

The Manager  
Department of Corporate Services  
BSE Limited  
Phiroze Jeejeeboy Towers  
Dalal Street, Fort,  
Mumbai - 400 001

September15, 2020

**BSE Scrip Code: 540080**

**Sub: Outcome of Board Meeting held on September15, 2020**

**Dear Sir/Madam,**

This is further to our letter dated September 7, 2020, intimating the date of Board Meeting for consideration of unaudited standalone and Consolidated financial results for the quarter ended 30<sup>th</sup> June, 2020.

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), we would like to inform you that the Board of Directors in their meeting held today have approved the unaudited standalone and Consolidated financial results for the quarter ended 30<sup>th</sup> June, 2020. We attach herewith a copy of the approved unaudited standalone and Consolidated financial results along with the Independent limited review report on standalone and Consolidated financial for the 1<sup>st</sup> quarter ended by the statutory auditors.

We are arranging to publish these results in the newspapers as per Regulation 47 of Listing Regulations. The said results along with the independent limited review report is available on the website of the Company at [www.narayanisteels.com](http://www.narayanisteels.com). This is further to our communication dated 12.08.2020 regarding intention to resign as auditor Board approved the resignation of Statutory Auditor.

The meeting commenced at 06.00 PM and ended at 08.30 PM.

Please take the above information on record.

**Yours Faithfully**

**For NARAYANI STEELS LIMITED**

*Arun Kumar Meher*

**Arun Kumar Meher**  
**Company Secretary and Compliance Officer**  
**Membership Number: A48598**



Encl.: As above



**Independent Auditor's Report on Quarterly Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended.**

**Review Report to  
The Board of Directors  
NARAYANI STEELS LIMITED**

We have reviewed the accompanying statement of unaudited standalone financial results of **Narayani Steels Limited** ("the Company") for the quarter ended on June 30, 2020 ("the Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended ("Listing Regulations 2015").

This Statement, which is the responsibility of the Company's Management and has been approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the 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 in accordance with the **Standard on Review Engagement (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 statement is free of material misstatement. A review is limited primarily to inquiries of the 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.

#### **Emphasis of Matter**

**We draw attention to the following matters -**

1. As stated in Note 4 to the unaudited standalone financial results which explains the uncertainties and the management's assessment of the financial impact due to the COVID-19 pandemic situation and consequential restrictions, for which a definitive assessment of the impact in the subsequent period is highly dependent upon future developments. The pandemic has caused significant accounting and auditing challenges.





2. As stated in Note 6 to the unaudited standalone financial results, the Bankers have classified its advance to company as NPA and are not charging interest or have reversed the interest earlier charged. In order to account all probable liabilities, the management in its best judgment has provided interest on such borrowings.
3. As stated in Note 9 to the unaudited standalone financial results, the company has not been able to obtain account confirmations in respect of trade receivables as at June 30, 2020. In the absence of confirmation, any provision to be made for adverse variation in the carrying amounts of trade receivable is not quantified. The management, however, is confident that on confirmation / reconciliation, there will not be any material impact on the state of affairs as stated in the said Note.
4. As stated in Note 10 to the unaudited standalone financial results, the company has recognized deferred tax assets on unabsorbed depreciation and business losses as the management is confident about its realizability.

Our opinion is not modified in respect of these above matters.

Due to restrictions, imposed by the Government, to restrict the spread of COVID-19 and health risks involved the audit finalization process, for the period under report, was carried out from remote locations i.e. other than the office of the Company, based on the data/ details made available and based on financial information/records remitted by the management through digital medium. Our report is not modified in respect of this matter.

Based on our review conducted as above, we report that, nothing has come to our attention that causes us to believe that the Statement read with notes thereon, prepared in accordance with aforesaid Indian Accounting Standards and other recognized accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For A. C. Bhuteria & Co.**

**Chartered Accountants**

Firm Registration No.: 303105E

*Mohit Bhuteria*

**CA MOHIT BHUTERIA**

Partner

Membership No.: **056832**

UDIN: 20056832AAAADD4997



Place: Kolkata

Date: 15<sup>th</sup> September, 2020

**NARAYANI STEELS LIMITED**

(CIN: L27109WB1996PLC082021)

