

NARAYANI STEELS LIMITED

(CIN: L27109WB1996PLC082021)

Kolkata

ANNUAL REPORT FOR 2020-21

26th Annual General Meeting

On Thursday, the 30th day of September, 2021 at 03.00 P.M
at IST through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM"),

Registered Office:

23A, N.S. Road, 7th Floor,
Room No-31, Kolkata-700001,
West Bengal, India

|NARAYANI STEELS LIMITED|

|ANNUAL REPORT 2020-21|

PARTICULARS

1. NOTICE OF AGM.
2. NOTES
3. EXPLANATORY STATEMENTS.
4. ANNEXURE FOR E-VOTING PROCEDURE.
5. DIRECTOR'S REPORT.
6. CORPORATE GOVERNANCE REPORT (Annexure-1)
7. EXTRACT OF ANNUAL RETURN (Annexure-2)
8. FORM NO.AOC-I (Annexure-3)
9. SECRETARIAL AUDIT REPORT (Annexure-4)
10. POLICY ON APPOINTMENT AND PAYMENT OF REMUNERATION OF DIRECTORS(Annexure-5)

|NARAYANI STEELS LIMITED|

|ANNUAL REPORT 2020-21|

The Board of Directors:

- | | |
|--------------------------------|--------------------------------|
| 1. Sri Sunil Choudhary | Chairman cum Managing Director |
| 2. Smt Swarnalath Mandaleeka | Non-Executive Director. |
| 3. Sri Ankit Gupta | Wholetime Director and CFO. |
| 4. Sri Krishnamacharyulu Eunny | Independent Director. |
| 5. Sri Prakash Kumar Thakur. | Independent Director. |
| 6. Sri Rabi Kumar Gupta | Independent Director. |

Resolution Professional

Krishna Komaravolu
IP Registration no. IBBI/IPA-002/IP-
N00562/2017-18/11699

Statutory Auditors:

M/s. Ramamoorthy (N) & Co..
Chartered Accountants
Visakhapatnam.

Bankers:

Union Bank of India.

Secretarial Auditors:

ASN Associates
Company Secretaries
D. No 9-29-19/A, Flat No.201, Level-2,
Waltair Heights,
Balaji Nagar, Siripuram, Visakhapatnam, -
530003. Andhra Pradesh

Registrar and Share Transfer Agent:

Bigshare Services Private limited.
1st Floor, Bharat tin Works Building,
Opp. vasant Oasis, Makwana Road,
Marol, Andheri East,
Mumbai-400059,
Maharashtra

Registered Office:

23A, N.S. Road, 7th Floor,
Room-31
Kolkata
West Bengal
India
700001

Corporate Office:

Sy No.202/30-34 and 38/Part,
Modavalasa Village,
Denkada Mandal,
Vizianagaram 535004

**Company Secretary and
Compliance Officer:**

CS. Arun Kumar Meher

COMPOSITION OF BOARD OF COMMITTEES

AUDIT COMMITTEE:	STAKE HOLDER'S RELATIONSHIP COMMITTEE:
1. Eunny Krishnamacharyulu- Chairman 2. Prakash Kumar Thakur -Member 3. Rabi Kumar Gupta- Member	1. Rabi Kumar Gupta -Chairman 2. Prakash Kumar Thakur - Member 3. Eunny Krishnamacharyulu - Member
NOMINATION AND REMUNERATION COMMITTEE:	
1. Eunny Krishnamacharyulu-Chairman 2. Prakash Kumar Thakur - Member 3. Rabi Kumar Gupta -Member	

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given to all the Members that the 26th Annual General Meeting of the Members of M/s. Narayani Steels Limited will be held on Thursday, the 30th of September, 2021 at 03.00 P.M. IST through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”), to transact the following business:

Narayani Steels Limited is under Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016. Its affairs, business and assets are being managed by the Resolution Professional, Mr. **Krishna Komaravolu, IP Registration no. IBBI/IPA-002/IP-N00562/2017-18/11699**, appointed as Interim Resolution Professional by the National Company Law Tribunal by order dated 24th March, 2021 and continued as Resolution Professional by the Committee of Creditors in its meeting held on 23 April, 2021 under provisions of the code.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) consisting of the Statement of Profit & Loss for the period ending 31st March, 2021, Cash Flow Statement for the period ended 31st March, 2021 and the Balance Sheet of the Company as on that date, Schedules and Notes thereon together with the Directors’ Report, Independent Auditors’ Report and Secretarial Auditors’ Report thereon.
2. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution

“RESOLVED THAT pursuant to the provisions of Section 139(8) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time M/s M/s. Ramamoorthy (N) & Co. Chartered Accountants, Visakhapatnam (FRN:002899S) be and are hereby appointed as Statutory Auditors of the Company to conduct the statutory audit for a period of Five years commencing from the conclusion of this Annual General Meeting till the conclusion of the Thirty First Annual General Meeting of the Company to be held for the Financial Year 2025-26 at such remuneration as may be mutually agreed upon between the Board of Directors/Resolution Professional of the Company and the Auditors plus out of pocket expenses and applicable GST, if any.

SPECIAL BUSINESS:

3. **RATIFICATION AND PAYMENT TO M/S. A.S. RAO & CO., COST AUDITORS OF THE COMPANY.**

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) read with Companies (Audit and Auditors) Rules, 2014, (including any Statutory modification (s) or re-enactment thereof, for the time being in force), M/s. A. S. Rao & Co., Cost Accountants, Hyderabad to conduct the audit of cost records of the Company for the Financial Year ending 31st March, 2022, be paid a

remuneration as determined between Board of Directors/Resolution Professional and Cost Auditor as deemed fit in connection with the aforesaid audit;

RESOLVED FURTHER THAT the Board/Resolution Professional be and hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

For Narayani Steels Limited
(A Company under Corporate Insolvency
Resolution Process)

Registered Office:
23A,N.S.Road,7thfloor,Room No.31,Kolkata
West Bengal,India.
Place: Vizanagaram.
Date: 03.09.2021

(Sunil Choudhary)
Managing Director
DIN: 00289479

NOTES:

1. In view of second wave of COVID-19 pandemic, social distancing norms and restrictions on movement of persons at several places in the country and pursuant to General Circular Nos. 14/2020, 17/2020, 20/2020 and 02/2021 dated April 8, 2020, April 13, 2020, May 5, 2020 and January 13, 2021, respectively issued by the Ministry of Corporate Affairs ('MCA') (collectively referred to as 'MCA Circulars') and Circular Nos. SEBI/HO/CFD/ CMD1/CIR/ P/2020/79 and SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated May 12, 2020 and January 15, 2021, respectively issued by the Securities and Exchange Board of India (collectively referred to as 'SEBI Circulars'), holding of the Annual General Meeting ('AGM') through VC/OAVM, without the physical presence of the Members, is permitted. In compliance with the provisions of the Companies Act, 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations'), MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC/ OAVM which does not require physical presence of members at a common venue. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.
2. The relative Explanatory Statements, pursuant to Section 102 of the Act, in respect of the Special Business set out under Items No. 3 of the accompanying Notice are annexed hereto.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with in line with the MCA Circulars and the SEBI Circulars. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) ("Body Corporates") are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorisation etc., authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-Voting. The said Resolution/Authorisation shall be sent to the Scrutiniser by e-mail through its registered e-mail address at canagrawal2015@gmail.com

5. The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date of Thursday, 23rd September, 2021.
6. Since the AGM will be held through VC / OAVM, the Route Map of the AGM venue is not annexed to this Notice
7. In compliance with the aforesaid MCA and SEBI Circulars, the Notice of the AGM along with the Annual Report 2020- 21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice calling AGM along with the explanatory statement and Annual Report 2020-21 are available on the website of the Company at www.narayanisteels.co.in , on the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com, respectively, and on the website of Central Depository Services (India) Limited (CDSL) (the Authorised agency for providing voting through electronic means and AGM through VC/OAVM). For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL. Company's web-link on the above will also be provided in advertisement being published in Indian Express (English Language - All India edition) and Aaj Kal (Bengali Language).
8. The Members can join the AGM through VC / OAVM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through electronic mode will be made available for 1000 members on first come first served basis. It may be noted that the large Shareholders (i.e. Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, Auditors are allowed to attend the AGM without restriction on account of first come first served basis.
9. Members attending the AGM through VC/OVAM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
10. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at narayanisteelsvizag@gmail.com from Thursday, 23rd September, 2021 (9:00 a.m. IST) to Sunday 26th September, 2021 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
11. Member may also send their query in writing through narayanisteelsvizag@gmail.com on or before Sunday, 26th September, 2021, which would be replied by the Chairman at the time of the meeting. For this purpose, it would not be necessary to register as speaker.
12. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before Thursday, 23rd September, 2021 through email on narayanisteelsvizag@gmail.com The same will be replied by the Company suitably.

13. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, 24th September, 2021 to Thursday, 30th September, 2021 (both days inclusive).
14. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company Secretary or Bigshare Services Private Limited Company's Registrar and Share Transfer Agents ("RTA") for assistance in this regard.
15. Members are requested to note that SEBI, vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/166 dated 7th September, 2020, has fixed 31st March, 2021 as the cutoff date for re-lodgment of physical share transfer requests and has stipulated that such transferred shares shall be issued only in demat mode
16. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant ('DP') and holdings should be verified from time to time.
17. As per the provision of Section 72 of the Act, facility for making nomination(s) is available to Individuals holding shares in the Company. Members holding shares in single name are advised to make a nomination in respect of their shareholding in the Company. Members holding shares in physical form should file their nomination with the Company or RTA, whilst those Members holding shares in demat mode should file their nomination with their Depository Participant. The nomination form can be downloaded from the Company's website www.narayanisteels.co.in or can be obtained by writing mail to the narayanisteelsvizag@gmail.com
18. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Company's RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
19. In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
20. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form.
21. Members may please note that SEBI has made PAN as the sole identification number for all participants transacting in the securities market, irrespective of the amount of such transactions. Members may please note that SEBI has also made it mandatory for submission of PAN in the following cases: a. Deletion of name of the deceased shareholder(s); b. Transmission of shares to the legal heir(s); and c. Transposition of shares.

22. Members seeking any information with regard to the Accounts or any matter to be placed at the AGM, Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Act and relevant documents referred to in the accompanying Notice and in the Explanatory Statement are requested to write to the Company on or before Thursday, 23rd September, 2021 through e-mail on narayanisteelsvizag@gmail.com. The same will be replied by the Company suitably. During 26th AGM, Members may also access the scanned copy of above Registers, upon Log-in to CDSL e-Voting system at www.evotingindia.com
23. The Board of Directors has appointed N. Agrawal & Associates, Practicing Chartered Accountants, as scrutinizer to scrutinize the voting at the meeting and remoter e-voting process in a fair and transparent manner.

CDSL e-Voting System – For Remote e-voting and e-voting during AGM/EGM

01. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held through through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
02. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.
03. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
04. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
05. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.

06. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at www.narayanisteels.co.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com
07. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
08. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.

THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM/EGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

- (i) The voting period begins on Monday 9.00 am 27th day of September, 2021 and ends on 05 pm Wednesday the 29th day of September,2021. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Thursday the 23rd September, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<p>1.Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>2.After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3.If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4.Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with NSDL	<p>1.If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2.If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3.Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e.</p>

	your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4) Next enter the Image Verification as displayed and Click on Login.

5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none">If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(vi) After entering these details appropriately, click on “SUBMIT” tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xv) Facility for Non – Individual Shareholders and Custodians –Remote Voting

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; narayanisteelsvizag@gmail.com (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013:

REGARDING ITEM NO.3:

RATIFICATION AND PAYMENT OF REMUNERATION TO M/S. A.S. RAO & CO., COST AUDITORS OF THE COMPANY:

The Board/Resolution Professional, on the recommendation of the Audit Committee, has appointed M/s. A. S. Rao & Co., Cost Accountants, Hyderabad as Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2021-22 at the remuneration not exceeding Rs.1 Lakhs per annum.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 3 of the Notice.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.3 of the Notice.

The Board/Resolution Professional recommends passing of the resolution as set out at Item No. 3 of the Notice as an Ordinary Resolution.

For Narayani Steels Limited
(A Company under Corporate Insolvency
Resolution Professional)

Registered Office:
23A,N.S.Road, 7th floor, Room No.31,Kolkata
West Bengal, India.

(Sunil Choudhary)
Managing Director
DIN:00289479

Place: Vizanagarm.
Date: 03.09.2021.

DIRECTOR'S REPORT

To,
The Members,
Narayani Steels Limited.

A Corporate Insolvency Resolution Process has been initiated against Narayani Steels Limited (the Company) vide an order Kolkata Bench of National Company Law Tribunal (NCLT) dated 24th March, 2021 under the provision of the Insolvency and Bankruptcy Code, 2016. The honorable NCLT, Kolkata bench order dated 24.03.2021 has appointed Mr. **Krishna Komaravolu, IP Registration no. IBBI/IPA-002/IP-N00562/2017-18/11699**, as Interim Resolution Professional ('IRP') for carry out the Corporate Insolvency Resolution Process (CIRP) of the Company. At 1st Meeting of Committee of Creditors of the Company held on 23 April, 2021 his appointment was confirmed as Resolution Professional.

In terms of Section 17 of the Code, on commencement of the Corporate Insolvency Resolution Process (CIRP), the powers of the Board of Directors of Narayani Steels Limited stands suspended and the same are being exercised by the Resolution Professional. The management of the affairs of Narayani Steels Limited has been vested with Resolution Professional. In View of the abovementioned provisions of Law since the Powers of Board of Directors stands Suspended and be exercised by the Interim Resolution Professional, the Directors Report which is required to be presented by Board of Directors under Section 134(3) Companies Act, 2013 is not being presented. However a report of Management containing the Details and information as available to be disclosed in Directors Report to the shareholders is being presented to you by Resolution Professional.

1. FINANCIAL SUMMARY OF THE COMPANY:

(Rs. in Amount)

Particulars	Standalone		Consolidated	
	For the year ended 31.03.2021	For the year ended 31.03.2020	For the year ended 31.03.2021	For the year ended 31.03.2020
Total Revenue including other income	82,84,29,258	362,36,27,845	82,84,29,258	362,36,27,845
Total Expenses	162,90,18,789	4,10,41,53,698	162,90,18,789	4,10,41,53,698
Profit/(Loss) before tax	-80,05,89,531	-48,05,25,853	-80,05,89,531	-48,05,25,853
Exceptional Item-	-	-	-	-
Tax Expenses	-28,09,12,393	-16,73,73,701	-28,09,12,393	-16,73,73,701
Profit/(Loss) after tax	-51,96,77,138	-31,31,52,152	-51,96,77,138	-31,31,52,152
EPS Weighted Average				
-Basic (Rs.)	-47.64	-28.71	-47.64	-28.71
-Diluted (Rs.)	-47.64	-28.71	-47.64	-28.71

2. STATE OF COMPANY'S AFFAIRS UNDER CLAUSE (i) TO SUB-SECTION (3) OF SECTION 134 OF THE COMPANIES ACT, 2013:

a) FINANCIAL SUMMERIES

STANDALONE:

During the year under review, the Company has recorded a Total Revenue of Rs.8284.29 Lakhs as compared to the previous year Total Revenue of Rs. 36236.27 Lakhs. The Total Expenditure incurred the year was Rs. 162.90 Lakhs as against the amount of Rs. 41041.53 Lakhs during the previous year. The profit/(Loss) before tax and Tax Expenses during the year were Rs. -8005.89 Lakhs and Rs. -2809.12 Lakhs as compared to the profit/(Loss) before tax and Tax Expenses provided for the previous year were -4805.25 Lakhs and Rs. -1673.73 Lakhs respectively. Hence, the Company has earned a Net Loss of Rs. -5196.77 Lakhs as compared to the previous year loss amount of Rs. -3131.52 Lakhs.

CONSOLIDATED:

During the year under review, the Company has recorded a Total Revenue of Rs.8284.29 Lakhs as compared to the previous year Total Revenue of Rs. 36236.27 Lakhs. The Total Expenditure incurred the year was Rs. 162.90 Lakhs as against the amount of Rs. 41041.53 Lakhs during the previous year. The profit/(Loss) before tax and Tax Expenses during the year were Rs. -8005.89 Lakhs and Rs. -2809.12 Lakhs as compared to the profit/(Loss) before tax and Tax Expenses provided for the previous year were -4805.25 Lakhs and Rs. -1673.73 Lakhs respectively. Hence, the Company has earned a Net Loss of Rs. -5196.77 Lakhs as compared to the previous year loss amount of Rs. -3131.52 Lakhs.

(b) CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There are no changes in the nature of business of the Company during the Financial Year 2020-21.

3. EXTRACT OF THE ANNUAL RETURN:

As required under Clause (a) to Sub-section (3) of Section 134 of the Companies Act, 2013, the extract of Annual Return in form MGT-9 as provided under Sub-section (3) of Section 92 of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, is enclosed in Annexure-2.

4. AUDITORS:

A) STATUTORY AUDITORS:

M/s. Ramamoorthy (N) & Co, Chartered Accountants, Visakhapatnam (FRN:002899S) appointed as Statutory Auditors to conduct Statutory Audit of Company.

B) COST AUDITORS.

M/s. A.S. Rao & Co., Cost Accountants, Hyderabad, was appointed as Cost Auditors of the Company to conduct the audit of Cost Accounts maintained by the Company. The Company has received the Cost Audit Report from the Cost Auditor for the FY 2020-21.

C) SECRETARIAL AUDITORS:

The Company has appointed M/s. ASN Associates, Practicing Company Secretaries, or any other Company Secretary Firm, to conduct Secretarial Audit for the Financial Year 2021-22. The Secretarial Audit Report for the Financial Year ended March 31, 2021 is annexed herewith to this Report.

5. PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT:

Hari Equipments Private Limited (Associate Company)

During the Financial Year 2020-21, its Associate Company i.e Hari Equipments Private Limited has total income Rs. 2,69,49,118/- as compared to Rs. 21,75,21,700/- in the previous Financial Year and its profit after tax in 2020-21 is R.-8,82,78,751/- as compare to Rs.-7,43,61,523/- in previous Financial Year. Details of Associate Company mentioned in (Annexure-3)

6. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW:

During the F.Y. 2020-21 the Board of Directors met for 14 (Fourteen) times to discuss about the business and other important matters relating to the Company which forms part of this report. The details of which are given in Annexure-1. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

7. RESOLUTION PROFESSIONAL/DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Sub-section (5) of Section 134 of the Companies Act, 2013 the Director/Resolution Professional hereby confirm that:—

- (a) in the preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- (b) they have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit and loss of the Company for that period;
- (c) they have taken proper and sufficient care for the maintenance of adequate Accounting Records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the Annual Accounts on a Going Concern basis;
- (e) the Company being listed Company, Sub-clause (e) to Sub-section (5) of Section 134 of the Companies Act, 2013 pertaining to laying down Internal Financial Controls is applicable to the Company; and
- (f) they have advised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

8. COMPANY'S POLICY RELATING TO DIRECTOR'S APPOINTMENT, PAYMENT OF REMUNERATION INCLUDING DISCHARGE OF THEIR DUTIES AND OTHER MATTERS:

The Company is covered under Sub-section (1) of Section 178, Nomination & Remuneration Committee has devised and implemented a Nomination and Remuneration Policy for Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under Sub-section (3) of Section 178 of Companies Act,2013

9. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND COMPANY SECRETARY IN PRACTICE IN THEIR REPORTS UNDER CLAUSE (f) TO SUB-SECTION (3) OF SECTION 134 OF THE COMPANIES ACT, 2013:

As required under Clause (f) to Sub-section (3) of Section 134 of the Companies Act, 2013, the explanation or comments on qualifications, reservations, adverse marks or disclaimers made by the Auditors in their reports.

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

Company has complied with the provisions of Section 186 of the Companies Act,2013

11. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 IN THE PRESCRIBED FORM:

No Material Related Party Transactions, i.e. transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statement, were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013, in Form AOC-2 is not applicable

12. THE AMOUNTS, IF ANY, WHICH IT PROPOSES TO CARRY TO ANY RESERVES UNDER CLAUSE (j) TO SUB-SECTION (3) OF SECTION 134 OF COMPANIES ACT, 2013:

During the Financial Year 2020-21, the Company has not transferred any amount to its Reserves.

13. THE AMOUNT, IF ANY, WHICH IT RECOMMENDS SHOULD BE PAID BY WAY OF DIVIDEND UNDER CLAUSE (k) TO SUB-SECTION (3) OF SECTION 134 OF COMPANIES ACT, 2013:

Your Company not recommended any dividend in view of the sluggish market conditions prevalent in the Steel Industry.

14. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

A CIRP has been initiated against the Company vide an order of Kolkata bench of the NCLT dated March 24, 2021 under the provisions of the Code. The Hon'ble NCLT, Kolkata Bench by order Dated 24th March, 2021 has appointed Mr. Krishna Komaravolu as an 'IRP' for carrying out the Corporate Insolvency Resolution Process (CIRP) of the Company.

15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO, IN SUCH MANNER AS MAY BE PRESCRIBED UNDER CLAUSE (m) TO SUB-SECTION (3) OF SECTION 134 OF COMPANIES ACT, 2013:

The particulars as prescribed under Clause (m) to Sub-section (3) of Section 134 of the Companies Act, 2013 read with Companies' (Accounts) Rules, 2014 regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings/ Outgo is provided as under:

(a) Conservation of Energy:

(i)	The steps taken or impact on conservation of energy	To improve the Power Factor upto 0.99.
(ii)	The steps taken by the company for utilizing alternate sources of energy	125 KVA DG power is used whenever APEPDCL power fails.
(iii)	The capital investment on energy conservation equipments	Power Capacitors.

(b) Technology Absorption:

(i)	The efforts made towards technology absorption	Spectrometer of Oxford and MK for In-house testing lab.
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	Saved expenses on testing from Outside agencies.
(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year)-	
	(a) the details of technology imported	-
	(b) the year of import;	-
	(c) whether the technology been fully absorbed	-
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	-
(iv)	The expenditure incurred on Research and Development	-

(c) Foreign Exchange Earnings /Outgo:

Particulars	2020-21 (Rs.)	2019-2020 (Rs.)
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo		
Interest on Buyers' Credit Loan	Nil	Nil
Import of Traded Goods	Nil	Nil
Travel and Miscellaneous Matters	Nil	Nil

16. STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY FOR THE COMPANY AS REQUIRED UNDER CLAUSE (n) TO SUB-SECTION (3) OF SECTION 134:

The Company has devised and implemented a Risk Management Policy and all the risks are discussed at the Senior Management Level at their Meetings periodically to ensure that the risk mitigation plans are well thought out and implemented and adverse impact of risks is avoided or kept within manageable proportions though the elements of risk threatening the Company's existence are very minimal. This policy are mentioning in <https://narayanisteels.co.in/investors/policies/>

17. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES TAKEN DURING THE YEAR UNDER CLAUSE (o) TO SUB-SECTION (3) OF SECTION 134 OF COMPANIES ACT, 2013:

The provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, are not applicable to the Company.

18. FORMAL ANNUAL EVALUATION:

statement on Formal Annual Evaluation of performance of the Board, its Committee and of Individual Directors has been made.

19. VIGIL MECHANISM POLICY:

Pursuant to the provisions of Sub-section (9) & (10) of Section 177 of the Companies Act, 2013, a Vigil Mechanism Policy for Directors and Employees to report genuine concerns has been established. The Company has also provided adequate safeguards against victimization of Employees and Directors who express their concerns.

The Vigil Mechanism Policy has been uploaded on the website of the Company at <https://narayanisteels.co.in/investors/policies/>

20. SECRETARIAL AUDIT REPORT:

The provisions relating to Secretarial Audit under Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are applicable to the Company as the turnover exceeds Rs. 250,00,00,000/- and the same is enclosed as Annexure-5.

21. DEPOSITS:

The Company has neither accepted nor renewed any deposits during the year under review within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

22. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

As stated hereinbefore, the Hon'ble National Company Law Tribunal, Kolkata (NCLT, Kolkata) vide order dated 24th March, 2021 approved initiation of Corporate Insolvency Resolution Process of the Company pursuant to an application under section 7 of the Insolvency and Bankruptcy Code, 2016 filed by ICICI Bank.

Pursuant to the initiation of the above proceedings, and in terms of SEBI (Listing Obligations and Disclosure Requirements) (Third Amendments) Regulations 2018 dated 31st May 2018, that after the Commencement of Corporate Insolvency Resolution Process (CIRP) all the powers of the Board or Committees shall be fulfilled by Resolution Professional in accordance with sections 17 and 23 of Insolvency and Bankruptcy Code 2016 and powers of the Board of Directors stand suspended the powers of the Board / Committees have been suspended in terms of section 17 of the said Code and the same now vest with Mr. Krishna Komaravolu, IP Registration no. IBBI/IPA-002/IP-N00562/2017-18/11699, the Resolution Professional.

23. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Company has established an internal control over financial reporting criteria considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Also, as per the Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 issued by the Independent Auditors of the Company, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively.

24. THE BOARD AND KMP.

a) Change in the Composition of the Board of Directors & KMP:

No change has been occurred during the Financial Year 2020-21 except appointment of Mrs Swarnalath Mandaleeka, Prakash Kumar Thakur, Rabi Kumar Gupta and resignation of Mrs. Jaya Padmavathi Bandi & Bhaskararao Puvvala. Details of Senior Executive and KMP are shown in our website: www.narayanisteels.co.in

b) Details of composition of audit committee as per section 177(8) of the companies act,2013

Before passing the Order by NCLT, Kolkata The Composition of Audit Committee was. as under:

Sr. No	Particulars	Designation
01	Eunny Krishnamacharyulu	Chairman
02	Prakash Kumar Thakur	member
03	Rabi Kumar Gupta	member

After the Commencement of Corporate Insolvency Resolution Process (CIRP) as per regulation 17 of IBC “the Code” The management of the affairs of the company shall vested in the interim resolution professional and the power of the board of directors/ committees shall stand suspended and be exercised by the Interim Resolution Professional.

25. PARTICULARS OF EMPLOYEES:

There were no permanent employees during the year under review, whose particulars are required to be given in this Board’s Report in accordance with the provisions of Section 197 of the Act read with Rule 5(1) & 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time.

The remuneration paid to Directors and Key Managerial Personnel of the Company during the Financial Year 2020-21 was in accordance with the Nomination and Remuneration Policy of the Company.

26. DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

The statement on Declaration to be given by Independent Directors under Sub-section (6) of Section 149 of Companies Act, 2013 and Companies Appointment and Qualification of Directors) Rules, 2014 as required under Clause (d) to Sub-section (3) of Section 134 of the Companies Act, 2013

27. INSURANCE:

All the assets of the Company wherever necessary and to the extent required have been adequately insured.

28. EMPLOYEE RELATIONS:

During the year, the Employee relations in the Company remained cordial and highly conducive to congenial working environment in all its establishments and further the Company has been in touch relating to recruitment of required personnel from time to time.

29. A DISCLOSURE AS TO WHETHER MAINTENANCE OF COST RECORDS AS SPECIFIED BY THE CENTRAL GOVERNMENT UNDER SUB-SECTION (1) OF SECTION 148 OF THE COMPANIES ACT, 2013:

Maintenance of cost records as specified by the central government under sub-section (1) of section 148 of the companies act, 2013, is required by the company and accordingly such accounts and records are made and maintain.

30. INTERNAL COMPLAINTS COMMITTEE:

Company has complied with provision relating to the constitution of Internal Complaints Committee under sexual harassment of women at workplace (prevention, prohibition and redressal), Act, 2013

31. MANAGEMENT DISCUSSIONS AND ANALYSIS:

The Board has been continuing its efforts and taken the required steps in the area of Industry, structure and Development, Growth Strategy, Segment-wise Performance, Internal Control Systems and their adequacy, Analysis of Strengths, Weaknesses, Opportunities and Threats, Financial Performance with respect to Operational Performance, Material developments in human resources / industrial relations, Strict Compliances, Talent Management, Leadership Development, and Talent Retention, Learning and Development.

32. ACKNOWLEDGEMENTS:

The Resolution Professional / Directors would like to express their sincere appreciation for the assistance and cooperation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. The Resolution Professional / Directors also wish to place on record their deep sense of appreciation for the dedication of the employees at all levels, which has been require for the Company's success. The Directors/Resolution Professional of the Company look forward to their continued support in future.

By Order of the Resolution Professional
Narayani Steels Limited
(A Company under Corporate Insolvency Resolution Process)

Date:03.09.2021
Vizanagaram

(Sunil Choudhary)
Managing Director
DIN:00289479

(Ankit Gupta)
Director and Chief Financial Officer
DIN: 08415248

(Narayani Steels Limited is under Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016. Its affairs, business and assets are being managed by the Resolution Professional, Mr. **Krishna Komaravolu, IP Registration no. IBBI/IPA-002/IP-N00562/2017-18/11699**, appointed as Interim Resolution Professional by the National Company Law Tribunal by order dated 24th March, 2021 and continued as Resolution Professional by the Committee of Creditors in its meeting held on 23 April, 2021 under provisions of the code.)

Annexure-1

CORPORATE GOVERNANCE REPORT

1. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

We continue to believe that good Corporate Governance is essential to achieve long-term corporate goals and to enhance stockholders value.

1. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONEL(KMP):

Before the Commencement of Corporate Insolvency Resolution Process (CIRP) against the Company, our company, the Board along with its Committees provides leadership and guidance to the Company's management as also direct, supervise and control the performance of the Company. We believe an active, well-informed board is vital to attain the highest standards of Corporate Governance. An independent and strong board is the utmost requirement of the Company so as to ensure that the best practices are adopted by the Company. At Narayani, we have a proper blend of executive and independent directors, who have rich knowledge and experience in the industry for providing strategic guidance and direction to the Company. The role and responsibilities of the Board of Directors after the Commencement of Corporate Insolvency Resolution Process (CIRP) shall be fulfilled by Resolution Professional in accordance with sections 17 and 23 of Insolvency and Bankruptcy Code 2016 and powers of the Board of Directors stands suspended.

Before the Commencement of Corporate Insolvency Resolution Process (CIRP) the Board of Directors has an optimum combination of Executive and Non-Executive Directors having rich knowledge and experience in the industry for providing strategic guidance and direction to the Company. The Chairman of the Board is a Executive Director. The composition of Board is in conformity with Regulation 17 of SEBI (LODR), Regulations, 2015. The Composition of the Board before passing an Order Date 24.03.2021 of NCLT, Kolkata are as follows:

(a) Constitution of the Board and KMP:

Title	Name of Director	DIN and/or PAN	Designation	Category	Type
Mr.	Krishnamacharyulu Eunny	07281774, AADPE3997P	Director	Independent	Non-Executive
Mr.	Prakash Kumar Thakur	08037310, AXMPT2891B	Director	Independent	Non-Executive
Mr.	Rabi Kumar Gupta	07284335, AIZPG5986A	Director	Independent	Non-Executive
Mr.	Sunil Choudhary	00289479, AEZPC3417N	Managing Director	Promoter	Executive

Mrs.	Swarnalath mandaleeka	08398259, BSLPM5751L	Director	Professional	Non-Executive
Mr.	Ankit Gupta	08415248, AOWPB4840F	Director & CFO	Professional	Executive
Mr.	Arun Kumar Meher.	BPBPM1402F, ICSI M.No. ACS 48598	Company Secretary and Compliance officer	NA	NA

As the Company is Currently under Corporate Insolvency Resolution Process (CIRP) under pursuant to the provision of Insolvency and Bankruptcy Code 2016 and the powers of the Board of Directors / committees stands suspended. Therefore no declaration is received from the Directors of the company.

(b) Meeting of the board and committee:

The Board of Directors/Resolution Professional (RP) of your Company plays a pivotal role in ensuring good governance and functioning of the Company. The Board's/RP role, functions, responsibility, and accountability are well defined. The Board/RP reviews compliance reports of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliances, if any. After the Commencement of Corporate Insolvency Resolution Process (CIRP) shall be fulfilled by Resolution Professional in accordance with sections 17 and 23 of Insolvency and Bankruptcy Code 2016 and powers of the Board of Directors/Committees stand suspended.

BOARD MEETINGS

During the Financial year 14 Board Meeting held. The details of Directors, their attendance at Board Meetings and at the previous Annual General Meeting of the Company are, given below.

Name of Director	Category	No. Meeting Attended	Whether Present at previous AGM held on 30.09.2020
Krishnamacharyulu Eunny	Non-Executive Independent	14	Yes
Jaya Padmavathi Bandi	Non-Executive Non-Independent	3	No
Bhaskararao Puvvala	Non-Executive Independent	0	No

Rabi Kumar Gupta	Non-Executive Independent	07	No
Sunil Choudhary	Executive	14	Yes
Swarnalath Mandaleeka	Non-Executive Non-Independent	04	No
Ankit Gupta	Whole Time Executive	14	Yes
Prakash Kumar Thakur	Non-Executive Independent	04	No

Inter-se Relationship among Directors

There is no inter-se relationship among the Directors in the Company.

Independent Directors

Selection

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field / profession and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee (NRC), for appointment, as Independent Directors on the Board. The NRC, inter alia, considers various metrics and adheres to various processes in accordance with the Company's Policy for selection of Directors and determining their independence.

Number of Independent Directorships

None of the independent directors hold directorship in more than the permissible limits under the Companies Act and listing regulations.

Declaration by Independent Directors

A statement, in connection with fulfilling the criteria of independence as per the requirement of the provisions of the Act and the Regulation 25 of Listing regulations received from each of independent director. The maximum tenure of the Independent Directors is in compliance with the Act.

Familiarisation Programme for Independent Directors

The Familiarization Programme seeks to update the Independent Directors on various matters covering Company's strategy, business model, operations, organization structure, finance, risk management etc. It also seeks to update the Independent Directors with their roles, rights, responsibilities, duties under the Act and other statutes

The policy and details of familiarization programme imparted to the Independent Directors of the Company is available at www.narayanisteels.co.in

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Act and Listing Regulations, the Board in consultation with the NRC has formulated a framework containing inter-alia, the process, format, attributes and criteria for performance evaluation of the entire Board of the Company, its Committees and individual directors including independent directors. After the Commencement of Corporate Insolvency Resolution Process (CIRP) shall be fulfilled by Resolution Professional in accordance with sections 17 and 23 of Insolvency and Bankruptcy Code 2016 and powers of the Board of Directors/Committees stand suspended.

MATRIX SETTING OUT THE SKILLS/EXPERTISE/COMPETENCIES OF THE BOARD OF DIRECTORS

The Board has identified the following core skills/expertise/competencies as required in the context of the context of Company's business(es) and sector(s) for it to function effectively and these are actually available with the Board.

Skills/expertise/competence	Whether available with the Board or not?
Industry knowledge/experience	
Experience	Yes
Industry knowledge	Yes
Understanding of relevant laws, rules, regulation and policy	Yes
International Experience	Yes
Technical skills/experience	
Accounting and finance	Yes
Business Development	Yes
Information Technology	Yes
Talent Management	Yes
Leadership	Yes
Compliance and risk	Yes
Legal	Yes
Business Strategy	Yes
Behavioral Competencies	
Integrity and ethical standards	Yes
Mentoring abilities	Yes
Interpersonal relations	Yes

COMMITTEES MEETINGS:

Currently, the Board has Three Committees: the Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, consist entirely of Independent Directors.

