032)	(1,943)	3,879	(15,261)	11,951	(8,846)
	Less: i) Interest	3,150	4,441	3,028	10,270	9,284	13,417
	ii) Other unallocable expenditure	0	-	29	26	86	113
	Total Profit before tax	(15,182)	(6384)	822	(25,557)	2,581	(22,376)
3	Capital Employed						
	Segment Assets						
a)	Manufacturing (Including other operation income)	77,480	79,310	98,641	77,480	98,641	1,05,858
b)	Traded goods	11,288	21,413	37,407	11,288	37,407	38,557
c)	Unallocable	265	262	215	265	215	435
	Segment Liability						
a)	Manufacturing (Including other operation income)	74,400	89,315	39,273	74,400	39,273	1,16,890
b)	Traded goods	76,700	58,455	30,736	76,700	30,736	64,435
c)	Unallocable	118	438	715	118	715	287
	Capital Employed (Segment Assets - Segment Liabilities)						
a)	Manufacturing (Including other operation income)	3,080	(10,005)	59,368	3,080	59,368	(11,032)
b)	Traded goods	(65,412)	(37,042)	6,671	(65,412)	6,671	(25,878)
c)	Unallocable	147	(176)	(500)	147	(500)	148
	Total	(62,185)	(47,223)	65,539	(62,185)	65,539	(36,762)

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NOTES:

- 1 As on 31st December, 2018, the company's net worth is fully eroded and stands at Rs. (768.29) Crores and it's current liability exceeded it's Current Assets by Rs. 1191.53 Crores. Also, the company has incurred a net loss of Rs. 253.90 Crores for the period from April 2018 to December, 2018. However, the company is taking appropriate steps to tide-over these issues/problems by improving the operational performance of the steel business by ramping up the capacity utilization, tied-up with different marketing agencies, implementing the operational restructuring exercise, negotiating with banks/lenders to restructure it's debts etc. Further with the improved market condition both indigenously and internationally, management is confident to regain it's market position. Also, Promoters are planning to infuse the fund in the business in view of these, the results have been prepared on "Going Concern" basis.
- 2 Letter of Credits (LC) worth Rs. 930.68 Crores (net of payment and inclusive of interest) were established by the banks in favour of suppliers of the goods to the company have been devolved upto 31st December, 2018. Further Bank Guarantees (BG) worth Rs. 6.52 Crores (inclusive of interest) have been invoked by the beneficiaries during the period April 2018 to December, 2018.
- 3 The company has accumulated secured debts (inclusive of interest) amounting to Rs. 1125.12 Crores, out of which, Rs. 1051.99 Crores has been classified as Non Performing Assets (NPA) by the banks as of 31st December, 2018. Some of the banks – Secured lenders has issued demand notice under Section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act") for recovery of their dues on various dates and also some of the Banks have issued notices to the Company and it's Directors claiming them as "Wilful defaulters". The Company has replied and is in the process of replying these notices and contemplating to restructures the loan with the lenders.
- 4 The GST department had carried out a search at Mumbai office and Taloja godown of the Company, all the documents relevant to the alleged transactions have also been seized by the GST department, also considering the aforesaid allegation, Managing Director of the Company had also been arrested and now released on bail. However till date the Company has not received any show cause/ demand notice from the GST department. The Company is assure that it will come out clean from all the allegations levelled by the GST department.
- 5 Owing to the resignation of Independent Directors, the composition of the Board/sub committees is not in compliance with the provisions of the Companies Act, 2013 and SEBI (LODR). Accordingly the results were approved by the existing Board for timely submission to the Exchange.
- 6 The Company has written off the trade receivable/advances amounting to Rs. 4.56 crore pertaining to old and doubtful debts. Further the Company has made provisions of Rs. 89.72 crore in respect of trade receivable /advances.
- 7 The Company has provided for interest on accumulated secured debts on estimated basis.
- 8 Previous year/period figures have been regrouped/rearranged wherever considered necessary.
- 9 Limited review of unaudited financial results have been carried out by the Statutory Auditors of the Company.

For and on behalf of the Board of Directors

Santosh Shahra
Executive Chairman
DIN: 00305846

Date: 28th February, 2019
Place: Indore



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Gupta Saharia & Co.

Chartered Accountants

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

To,
The Board of Directors
National Steel and Agro Industries Limited

We have reviewed the accompanying statement of unaudited financial results of **National Steel and Agro Industries Limited** ("the Company") for the quarter ended December 31st, 2018 ("the Statement") and year to date from April 1, 2018 to December 31st, 2018 (the "Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular').

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 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

Our responsibility is to issue a report on the Statement based on our review. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information 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 Statement is free of material misstatements. A review is limited primarily to inquiries 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.

Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with aforesaid Indian Accounting Standards 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 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.



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Branches : Borivali • Kolkata • Surat



Emphasis of Matter

(a) Material Uncertainty regarding Going Concern

We refer to note no.1 of the financial statements, even if the net-worth of the company as on 31st December 2018 has been fully eroded, its current liability has also been exceeded its current assets and the company has incurred huge losses, the financial statements are prepared on going concern basis for the reasons mentioned in the said note.

Our report is not modified for the above as we are unable to comment upon the ultimate outcome of the above.

(b) As mentioned in Note 2 to the financial statements, the Letter of Credits amounting to Rs. 930.68 crores (inclusive of Interest) have devolved on the company upto 31st December 2018. Further the Bank Guarantees worth Rs. 6.52 crores (inclusive of Interest) were invoked by the beneficiaries. The company is however confident of meeting its liabilities. We are unable to comment on the said matter.

(c) As mentioned in Note 3 to the financial statements, the company has accumulated secured debts (inclusive of interest) amounting to Rs. 1125.12 crores, out of which, Rs. 1051.99 crores has been classified as Non-Performing Assets (NPA) by the banks as of 31st December, 2018. Some of the banks - Secured lenders has issued demand notice under Section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act") for recovery of their dues on various dates and also some of the banks have issued notices to the Company and its Directors claiming them as "Wilful Defaulters". The company has replied and is in the process of replying these notices and contemplating to restructures the loan with the lenders. We are unable to comment on the said matter.

(d) As mentioned in Note 4, the GST department had carried out a search at Mumbai office and Taloja Godown of the company, all the documents relevant to the alleged transactions have also been seized by the GST Department; also considering the aforesaid allegation, managing director of the company had also been arrested and now released on bail. Therefore, in the absence of any update from GST department, we are unable to comment upon the outcome of the same.

(e) As mentioned in Note 6, the company has written off the trade receivables/advances amounting to Rs. 4.56 crores pertaining to old dues and doubtful debts. Further the company has made provisions of Rs. 89.72 crores in respect of trade receivables / advances.





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Gupta Saharia & Co.

Chartered Accountants

(f) We draw your attention to note no. 5, owing to the resignation of Independent Directors, the composition of the Board/sub committees is not in compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements). Accordingly, the results were approved by the existing Board for timely submission to the Exchange.

For Gupta Saharia & Co.

Chartered Accountants

ICAI Firm Registration Number: 103446W

CA Suresh Saharia

Partner

Membership No. : 040180



Place: Indore

Date: 28th February 2019.

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