Registered office : 23A, N.S.Road 7th Floor, Kolkata - 700001

**STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE, 2020**

(Rs. In Lakhs)					
SL. NO.	PARTICULARS	3 Months ended (30-06-2020)	Preceding 3 Months ended (31-03-2020)	Corresponding 3 Months ended in the Previous year (30-06-2019)	Year Ended (31-03-2020)
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
I	Revenue from operations	1,836.72	3,600.81	16,352.32	35,852.02
II	Other income	118.57	97.86	84.46	384.26
III	<b>Total Revenue (I + II)</b>	<b>1,955.29</b>	<b>3,698.68</b>	<b>16,436.78</b>	<b>36,236.28</b>
IV	<b>EXPENSES:</b>				
	Cost of Materials Consumed	1,147.46	927.03	2,018.86	5,954.43
	Purchase of Traded Goods	145.24	1,948.91	13,685.69	28,050.54
	Changes in Inventories of Finished & Traded Goods	200.18	877.38	(586.10)	293.65
	Impairment loss allowance	-	56.73	-	56.73
	Employee benefits expenses	110.10	131.23	116.58	502.90
	Finance Costs	871.27	685.13	425.27	2,305.80
	Depreciation and amortisation expenses	36.74	53.78	35.58	166.64
	Other expenses	179.73	1,953.07	646.70	3,710.85
	<b>Total Expenses (IV)</b>	<b>2,690.71</b>	<b>6,633.28</b>	<b>16,342.58</b>	<b>41,041.54</b>
V	<b>PROFIT BEFORE PRIOR PERIOD ITEMS, EXCEPTIONAL ITEMS AND TAX (III-IV)</b>	<b>(735.42)</b>	<b>(2,934.60)</b>	<b>94.20</b>	<b>(4,805.26)</b>
VI	Prior period items before tax	-	-	(0.11)	-
VII	Exceptional Item	-	-	-	-
VIII	<b>PROFIT BEFORE TAX (V-VI-VII)</b>	<b>(735.42)</b>	<b>(2,934.60)</b>	<b>94.31</b>	<b>(4,805.26)</b>
IX	Tax Expenses				
	Current Tax	-	-	38.28	-
	Earlier Year Tax	-	0.58	-	4.60
	Deferred Tax	(242.64)	(1,029.26)	0.20	(1,678.34)
	<b>Net Tax Expense</b>	<b>(242.64)</b>	<b>(1,028.68)</b>	<b>38.49</b>	<b>(1,673.74)</b>
X	<b>Profit for the period / year (VIII-IX)</b>	<b>(492.78)</b>	<b>(1,905.92)</b>	<b>55.82</b>	<b>(3,131.52)</b>
	Other Comprehensive Income (net of tax)				
	Items that will not be reclassified to profit or loss	0.02	(1.87)	(0.19)	(2.49)
	Items that will be reclassified to profit or loss	-	-	-	-
XI	<b>Total Other Comprehensive Income for the period / year (net of tax)</b>	<b>0.02</b>	<b>(1.87)</b>	<b>(0.19)</b>	<b>(2.49)</b>
XII	<b>PROFIT FOR THE PERIOD (X+XI)</b>	<b>(492.76)</b>	<b>(1,907.79)</b>	<b>55.63</b>	<b>(3,134.01)</b>
	Paid up equity share capital (in lakhs) (Face Value of Share - Rs 10/- per share)	1,090.90	1,090.90	1,090.90	1,090.90
	Other Equity (excluding Revaluation Reserves)	-	-	-	(6.13)
	<b>Earnings Per Equity Share of Rs. 10/- each Basic &amp; Diluted (in Rs.)</b>	<b>(4.52)</b>	<b>(17.49)</b>	<b>0.51</b>	<b>(28.71)</b>
	See accompanying notes to the financial results				

For and on behalf of the Board of Directors of Narayani Steels Limited

Place of Signature: Visakhapatnam

Dated: The 15th day of September, 2020

SUNIL CHOUDHARY  
Managing Director  
DIN:00289479

ANKIT GUPTA  
Director & Chief Financial Officer  
DIN:08415248



Notes to the Unaudited Standalone Financial Results:

- 1 The financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The Company adopted Ind AS from 1st April, 2018, accordingly these financial results along with the comparatives have been prepared in accordance with the recognition and measurement principles stated therein, prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.
- 2 The above unaudited standalone financial results for the quarter ended June 30, 2020 were reviewed by the Audit Committee and approved at the meeting of the Board of Directors of the Company held on 15th September, 2020. The statutory auditors have carried out limited review on the above standalone financial results for the quarter ended June 30, 2020 and have expressed an unmodified opinion on the aforesaid results.
- 3 The Company has adopted Ind AS 116 "Leases" which is mandatory for the reporting periods beginning on or after 1st April, 2019 and applied the Standard to all lease contracts existing on the date of initial application i.e. 1st April, 2019. The Company has used the modified retrospective approach for transitioning to Ind AS 116 with right-of-use asset measured as if Ind AS 116 has been applied since the commencement date of the contract. Accordingly, the comparatives for the earlier periods have not been restated.
- 4 Impact of COVID-19 pandemic has been rapidly spreading throughout the world, including India. Government in India has taken significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities. Consequently, Company's manufacturing plants and offices had to be closed down for a considerable period of time during the Quarter ended June 30, 2020. As a result of the lockdown, the likely revenue from the month of April - June, 2020 has been impacted. Consequently, the results of this quarter are not comparable with the results of the preceding quarter or corresponding quarter in the previous financial year. Continued lockdowns are likely to impact the Company operationally including on supply chain matters. The Company is monitoring the situation closely taking into account directives from the Governments. Management believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic and the resultant lockdowns in the preparation of the financial statements including but not limited to its assessment of Group's liquidity and going concern, recoverable values of its property, plant and equipment, intangible assets and the realisable values of other assets. However, given the effect of these lockdowns on the overall economic activity and in particular on the iron and steel related items industry, the impact assessment of COVID-19 on the above mentioned financial statement captions is subject to significant estimation uncertainties given its nature and duration and, accordingly, the actual impacts in future may be different from those estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions and consequential impact on its financial results.
- 5 One of major lender bank, Union Bank of India has issued notice dated 24th August 2020 u/s 13(2) of the Sarfaesi Act of 2002 and sought to realise the entire outstanding amounts alleged to be Rs. 174.17 crores owing to them by the company. The Company is initiating the process of negotiation with Bankers for restructuring the credit facilities.
- 6 The Bank facilities have been classified as Non-Performing Assets by various Banks and they are not charging interest or have reversed the interest earlier charged. However, in order to account all probable liabilities, the management in its best judgment has provided interest on such borrowings.
- 7 In the absence of statements, book balances in respect of some of the banks have been considered for the purpose of preparation of these financials.
- 8 The Company is principally engaged in a single business segment of Manufacturing and Trading of Iron & Steel and its related products, accordingly there is no separate reportable segment as per Ind AS - 108 "Operating Segment".
- 9 The Company has been following up with its customers & vendors seeking confirmation of balances as on 30th June 2020. However, in most of the cases, the company did not receive the letter of confirmations from the parties. However, the management is following up with the parties for the letters of confirmations and in any case the management is hopeful that there would not be significant variation on account of non-receipt of such letters of confirmations.
- 10 The Company has recognised Deferred Tax Assets on unabsorbed depreciation and business losses as the management is confident about its realisability.
- 11 The figures for the quarter ended March 31, 2020 as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published unaudited year to date figures up to the end of the third quarter of the relevant financial year.
- 12 Previous period/ year figures have been re-grouped/ rearranged, wherever necessary.

For and on behalf of the Board of Directors of Narayani Steels Limited

Place: Visakhapatnam  
Date: The 15th day of September, 2020

SUNIL CHOUDHARY  
Managing Director  
DIN: 00289479

  
ANKIT GUPTA  
Director & CFO  
DIN: 08415248







**Independent Auditor's Report on Unaudited consolidated quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended.**

**Review Report to  
The Board of Directors  
Narayani Steels Limited**

We have reviewed the accompanying statement of unaudited consolidated financial results of **Narayani Steels Limited** ("the Company") and its share of the net loss after tax and total comprehensive income of its associate company for the quarter ended June 30, 2020 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the 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 Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

We conducted our review in accordance with the **Standard on Review Engagement (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 statement is 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. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

#### **Emphasis of Matter**

##### **We draw attention to the following matters -**

1. As stated in Note 4 to the unaudited consolidated financial results which explains the uncertainties and the management's assessment of the financial impact due to the COVID-19 pandemic situation and consequential restrictions, for which a definitive assessment of the



impact in the subsequent period is highly dependent upon future developments. The pandemic has caused significant accounting and auditing challenges.