The composition of the Committees and compliances, as per the applicable provisions of the Act and Rules, are as follows:

Name of the Committee	Composition of the Committee	Highlights of Duties, Responsibilities and Activities
Audit Committee	<ol style="list-style-type: none"> 1. Eunny Krishnamacharyulu 2. Prakash Kumar Thakur 3. Rabi Kumar Gupta 	<ol style="list-style-type: none"> 1. The recommendation for appointment, remuneration and terms of appointment of Auditors of the Company. 2. Review and monitor the Auditor's independence and performance, and effectiveness of audit process 3. Examination of the financial statement and the Auditors' Report thereon 4. Approval or any subsequent modification of transactions of the Company with Related Parties 5. Scrutiny of Inter-Corporate Loans and Investments
Nomination and Remuneration Committee	<ol style="list-style-type: none"> 1. Eunny Krishnamacharyulu. 2. Prakash Kumar Thakur 3. Rabi Kumar Gupta 	<ol style="list-style-type: none"> 1. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully; 2. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and 3. Remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals
Stakeholders Relationship Committee	<ol style="list-style-type: none"> 1. Rabi Kumar Gupta 2. Prakash Kumar Thakur 	<ol style="list-style-type: none"> 1. The Committee reviews and ensures Redressal of Investor Grievances. 2. The Committee noted that all the Grievances of the

	3.Eunny Krishnamacharyulu	Investors have been resolved during the year.
Corporate Social Responsibility Committee	NA	

After the Commencement of Corporate Insolvency Resolution Process (CIRP) shall be fulfilled by Resolution Professional in accordance with sections 17 and 23 of Insolvency and Bankruptcy Code 2016 and powers of the Board of Directors/Committees stand suspended

Remuneration paid to Directors

Details of remuneration paid to Directors of the Company for the financial year ended on March 31, 2021 is as under:

Details of Remuneration to the Executive Directors

Name of the Directors	Salary	Sitting Fees	Retirement benefits/ Bonuses/ Commission payable/ Performance linked incentive/ pension/Stock options granted	Contribution to PF and Perquisites	Total
Mr. Sunil Choudhary	27,25,000	Nil	Nil	Nil	27,25,000
Mr. Ankit Gupta	21,00,000	Nil	Nil	Nil	21,00,000
Ms. Bina Choudhary	Nil	Nil	Nil	Nil	0
Mr. Eunny Krishnamacharyulu	Nil	7000	Nil	Nil	7000
Mr. Bhaskararao Puvvala	Nil	Nil	Nil	Nil	0
Ms. Jayapadmavathi bandi	Nil	1200	Nil	Nil	1200
Swarnalath Mandaleeka	Nil	800	Nil	Nil	800
Mr Rabi Kumar Gupta	Nil	4200	Nil	Nil	4200
Mr Prakash Kumar Thakur	Nil	2200	Nil	Nil	2200
Total					48,40,400

There is no pecuniary relationship or transaction between the Company and any of the Non-Executive Directors. The Company does not have any stock option scheme. None of our Directors are eligible for any severance fees.

Criteria of making payment to Non-Executive Directors:

Based on the recommendation of the Nomination and Remuneration Committee, the Board decides the remuneration to be paid to the Non – Executive Directors of the Company, in accordance with the provisions of the Articles of Association of the Company, the Companies Act, 2013 read with the rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Remuneration to Non- Executive Directors consists of the following:

- Sitting fees for attending meetings of the Board or Committees thereof within the overall limits as provided in the Companies Act 2013 from time to time.

GENERAL BODY MEETINGS

i. Location and time for the last three Annual General Meetings (AGMs):

AGM	Financial year	Date	Location	Time
23rd AGM	2017-2018	September 25, 2018	23A, N.S. Road, 7th Floor, Room No-31, Kolkata-700 001, West Bengal, India	3:00 p.m.
24 th AGM	2018-2019	September 30, 2019	23A, N.S. Road, 7th Floor, Room No-31, Kolkata-700 001, West Bengal, India	3:00 p.m.
25 th AGM	2019-20	December 30, 2020	Through Video Conferencing	3.00 p.m.

ii. Special Resolutions:

- a) Details of special resolutions passed in the Annual General Meetings during the last three financial years are as follows:

Date of Annual General Meeting	Number of Special resolutions passed	Details of Special Resolutions
September 25, 2018	1	Authorisation to Board of Directors to extend loan, guarantee or security to the companies in which Directors are interested
September 30,2019	6	1.Re-Appointment of Sunil Choudhary (DIN:00289479) as the Managing Director of the Company for a term of five years. 2.Reappointment of Mr Bhaskararao Puvvala (DIN:07282264) as Independent Director of the Company for a second term. 3. Reappointment of Mr Atul Kumar Saxena

		(DIN:07284335) as Independent Director of the Company for a second term. 4.Continuation of term of Mr.Eunny Krishnamacharulu (DIN:07281774) as Independent Director on attaining age of 75 years. 5. Reappointment of Eunny Krishnamacharulu (DIN:07281774) as Independent Director of the Company for a second term. 6.Approval of Related Party Transaction under Section 188 of the Companies Act, 2013
December 30, 2020	0	NIL

- b. Details of special resolutions passed in the Extra-Ordinary General Meetings during the last three financial years:

No Extra-Ordinary General Meeting has been held during last three financial years.

- iii. **Details of Resolution passed through postal ballot, the persons who conducted the postal ballot exercise and details of the voting pattern: NIL**

EMPLOYEES:

Continuous Employee Training Programs including seminars conducted for upgrading their skills and knowledge in their respective areas.

MEANS OF COMMUNICATION

- i. The Board of Directors of the Company approves and takes on record the quarterly, half yearly and yearly financial results in the format prescribed by Regulation 33 of the Listing Regulations within prescribed time limits. Quarterly results are submitted to the BSE in terms of the requirements of Regulation 33 of the Listing Regulations.
- ii. The Company's website www.narayanisteels.co.in contains a separate dedicated section "investors" where shareholders information is available. Full Annual Reports are also available on the website in a user- friendly and downloadable format.
- iii. The Company posts its Quarterly / Half Yearly/Annual Results, Annual Report, official news releases, presentations made to investors and transcripts of the meetings with institutional investors / analysts (if any) on its website i.e. www.narayanisteels.co.in .This website contains the basic information about the Company, e.g., details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Company who is responsible for assisting and handling investor grievances and such other details as may be required under Regulation 46 of the Listing Regulations. The Company ensures that the contents of this website are updated at all times. After the Commencement of Corporate Insolvency Resolution Process (CIRP) shall be fulfilled by

Resolution Professional in accordance with sections 17 and 23 of Insolvency and Bankruptcy Code 2016 and powers of the Board of Directors/Committees stand suspended.

- iv. The quarterly/half yearly and annual financial results are regularly submitted to BSE in accordance with the Listing Regulations and published in one English national daily newspaper circulating in the whole or substantially the whole of India i.e. Business Standard and one Bengali daily newspapers i.e. Aajkaal.

PREVENTION OF INSIDER TRADING

The Company has instituted mechanism to avoid Insider Trading. In accordance with the SEBI (Prevention of Insider Trading) Regulations, 2015 as amended, the Company has established systems and procedures to restrict insider trading activities and has framed a Code of Fair Disclosure and Conduct to prevent misuse of any unpublished price sensitive information and prohibit any insider trading activity, in order to protect the interest of the shareholders at large. The said Code of Fair Disclosure and Conduct is available on the Company's website i.e. www.narayanisteels.co.in.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an adequate Internal Control System is designed to ensure operational efficiency, protection, conservation of resources, accuracy and promptness in financial reporting and compliance with Laws and Regulations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the Chairman and Managing Director.

The Internal Control System is supported by an Internal Audit Process for reviewing the adequacy and efficiency of the Company's internal controls, including its systems, processes and compliance with regulations and procedures. Internal Audit Reports are discussed with the Management and are reviewed by the Audit Committee of the Board which also reviews the adequacy and effectiveness of the internal controls in the Company.

After the Commencement of Corporate Insolvency Resolution Process (CIRP) shall be fulfilled by Resolution Professional in accordance with sections 17 and 23 of Insolvency and Bankruptcy Code 2016 and powers of the Board of Directors/Committees stand suspended

CLIENTS:

Highest priority and commitment to meet clients' is the main motto of our company

OTHER STAKEHOLDERS:

The Company is always concern about Clients, dealers, Customers, Suppliers, Competitors, Creditors and Local Community and strives to meet all expectations reasonably.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

Pursuant to the provision of section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, this provision is not applicable to company.

