National Steel & Agro Industries Ltd

12th February, 2021

Ref. No.: NSAIL/SEC/2020-21

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 nine months ended on 31st December, 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 nine months ended 31st December, 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

NATIONAL STEEL & AGRO INDUSTRIES LTD.

Encl.: As above

Regd. Office : 621, Tulsiani Chambers, Nariman Point, Mumbai - 400 021. Ph. : +91 22 22043080, 22882949, **CIN : L27100MH1985PLC140379**
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, Fax : +91 731 2516714

FADNIS & GUPTE

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 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 31stDecember, 2020and year to date results for the period from 1st April 2020 to 31st December, 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.

FADNIS & GUPTE
FRN
006600C
CHARTERED ACCOUNTANTS

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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.1,439.79 Crores which was classified as Non-Performing Assets (NPA) by the banks. One of the lenders declared the Company and it's Directors as Willful Defaulters. 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.

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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 31st December, 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.

For Fadnis and Gupte
Chartered Accountants
FRN 007700C

FADNIS & GUPTE
FRN
006600C
CHARTERED ACCOUNTANTS

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

Place of Signature: Indore
Date :12.02.2021
UDIN: 21074814AAAABM4809

National Steel & Agro Industries Ltd

Unaudited Financial Results for the quarter and nine months ended 31st December, 2020

(Rs. in Lakhs except EPS)

S. No.	Particulars	QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
		31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**Income from operations**						
	(a) Sales /Income from operations	52,430	50,394	33,363	129,155	96,052	126,784
	(b) Other operating income	1,570	1,533	16	3,702	42	4,149
	Total income from operations	**54,000**	**51,927**	**33,379**	**132,857**	**96,094**	**130,933**
	Other income	232	482	30	756	60	1,595
	Total Income	**54,232**	**52,409**	**33,408**	**133,613**	**96,153**	**132,527**
2	**Expenses**						
	(a) Cost of materials consumed	49,748	46,701	29,338	118,628	85,295	116,113
	(b) Purchases of stock-in-trade	-	-	-	-	-	-
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,404)	(809)	(654)	(926)	(2,322)	(2,505)
	(d) Employee benefits expense	799	808	870	2,328	2,366	3,163
	(e) Finance costs	5,312	5,105	4,148	14,881	12,687	18,242
	(f) Depreciation and amortisation expense	1,208	1,219	1,218	3,644	3,648	4,864
	(g) Expected Credit Loss	933	933	-	2,800	-	3,733
	(h) Other expenses	3,469	4,264	3,142	10,473	8,217	12,644
	Total Expenses	**60,066**	**58,221**	**38,062**	**151,827**	**109,893**	**156,255**
3	**Profit / (Loss) from operations before exceptional items, extraordinary items and Tax (1-2)**	**(5,834)**	**(5,812)**	**(4,654)**	**(18,214)**	**(13,740)**	**(23,727)**
4	Exceptional items	-	-	-	-	-	-
5	**Profit / (Loss) before tax (3 + 4)**	**(5,834)**	**(5,812)**	**(4,654)**	**(18,214)**	**(13,740)**	**(23,727)**
6	**Tax expenses**						
	a) Current tax (net of MAT Credit)	-	-		-	-	-
	b) Income tax paid for earlier years	-	-	-	-	-	13
	c) Deferred tax	(69)	(1,044)		(640)	-	5,343
	Sub total of 8 (a+b+c)	**(69)**	**(1,044)**	**-**	**(640)**	**-**	**5,356**
7	**Net Profit / (Loss) for the period (7 -8)**	**(5,764)**	**(4,767)**	**(4,654)**	**(17,574)**	**(13,740)**	**(29,083)**
8	**Other Comprehensive Income / (Loss)**						
	-Items that will not be reclassified to Profit & loss						
	Re-measurement gains/(loss) on defined benefit plans	(9)	(10)	13	(28)	40	(38)
	Gain on Equity Instruments through Other Comprehensive Income						
9	**Total Comprehensive Income / (Loss) (9+10)**	**(5,774)**	**(4,777)**	**(4,641)**	**(17,602)**	**(13,700)**	**(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	(12.95)	(10.71)	(10.46)	(39.49)	(30.88)	(65.36)
	(b) Diluted	(12.95)	(10.71)	(10.46)	(39.49)	(30.88)	(65.36)

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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 12th February' 2021.

2 (a) Company has accumulated secured debts (inclusive of interest and net payment) of Rs.1439.79 crores as of 31st December, 2020, which has been classified as Non Performance Assets (NPA) by the lenders.

(b) 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.

(c) One of the lender had declared Company & its'directors as Willful Deafaulter without following the due procedure. The Company has represented to the lender to remove its name from Willful Deafaulter list.

(d) 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.

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 31st December, 2020, company's net worth has been fully eroded and stands at Rs.1194.75 crores and its' current liability exceeds its' current assets by Rs.1581.98 crores. Company has also incurred net loss of Rs.176.02 crores in the period from April, 2020 to December, 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 Some of Operational Creditors 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 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.37.85 crores). 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 set aside. Meantime the supplier MPPKVVCL has raised demand for interest for Rs.51 crores. Against the order the Company has filed SLP before Supreme Court.The honorable Supreme Court vide its order dated 16th December'2020 has set aside the order of High Court and asked to MPPKVVCL to recalculate the liability as prayed by the Company in accordance with the law within three months from the date of the order. Meantime the Company has paid Rs.37.54 crores 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

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 With effect from 13th January'2021, It has been decided to utilize majority of its capacity of the plant and machinery for manufacturing of various products under job-work.

9 The Company has only one Business manufacturing Segment as per Ind -As 108 Operating Segments.

For and on behalf of the Board of Directors

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

Date: 12th February'2021
Place: Indore