2. As stated in Note 6 to the unaudited consolidated financial results, the Bankers have classified its advance to company as NPA and are not charging interest or have reversed the interest earlier charged. In order to account all probable liabilities, the management in its best judgment has provided interest on such borrowings.
3. As stated in Note 9 to the unaudited consolidated financial results, the company and its associate have not been able to obtain account confirmations in respect of trade receivables as at June 30, 2020. In the absence of confirmation, any provision to be made for adverse variation in the carrying amounts of trade receivable is not quantified. The management, however, is confident that on confirmation / reconciliation, there will not be any material impact on the state of affairs as stated in the said Note.
4. As stated in Note 10 to the unaudited consolidated financial results, the company has recognized deferred tax assets on unabsorbed depreciation and business losses as the management is confident about its realizability.

Our opinion is not modified in respect of these above matters.

#### **In the Audit Report of the Associate Company- Hari Equipments Private Limited**

1. As stated in the unaudited consolidated financial results which explains the uncertainties and the management's assessment of the financial impact due to the COVID-19 pandemic situation and consequential restrictions, for which a definitive assessment of the impact in the subsequent period is highly dependent upon future developments. The pandemic has caused significant accounting and auditing challenges.
2. As stated in the unaudited consolidated financial results, the Bankers have classified its advance to company as NPA and are not charging interest or have reversed the interest earlier charged. In order to account all probable liabilities, the management in its best judgment has provided interest on such borrowings.
3. As stated in the unaudited consolidated financial results, the company has not been able to obtain account confirmations in respect of trade receivables as at June 30, 2020. In the absence of confirmation, any provision to be made for adverse variation in the carrying amounts of trade receivable is not quantified. The management, however, is confident that on confirmation / reconciliation, there will not be any material impact on the state of affairs.
4. As stated in the unaudited consolidated financial results, the accounts of the company have been prepared on 'going concern' basis in spite of substantial losses and complete erosion of the net worth of the company. The continuation of the operations is dependent upon raising additional finance. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.



Our opinion is not modified in respect of these above matters.

The Statement includes Results of the following entity:

- i. Hari Equipments Private Limited

Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred below, nothing has come to our attention that causes us to believe that the accompanying Statement, 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, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

The consolidated unaudited financial results also include the company's share of net loss after tax (and total comprehensive income) of Rs. Nil for the quarter ended 30<sup>th</sup> June 2020, in respect of an associate, whose financial results have not been reviewed by us. The unaudited financial statements of such associate have been reviewed by other auditor whose report has been furnished to us, and our opinion on the consolidated unaudited financial results for the quarter ended 30<sup>th</sup> June, 2020, to the extent they have been derived from such unaudited financial statements is based solely on the report of such other auditor.

The unaudited consolidated quarterly financial results include the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

Due to restrictions, imposed by the Government, to restrict the spread of COVID-19 and health risks involved the audit finalization process, for the quarter under report, was carried out from remote locations i.e. other than the office of the Company, based on the data/ details made available and based on financial information/records remitted by the management through digital medium.

Our opinion on the consolidated quarter ended 30<sup>th</sup> June, 2020 results is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

**For A. C. Bhuteria & Co.**

Chartered Accountants

Firm Registration No.: 303105E

*Mohit Bhuteria*

**CA MOHIT BHUTERIA**

Partner

Membership No.: **056832**

UDIN: 20056832AAAADG6964



Place: Kolkata

Date: 15<sup>th</sup> September, 2020



**NARAYANI STEELS LIMITED**

(CIN: L27109WB1996PLC082021)