GENERAL SHAREHOLDER INFORMATION

1.	Annual General Meeting - Date, Time and Venue	Date: September 30, 2021 Time: 03.00 p.m. Venue: through Video Conferencing (VC)/other Audio Visual Means (OAVM)
2.	Financial Year	March 31, 2021
3.	Date of Book Closure	September 24, 2021 to September 30, 2021
4.	Dividend	No Dividend has been declared
5.	Stock Exchanges	The equity shares of your Company are listed on BSE Limited (BSE) Address:- P. J. Towers, Dalal Street, Fort, Mumbai - 400 001
6.	Payment of Listing Fees	The Company has paid annual listing fees for the financial year 2021-22 to the BSE within stipulated time
7.	Stock Code	540080
8.	Registrar to issue & Share Transfer Agents	Bigshare Services Private Limited 1st Floor, Bharat tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai-400059, Maharashtra
9.	Share Transfer System	The Board of Directors has delegated the authority to transfer the shares to M/s Bigshare Services Private Limited, Registrar and Share Transfer Agent of the Company. The Share Transfer Agent attends to share transfer formalities, if any.
10.	Plant Location	Sy No.202/30-34 and 38/Part, Modavalasa Village, Denkada Mandal, Vizianagaram-535004, Andhra Pradesh. Unit I of the Company Closed Down.
11.	Address for Correspondence	Mr. Arun Kumar Meher, Company Secretary. Sy No.202/30-34 and 38/Part, Modavalasa Village, Denkada Mandal, Vizianagaram-535004, Andhra Pradesh
12.	Dematerialization of Shares and liquidity	As on March 31, 2021, 99,08,000 equity shares of the Company constituting 90.82% of the equity share capital are held in Dematerialized form. The equity shares of the Company are traded only in dematerialized form in the BSE
13.	Electronic Clearing Services (ECS)	Members are requested to update their bank account details with their respective Depository Participants for shares held in the electronic form or write to the Company' s Registrar and Share Transfer Agent M/s Bigshare Services Private Limited
14.	Investor Complaints to be addressed to	Registrar and Share Transfer Agent - M/s Bigshare Services Private Limited at 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai, Maharashtra, 400059 or Mr. Arun Kumar Meher, Company Secretary - Sy No.202/30-34 and 38/Part, Modavalasa Village, Denkada Mandal, Vizianagaram-535004, Andhra Pradesh

15.	Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity	The Company has not issued any GDRs/ ADRs/ Warrants. There are no outstanding convertible instruments as on March 31, 2020
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a) Share Transfer System

Pursuant to SEBI Circular Nos. D&CC/FITTC/CIR-15/2002 dated 27.12.2002 and D&CC/FITTC/CIR- 18/2003 dated 12/02/2003, M/s. Bigshare Services Private Limited which is already the Depository Interface of the Company for both National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”), has been appointed as Registrar and Transfer Agents (“RTA”) w.e.f. 31/03/2003 for all the work related to share registry in terms of both physical and electronic holdings.

Share transfers in physical form can be lodged with our RTA. The transfers are normally processed within a period of 15 days from the date of receipt, if the documents are complete in all respects. The Company has constituted a Share Transfer Committee to approve matters related to transfer and transmission of securities, issuance of duplicate share certificate.

In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants (“DP”).

Members may please note that pursuant to the amendment in the Listing Regulations vide notification dated June 8, 2018, except in case of transmission or transposition of securities, request for effecting transfer of securities shall not be processed after April 01, 2019 unless the securities are held in dematerialized form with the depository.

The Company has obtained half-yearly certificate from Practicing Company Secretary to the effect that all certificates have been issued within thirty days of the date of lodgment of the transfer, sub- division, consolidation and renewal etc. as required under Regulation 40(9) of the Listing Regulations and the same were submitted to the Stock Exchanges.

b) Distribution of Shareholding as on March 31, 2021

No. of Shares of Rs. 10/- each	Shareholders		Equity Shares	
	Number	% of total shareholders	Shares	% of total shares
Upto 500	606	72.22	43826	0.4017
501 - 1000	62	07.38	54321	0.4979

1001 - 2000	30	3.57	48912	.4484
2001 - 3000	16	1.90	40449	.3708
3001 - 4000	23	2.74	90059	.8655
4001 - 5000	11	1.35	52100	.4776
5001 - 10,000	20	2.38	150943	1.3837
10,001 & Above	71	8.46	10428390	95.5940
TOTAL	839	100	109090000	100

c) Shareholding Pattern as on March 31, 2021

The broad shareholding distribution of the Company as on March 31, 2021 with respect to categories of investors was as follows:

Sr. No.	Category	No. of shareholders	No. of Equity Shares	Percentage %
1.	Promoter & Promoter Group	7	58,14,000	53.30
2.	Public	832	50,95,000	46.70
	Total	839	1,09,09,000	100.00

DISCLOSURES:

a. Related Party Transactions

Details of the relevant related party transactions entered into by the Company are set out in the Notes to Accounts and also annexed as an Annexure in this report. Suitable disclosures as required by the Accounting Standard (AS 18) have been made in the Annual Report. All transactions with related parties entered into by the Company were on an arm's length basis and were approved by the Audit Committee.

Pursuant to the Regulation 23 of the Listing Regulations, the Board of Directors have adopted the 'Related Party Transaction Policy'. The said policy is available on the Company's website at www.narayanisteels.co.in

b. Compliances by the Company

The Company has complied with various rules and regulations prescribed by BSE, SEBI or any other statutory authority relating to the capital markets during the last three years.

c. Whistle Blower Policy / Vigil Mechanism

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. Pursuant to Section 177(9) of the Act, a vigil mechanism was established for directors and employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. The Vigil Mechanism provides a mechanism for employees of the Company to approach the Chairman of the Audit Committee of the Company. Vigil Mechanism Policy to this effect is also uploaded on the website of the Company i.e. www.narayanisteels.co.in

The Company affirms that no director or employee of the Company has been denied access to the Audit Committee. No complaint has been received as at the Financial Year ended March 31, 2021 and no person was denied access to meet the Chairman of the Audit Committee in this regard. After the Commencement

of Corporate Insolvency Resolution Process (CIRP) shall be fulfilled by Resolution Professional in accordance with sections 17 and 23 of Insolvency and Bankruptcy Code 2016 and powers of the Board of Directors/Committees stand suspended

d. Proceeds from public issues, right issues, preferential issues etc.

The Company has not raised any funds through issue of equity shares on preferential basis.

e. CEO/CFO certification

The Managing Director & CFO of the Company have certified to the Board of Directors, inter-alia, the accuracy of the financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) of the Listing Regulations for the financial year ended March 31, 2021.

f. Compliance with mandatory and non-mandatory requirements

The Company has complied with all the mandatory requirements of SEBI Listing obligations and Disclosure Requirements), Regulations, 2015. The details of these compliances have been given in the relevant sections of this report.

g. Reconciliation of Share Capital Audit

A Chartered Accountants in Practice carries out audit of Reconciliation of Share Capital on quarterly basis to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. This Report is also placed before the Board/ Resolution Professional for its noting.

h. Certificate from Practicing Company Secretary

The Company has obtained a Certificate from Practicing Company Secretary M/s Gopinath Nayak & Associates, Company Secretaries, certifying that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority. The Independent Directors appointed during the year do not match the criteria of having their names included in the data bank of Independent Directors as mentioned in Clause 6 (1)(b) of The Companies (Appointment and Qualifications of Directors) Rules, 2014. During the year under review, the company went into Corporate Insolvency Resolution Process (CIRP) as per NCLT order dated 24.03.2021 and accordingly, an Insolvency Resolution Professional has taken over the management of the Company. Details attached in below.

i. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof:
Not Applicable

j. Total fees for all services paid by the Company and its associates, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part: Rs. 5.40 Lakhs.

k. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- a. Number of complaints filed during the financial year 2020-21: Nil
- b. Number of complaints disposed of during the financial year 2020-21: Nil
- c. Number of complaints pending as on end of the financial year 2020-21: Nil

I. Details of Credit Ratings obtained by the Company: CARE Rating obtained on January 7, 2019 is as follows:

Facilities	Rating
Long-term Bank Facilities	CARE D;
Short-term Bank Facilities	CARE D;

m. Commodity price risk or foreign exchange risk and hedging activities: Not Applicable

COMPLIANCE OF CORPORATE GOVERNANCE REQUIREMENTS

Compliance of Corporate Governance requirements specified in Regulation 17 to 27 and Regulation 46(2) (b) to (i) of Listing Regulations are as under:

Sr. No.	Particulars	Regulations	Brief Description of the Regulations	Compliance Status (Yes / No / N.A.)
1	Board of Directors	17(1)	Composition of Board	Yes
		17(2)	Meeting of Board of Directors	Yes
		17(3)	Review of Compliance Reports	Yes
		17(4)	Plans for orderly succession for appointments	NA
		17(5)	Code of Conduct	Yes
		17(6)	Fees/Compensation to the Non-Executive Directors	Yes
		17(7)	Minimum Information to be placed before the Board	Yes
		17(8)	Compliance Certificate	Yes
		17(9)	Risk Assessment & Minimization and Risk Management Plan	Yes
		17(10)	Performance Evaluation of Independent Directors	Yes

Sr. No.	Particulars	Regulations	Brief Description of the Regulations	Compliance Status (Yes / No / N.A.)
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2	Audit Committee	18(1)	Composition of Audit Committee & presence of the Chairman of the Committee at the AGM	Yes
		18(2)	Meeting of Audit Committee	Yes
		18(3)	Role of the Committee and review of information by the Committee	Yes
3	Nomination & Remuneration Committee	19(1) & (2)	Composition of Nomination & Remuneration Committee	Yes
		19(3)	Presence of the Chairman of the Committee at the AGM	Yes
		19(4)	Role of the Committee	Yes
4	Stakeholders Relationship Committee	20(1), (2) & (3)	Composition of Stakeholders Relationship Committee	Yes
		20(4)	Role of the Committee	Yes
5	Risk Management Committee	21(1), (2) & (3)	Composition of Risk Management Committee	Yes
		21(4)	Role of the Committee	Yes
6	Vigil Mechanism	22	Formulation of Vigil Mechanism for Directors and Employees	Yes
7	Related Party Transactions	23(1),(5),(6), (7) & (8)	Policy for Related Party Transaction	Yes
		23(2) & (3)	Approval including omnibus approval of Audit Committee for all related party transactions and review of transactions by the Committee	Yes
		23(4)	Approval for Material Related Party Transactions	Yes
8	Subsidiaries of the Company	24(1)	Composition of Board of Directors of unlisted material subsidiary	NA
		24(2),(3),(4), (5) & (6)	Other Corporate Governance requirements with respect to subsidiary including material subsidiary of listed entity	NA
		24A	Secretarial Audit of the Company Secretarial Audit of the material unlisted subsidiaries	NA
9	Obligations with respect to Independent Directors	25(1) & (2)	Maximum Directorship & Tenure	Yes
		25(3)	Meeting of Independent Directors	Yes
		25(4)	Review of Performance by the Independent Directors	Yes

		25(6)	Filling the vacancy of Independent Director created by resignation or removal	Yes
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Sr. No.	Particulars	Regulations	Brief Description of the Regulations	Compliance Status (Yes / No / N.A.)
		25(7)	Familiarization of Independent Directors	Yes
		25(10)	D and O insurance for Independent Directors	NA
10	Obligations with respect to Directors and Senior Management	26(1) & (2)	Memberships & Chairmanship in Committees	Yes
		26(3)	Affirmation with compliance to code of conduct by members of Board of Directors and Senior Management Personnel	Yes
		26(4)	Disclosure of Shareholding by Non-Executive Directors	Yes
		26(5)	Disclosures by Senior Management about potential conflict of interest	Yes
11	Other Corporate Governance Requirements	27(1)	Compliance of discretionary requirements	Yes
		27(2)	Filing of quarterly Compliance Report on Corporate Governance	Yes
12	Disclosures on Website of the Company	46(2)(b)	Terms and conditions of appointment of Independent Directors	Yes
		46(2)(c)	Composition of various Committees of Board of Directors	Yes
		46(2)(d)	Code of Conduct of Board of Directors and Senior Management Personnel	Yes
		46(2)(e)	Details of establishment of Vigil Mechanism/ Whistle Blower Policy	Yes
		46(2)(f)	Criteria of making payments to Non-Executive directors	Yes
		46(2)(g)	Policy on dealing with related party transactions	Yes

	46(2)(h)	Policy for determining 'Material' Subsidiaries	Yes
	46(2)(i)	Details of familiarization programmes imparted to Independent Directors	NA

CODE OF CONDUCT

The Company has laid down a Code of Conduct for all its Board Members and Senior Management Personnel for avoidance of conflicts of interest and ensuring the highest standard of honesty, dedication and professionalism in carrying out their functional responsibilities. The Code of Conduct is in compliance with the requirements of Listing Regulations. The Code of Conduct is available on the Company's website www.narayanisteels.co.in. The Code has been circulated to all the members of the Board and the Senior Management. The Directors and the Senior Management have affirmed compliance of the Code.

The Company has obtained affirmation from all the members of the Board and Senior Management Personnel of the Company that they have complied with the Code of Conduct for Board of Directors and Senior Management Personnel in respect of the financial year 2020-21

For Narayani Steels Limited

(A Company under Corporate Insolvency Resolution Process)

Date: 03.03.2021
Place: Vizianagaram

Sunil Choudhary
Chairman & Managing
Director DIN: 00289479

(Narayani Steels Limited is under Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016. Its affairs, business and assets are being managed by the Resolution Professional, Mr. **Krishna Komaravolu, IP Registration no. IBBI/IPA-002/IP-N00562/2017-18/11699**, appointed as Interim Resolution Professional by the National Company Law Tribunal by order dated 24th March, 2021 and continued as Resolution Professional by the Committee of Creditors in its meeting held on 23 April, 2021 under provisions of the code.)

Annexure-2

FORM NO. MGT 9		
EXTRACT OF ANNUAL RETURN		
As on the Financial Year ended on 31/03/2021		
<i>Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014.</i>		
I.	REGISTRATION & OTHER DETAILS:	
i)	CIN	: L27109WB1996PLC082021
ii)	Registration Date	: 10 th February, 1995
iii)	Name of the Company	: NARAYANI STEELS LIMITED
iv)	Category of the Company	: Indian Non-government Company
	Sub-category of the Company	: Company having Share Capital and Limited by Shares
v)	Address of the Registered office & contact details	
	Address	: 23A, N.S. Road, 7th Floor, Room-31
	Town / City	: Kolkata
	State	: West Bengal
	Pin Code	: 700 001
	Country Name	: India
	Telephone (with STD Code)	: (033)46025371
	Fax Number	: Nil
	Email Address	: narayanisteelsvizag@gmail.com
	Website, if any	: https://narayanisteels.co.in/
vi)	Whether listed Company	: Yes
vii)	Name and Address of Registrar & Transfer Agents (RTA), if any:-	
	Name of RTA	: Bigshare Services Private Limited
	Address	: 1 st Floor, Bharat Tin Works Building, Opp. vasant Oasis, Makwana Road, Marol, Andheri East,

		Mumbai-400059, Maharashtra				
	Town / City	:	Mumbai			
	State	:	Maharashtra			
	Pin Code	:	400059			
	Telephone	:	022-40430200			
	Fax Number	:	022-28475207			
	Email Address	:	investor@bigshareonline.com			
II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY						
		Manufacture of Basic Iron and Steel				
All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-						
Sl. No.	Name and Description of main products / services		NIC Code of the Product / service	% to total turnover of the Company		
1.	Basic Iron and Steels Trading Services		99611924	0.00%		
	Basic Iron and Steel Manufacturing Services		99886010	100.00%		
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -						
No. of Companies for which information is being filled			1			
S. no.	Name and Address of the Company		CIN/GLN	Holding/ Subsidiary /Associate	% of Shares held	Applicable Section
1.	Name: Hari Equipments Private Limited	Address: 23A, N.S. Road, 7th Floor, Room No-31 Kolkata Kolkata- 700001, West Bengal, India.	U51504WB1971PTC080792	Associate	37.51 %	Sub-section 6 of Section 2 of Companies Act, 2013.

IV.	SHARE HOLDING PATTERN (Equity Share of Rs.10.00 each)								
i.	Category-wise Share Holding								
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	De-mat	Physical	Total	% of Total Shares	De-mat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	36,51,000	-	36,51,000	33.47%	36,51,000	-	36,51,000	33.47%	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	21,63,000	-	21,63,000	19.83	21,63,000	-	21,63,000	19.83	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	58,14,000	-	58,14,000	53.30%	58,14,000	-	58,14,000	53.30%	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	21,64,838	2,95,000	24,59,838	22.55	13,73,995	2,95,000	16,68,995	15.30	-7.25
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	2,32,034	25,000	2,57,034	2.36%	4,07,415	25,000	4,32,415	3.96%	1.61
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	13,72,207	6,81,000	20,53,207	18.82	21,41,782	6,81,000	28,22,782	25.88	7.05
c) Others (Clearing Member)	3,24,921	0	3,24,921	2.98	1,70,808	0	1,70,808	1.56	-1.42
Sub-total (B)(2):-	40,94,000	10,01,000	50,95,000	46.70	40,94,000	10,01,000	50,95,000	46.70	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	40,94,000	10,01,000	50,95,000	46.70	40,94,000	10,01,000	50,95,000	46.70	0.00