Registered office : 23A, N.S.Road 7th Floor, Kolkata - 700001

**STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE, 2020**

SL. NO.	PARTICULARS	(Rs. in Lakhs)			
		3 Months ended (30-06-2020)	Preceding 3 Months ended (31-03-2020)	Corresponding 3 Months ended in the Previous year (30-06-2019)	Year Ended (31-03-2020)
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
I	Revenue from operations				
II	Other income	1,836.72	3,600.81	16,352.32	35,852.02
III	<b>Total Revenue (I + II)</b>	<b>1,955.29</b>	<b>3,698.67</b>	<b>16,436.78</b>	<b>36,236.28</b>
IV	<b>EXPENSES:</b>				
	Cost of Materials Consumed	1,147.46	927.03	2,018.86	5,954.43
	Purchase of Traded Goods	145.24	1,948.91	13,685.69	28,050.54
	Changes in Inventories of Finished & Traded Goods	200.18	877.38	(586.10)	293.65
	Employee benefits expenses	110.10	131.23	116.58	502.90
	Finance Costs	871.27	685.13	425.27	2,305.80
	Depreciation and amortisation expenses	36.74	53.78	35.58	166.64
	Other expenses	179.73	1,953.07	646.70	3,710.85
	<b>Total Expenses (IV)</b>	<b>2,690.71</b>	<b>6,576.54</b>	<b>16,342.58</b>	<b>40,984.80</b>
V	<b>PROFIT BEFORE PRIOR PERIOD ITEMS, EXCEPTIONAL ITEMS AND TAX (III-IV)</b>	<b>(735.42)</b>	<b>(2,877.87)</b>	<b>94.20</b>	<b>(4,748.52)</b>
VI	Prior period items before tax	-	-	(0.11)	-
VII	Exceptional Item	-	-	-	-
VIII	<b>PROFIT BEFORE TAX (V-VI-VII)</b>	<b>(735.42)</b>	<b>(2,877.87)</b>	<b>94.31</b>	<b>(4,748.52)</b>
IX	Tax Expenses				
	Current Tax	-	-	38.28	-
	Earlier Year Tax	-	0.58	-	4.60
	Deferred Tax	(242.64)	(1,029.26)	0.20	(1,678.34)
	<b>Net Tax Expense</b>	<b>(242.64)</b>	<b>(1,028.68)</b>	<b>38.49</b>	<b>(1,673.74)</b>
X	<b>Profit for the period / year (VIII-IX)</b>	<b>(492.78)</b>	<b>(1,849.19)</b>	<b>55.82</b>	<b>(3,074.79)</b>
	Other Comprehensive Income (net of tax)				
	Items that will not be reclassified to profit or loss	0.02	(1.87)	(0.19)	(2.49)
	Items that will be reclassified to profit or loss	-	-	-	-
XI	<b>Total Other Comprehensive Income for the period / year (net of tax)</b>	<b>0.02</b>	<b>(1.87)</b>	<b>(0.19)</b>	<b>(2.49)</b>
XII	Share of profit / (loss) of Associate (net of tax)	-	(68.09)	(46.42)	(124.82)
XIII	<b>PROFIT FOR THE PERIOD (X+XI)</b>	<b>(492.76)</b>	<b>(1,919.15)</b>	<b>9.21</b>	<b>(3,202.10)</b>
	Paid up equity share capital (in lakhs) (Face Value of Share - Rs 10/- per share)	1,090.90	1,090.90	1,090.90	1,090.90
	Other Equity (excluding Revaluation Reserves)	-	-	-	(6.13)
	Earnings Per Equity Share of Rs. 10/- each Basic & Diluted (in Rs.)	(4.52)	(17.59)	0.08	(29.35)
	See accompanying notes to the financial results				

For and on behalf of the Board of Directors of Narayani Steels Limited

Place of Signature: Visakhapatnam  
Dated: The 15th day of September, 2020

*(Signature)*  
SUNIL CHOUDHARY  
Managing Director  
DIN:00289479

*(Signature)*  
ANKIT GUPTA  
Director & Chief Financial Officer  
DIN:08415248



Notes to the Unaudited Consolidated Financial Results:

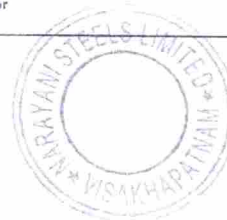
- 1 The financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The Company adopted Ind AS from 1st April, 2018, accordingly these financial results along with the comparatives have been prepared in accordance with the recognition and measurement principles stated therein, prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.
- 2 The above unaudited consolidated financial results for the quarter ended June 30, 2020 were reviewed by the Audit Committee and approved at the meeting of the Board of Directors of the Company held on 15th September, 2020. The statutory auditors have carried out limited review on the above unaudited consolidated financial results for the quarter ended June 30, 2020 and have expressed an unmodified opinion on the aforesaid results.
- 3 The Company has adopted Ind AS 116 "Leases" which is mandatory for the reporting periods beginning on or after 1st April, 2019 and applied the Standard to all lease contracts existing on the date of initial application i.e. 1st April, 2019. The Company has used the modified retrospective approach for transitioning to Ind AS 116 with right-of-use asset measured as if Ind AS 116 has been applied since the commencement date of the contract. Accordingly, the comparatives for the earlier periods have not been restated.
- 4 Impact of COVID-19 pandemic has been rapidly spreading throughout the world, including India. Government in India has taken significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities. Consequently, Company's manufacturing plants and offices had to be closed down for a considerable period of time during the Quarter ended June 30, 2020. As a result of the lockdown, the likely revenue from the month of April - June, 2020 has been impacted. Consequently, the results of this quarter are not comparable with the results of the preceding quarter or corresponding quarter in the previous financial year. Continued lockdowns are likely to impact the Company operationally including on supply chain matters. The Company is monitoring the situation closely taking into account directives from the Governments. Management believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic and the resultant lockdowns in the preparation of the financial statements including but not limited to its assessment of Group's liquidity and going concern, recoverable values of its property, plant and equipment, intangible assets and the realisable values of other assets. However, given the effect of these lockdowns on the overall economic activity and in particular on the iron and steel related items industry, the impact assessment of COVID-19 on the above mentioned financial statement captions is subject to significant estimation uncertainties given its nature and duration and, accordingly, the actual impacts in future may be different from those estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions and consequential impact on its financial results.
- 5 One of major lender bank, Union Bank of India has issued notice dated 24th August 2020 u/s 13(2) of the Sarfaesi Act of 2002 and sought to realise the entire outstanding amounts alleged to be Rs. 174.17 crores owing to them by the company. The Company is initiating the process of negotiation with Bankers for restructuring the credit facilities.
- 6 The Bank facilities have been classified as Non-Performing Assets by various Banks and they are not charging interest or have reversed the interest earlier charged. However, in order to account all probable liabilities, the management in its best judgment has provided interest on such borrowings.
- 7 In the absence of statements, book balances in respect of some of the banks have been considered for the purpose of preparation of these financials.
- 8 The Company is principally engaged in a single business segment of Manufacturing and Trading of Iron & Steel and its related products, accordingly there is no separate reportable segment as per Ind AS - 108 "Operating Segment".
- 9 The Company and its associate have been following up with its customers & vendors seeking confirmation of balances as on 30th June 2020. However, in most of the cases, the company or its associate did not receive the letter of confirmations from the parties. However, the management is following up with the parties for the letters of confirmations and in any case the management is hopeful that there would not be significant variation on account of non-receipt of such letters of confirmations.
- 10 The unaudited consolidated quarterly financial statements are prepared in accordance with the principles and procedures for the preparation and presentation of Consolidated Accounts as set out in Ind AS 110 "Consolidated Financial Statements", notified by Ministry of Corporate Affairs. The unaudited consolidated quarterly financial statements of the Company "Narayani Steels Limited", include its associate namely 'Hari Equipments Private Limited' combined as per Equity Method under Ind AS. The consolidated financial statements are prepared applying uniform accounting policies on all material items.
- 11 The associate of the company has suffered substantial losses in the previous financial figure as well in the quarter ended June 30, 2020 and has resulted in complete erosion of the net worth of the associate. The company, however, has prepared the accounts of the associate on a 'going concern' basis as the management is hopeful that the disruption in the operations of the associate is mainly on account of paucity of finance and they are exploring options to raise additional finance to revive the operations.
- 12 The figures for the quarter ended March 31, 2020 as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published unaudited year to date figures up to the end of the third quarter of the relevant financial year.
- 13 Previous period/ year figures have been re-grouped/ rearranged, wherever necessary.

For and on behalf of the Board of Directors of Narayani Steels Limited

SUNIL CHOUDHARY  
Managing Director  
DIN: 00289479

ANKIT GUPTA  
Director & CFO  
DIN: 08415248

Place: Visakhapatnam  
Date: The 15th day of September, 2020





**A. C. BHUTERIA & CO.**  
**CHARTERED ACCOUNTANTS**

Dated: September 15, 2020

The Board of Directors,  
Narayani Steels Limited,  
23A, N.S.Road,  
7<sup>th</sup> Floor, Room No. - 31,  
Kolkata – 700 001

Dear Sir,

This is further to our communication dated August 12, 2020 regarding our intention to resign as auditors of Narayani Steels Limited. Accordingly, and in terms of the requirements SEBI's circular CIR/CFD/CMD1/114/2019 dated October 18, 2019, we hereby express our inability to continue as the statutory auditors of Narayani Steels Limited effective today, upon issuing our review reports on the standalone and consolidated financial results for the quarter ended June 30, 2020 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

We take this opportunity to reiterate our appreciation for the courtesies and co-operation extended to us by your organization.

Should you require any assistance in the future, please feel free to contact us.

Yours faithfully,

For A. C. Bhuteria & Co.

Chartered Accountants

Firm Registration Number: 303105E

  
Mohit Bhuteria

(Partner)

Membership No – 056832



**Annexure: Our letter dated August 12, 2020 informing our intention to resign as auditors.**



**Information from the Statutory Auditors upon resignation**

Particulars	Remarks
1. Name of the listed entity/ material subsidiary	Narayani Steels Limited
2. Details of the Statutory Auditor a. Name b. Address c. Phone Number d. E-mail	M/s A.C. Bhuteria & Co. 2, India Exchange Place, 2 <sup>nd</sup> Floor, Room No. 10, Kolkata – 700 001 033 2230-6990 <a href="mailto:info@acbhuteria.com">info@acbhuteria.com</a>
3. Details of association with the listed entity/material subsidiary  a. Date on which the Statutory Auditor was appointed  b. Date on which the term of the Statutory Auditor was scheduled to expire  c. Prior to resignation, the latest audit report / limited review report submitted by the auditor and date of its submission	  a. The Statutory Auditors were appointed in the Annual General Meeting held on 25th September, 2018 for a period of 4. years  b. Till the end of the 27th Annual General Meeting scheduled in the year2022  c. Limited review report for the quarter ended June 30, 2020 for which the report was issued on 15th September, 2020
4. Detailed reasons for resignation	In view of the COVID-19 Pandemic and difficulty in conducting the statutory audit from a remote location, the auditors wish to discontinue as statutory auditors of the entity.
5. In case of any concerns, efforts made	Not applicable



<p>by the auditor prior to resignation (including approaching the Audit Committee/Board of Directors along with the date of communication made to the Audit Committee/Board of Directors)</p>	
<p>6. In case the information requested by the auditor was not provided, then following shall be disclosed:</p> <p>a. Whether the inability to obtain sufficient appropriate audit evidence was due to a management-imposed limitation or circumstances beyond the control of the management.</p> <p>b. Whether the lack of information would have significant impact on the financial statements/results.</p> <p>c. Whether the auditor has performed alternative procedures to obtain appropriate evidence for the purposes of audit/limited review as laid down in SA 705 (Revised)</p> <p>d. Whether the lack of information was prevalent in the previous reported financial statements/results. If yes, on what basis the previous audit/limited review reports were issued.</p>	<p>Not Applicable</p>
<p>7. Any other facts relevant to the resignation</p>	<p>None</p>





**A. C. BHUTERIA & CO.**  
**CHARTERED ACCOUNTANTS**

Dated: 12.08.2020

The Board of Directors,  
Narayani Steels Limited,  
23A, N.S Road,  
7<sup>th</sup> Floor, Room No. 31,  
Kolkata - 700 001

Dear Sir,

**Subject: Intention to resign as auditors**

In view of the COVID-19 Pandemic, it has been extremely difficult for us to travel to Vishakapatnam and conduct the statutory audit in accordance with Regulatory Requirements and therefore we will not be able to continue as auditors.

Accordingly, and having regard to the Circular CIR/CFD/CMD1/114/2019 dated October 18, 2019 issued by the Securities and Exchange Board of India, and in terms of our engagement letter dated September 27, 2018, we hereby communicate our intent to resign as auditors of Narayani Steels Limited. In terms of the requirements of the aforementioned Circular, we will issue our limited review report on the standalone and consolidated financial results of Narayani Steels Limited for the quarter ended June 30, 2020 and our resignation will be effective upon our issuing such review reports on Narayani Steels Limited's results for the quarter ending June 30, 2020

We thank you for the courtesies and the support extended to us during our tenure as auditors.

For A. C. Bhuteria & Co  
Chartered Accountants  
Firm Registration Number: 303105E

*Mohit Bhuteria*

Mohit Bhuteria  
(Partner)  
Membership No - 056832