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	99,08,000	10,01,000	1,09,09,000	100%	99,08,000	10,01,000	1,09,09,000	100	0.00

ii. Shareholding of Promoters								
Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	
1.	Sunil Kumar Choudhary	12,24,500	11.22	0.00	12,24,500	11.22	0.00	0.00
2.	Sunil Kumar Choudhary (HUF)	12,61,000	11.56	0.00	12,61,000	11.56	0.00	0.00
3.	Kishan Lal Choudhary	10,03,500	9.20	0.00	10,03,500	9.20	0.00	0.00
4.	Kishan Lal Choudhary (HUF)	66,000	0.61	0.00	66,000	0.61	0.00	0.00
5.	Bina Choudhary	56,000	0.51	0.00	56,000	0.51	0.00	0.00
6.	Savitri Devi Choudhary	40,000	0.37	0.00	40,000	0.37	0.00	0.00
7.	Cooltex Merchandise Pvt Ltd	21,63,000	19.83	0.00	21,63,000	19.83	0.00	0.00
	TOTAL	58,14,000	53.30	0.00	58,14,000	53.30	0.00	0.00

iii. Shareholding of top 10 Share Holders.						
Sl. No.	Shareholder's Name	No of Shares held at the beginning of the year		No of Shares held at the end of the year		
		No. of Shares	% of total Shares	No. of Shares	% of total Shares	
1.	Rikhav Securities Limited	10,82,580	9.92			
	Brought/sold during the year					
	03.04.2020	-100	9.92			
	12.06.2020	159	9.92			
	19.06.2020	66	9.92			

	26.06.2020	11775	10.03		
	30.06.2020	16000	10.18		
	03.07.2020	4000	10.22		
	10.07.2020	16000	10.36		
	17.07.2020	20000	10.55		
	24.07.2020	20801	10.74		
	31.07.2020	-2266	10.72		
	07.08.2020	2987	10.74		
	14.08.2020	-5	10.74		
	28.08.2020	-1000	10.73		
	18.09.2020	-20067	10.55		
	15.01.2021	-2774	10.52		
	22.01.2021	-5616	10.47		
	29.01.2021	-2314	10.45		
	05.02.2021	-5285	10.40		
	12.02.2021	-1804	10.39		
	19.02.2021	-76606	9.68		
	26.02.2021	-67181	9.07		
	05.03.2021	33361	9.37		
	12.03.2021	-4236	9.34		
	19.03.2021	-85627	8.55		
	26.03.2021	-95264	7.68		
	31.03.2021	-7492	7.61		
	At the end of the year	0	7.61	830092	7.61
2.	Jitesh Kumar Shashikantbhai	87769	.80		
	Brought/sold during the year				
	03.04.2020	860	.81		
	19.06.2020	1	.81		
	10.07.2020	1	.81		
	31.07.2020	12	.81		
	07.08.2020	4	.81		
	14.08.2020	-171	.81		
	21.08.2020	-13	.81		
	28.08.2020	90	.81		
	18.09.2020	15770	.96		
	25.09.2020	100	.96		
	30.09.2020	1	.96		
	02.10.2020	12416	1.07		
	30.10.2020	233238	3.21		
	06.11.2020	55680	3.72		
	13.11.2020	7621	3.79		
	20.11.2020	40209	4.16		
	27.11.2020	38098	4.52		
	18.12.2020	3000	4.54		
	26.02.2021	84584	5.32		
	31.03.2021	0	5.32	580270	5.32
3.	Pallas Fincap Pvt Ltd	342585	3.14		
	Brought/sold during the year				
	17.04.2020	17222	3.30		
		84499	4.07		
		55190	4.58		
		48856	5.03		

	15.05.2020 31.07.2020 14.08.2020 30.09.2020 23.10.2020 12.02.2021 26.02.2021 05.03.2021 31.03.2021	16000 -233067 -203056 -92626 -35103 0	5.17 3.04 1.18 0.33 0.00 0.00	0	0
4.	Chirag Narendra Modh Brought/sold during the year 15.05.2020 22.05.2020 29.05.2020 05.03.2021 12.03.2021 19.03.2021 26.03.2021 31.03.2021	336280 -6167 -2 -5 -26602 -48051 -47500 -9123 0	3.08 3.03 3.03 3.03 2.78 2.34 1.91 1.82 1.82	198830	1.82
5.	Gallant Dealers Private Limited	2,95,000	2.70	2,95,000	2.70
6.	Sree Ramakrishna Alloys Limited	2,50,000	2.29	2,50,000	2.29
7.	Euro Plus Capital Ltd Brought/sold during the year 27.11.2020 18.12.2020 12.02.2021 19.02.2021 26.02.2021 05.03.2021 31.03.2021	235094 -35182 1270 -1474 -57000 -110000 -32912 0	2.16 1.83 1.84 1.83 1.31 0.30 0.00 0.00	0	0
8.	Himmatlal Jethalal Lakhani Brought/sold during the year 12.06.2020 04.09.2020 18.09.2020 19.02.2021 26.02.2021 05.03.2021 12.03.2021 19.03.2021 31.03.2020	227616 -227616 227616 1 -97864 -3500 -70665 -48395 -7193 0	2.09 0 2.09 2.09 1.19 1.16 0.51 0.07 0.00 0.00	0.00	0.00

9.	Pantomath Stock Brokers Pvt.Ltd.	183726	1.68		
	Brought/sold during the year				
	17.04.2020	-5995	1.63		
	24.04.2020	-76983	.92		
	01.05.2020	-10000	.83		
	08.05.2020	278	.83		
	15.05.2020	77	.84		
	22.05.2020	100	.84		
	29.05.2020	1770	.85		
	05.06.2020	7831	.92		
	12.06.2020	-5	.92		
	19.06.2020	3	.92		
	26.06.2020	130	.93		
	10.07.2020	-1572	.91		
	17.07.2020	150	.91		
	31.07.2020	-43188	.52		
	14.08.2020	-46992	.09		
	04.09.2020	-70	.08		
	18.09.2020	4366	.12		
	25.09.2020	-10	.12		
	02.10.2020	-4166	.09		
	06.11.2020	-2430	.06		
	27.11.2020	-7020	.00		
	04.12.2020	3287	.03		
	18.12.2020	-3287	.00		
	22.01.2021	22	.00		
	29.01.2021	-18	.00		
	05.02.2021	-4	.00		
	12.03.2021	15	.00		
	19.03.2021	3	.00		
	26.03.2021	-18	.00		
	31.03.2021	0	.00	0.00	0.00
10	Shantaben Dayashankar Dave	0	0.00		
	Brought/sold during the year				
	19.02.2021	61000	.56		
	05.03.2021	28000	.82		
	19.03.2021	-4000	.78		
	26.03.2021	54000	1.27		
	31.03.2021	0	1.27	139000	1.27
	TOTAL	3040650	27.86	22,93,692	21.01
iv	Share Holding of Directors and KMP				
	Name of Director/KMP	No of Share held at the beginning of the year		No of Share held at the end of the year	

		No of Shares	% of total shares	No of Shares	% of total shares
	Sunil Choudhary	1224500	11.22	1224500	11.22
	Ankit Gupta	104000	.95	104000	.95
V.	INDEBTEDNESS				
Indebtedness of the Company including interest outstanding/accrued but not due for payment					
		Secured Loans excluding Deposits (Amount in Rs.)	Unsecured Loans (Amount in Rs.)	Deposits (Amount in Rs.)	Total Indebtness (Amount in Rs.)
Indebtedness at the beginning of the Financial Year					
	i) Principal Amount	186,21,76,380	34,22,77,625	-	220,44,54,005
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	186,21,76,380	34,22,77,625	-	220,44,54,005
Change in Indebtedness during the Financial Year					
	• Addition	-	2,88,57,287	-	2,88,57,287
	• Reduction	21,96,83,185	-	-	21,96,83,185
	Net Change	21,96,83,185	2,88,57,287	-	24,85,40,472
Indebtedness at the end of the Financial Year					
	i) Principal Amount	164,24,93,195	37,11,34,912	-	201,36,28,107
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	164,24,93,195	37,11,34,912	-	201,36,28,107
VI.	REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL				
A.	Remuneration to Managing Director, Whole-time Directors and/or Manager:				

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount (in Rs.)
		Sunil Choudhary	-	Ankit Gupta	-	
1.	Gross salary (Amount in Rs.)					
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	27,25,000	-	21,00,000	-	48,25,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- others, specify	-	-	-	-	-
5.	Others-sitting fees	-	-	-	-	-
	Total (A)	27,25,000	-	21,00,000	-	48,25,000

B. Remuneration to other Directors:						
Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount (in Rs.)
1.	Independent Directors & Others	Eunny Krishnamacharyulu		Prakash Kumar Thakur	Rabi Kumar Gupta	
	Fee for attending board & committee Meetings (Amount in Rs.)	7000	-	2200	4,200	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-

	Total (1) (Amount in Rs.)	7,000	-	2,200	4,200	-
2.	Other Non-Executive Directors	Swarnalath Mandaleeka	Jaya Padmavathi Bandi			
	Fee for attending board & committee Meetings	800	1200		-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2) (Amount in Rs.)	800	1200	-	-	
	Total (B)=(1+2) (Amount in Rs.)	7,800	1,200	2,200	4,200	15,400
	Total Managerial Remuneration (Amount in Rs.)	-	-	-	-	48,40,400
	Overall Ceiling as per the Act (Amount in Rs.)	-	-	-	-	84,00,000

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total (Amount in Rs.)
1.	Gross salary	4,20,000	-	4,20,000
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total	4,20,000	-	4,20,000

PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:						
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)	
A. COMPANY						
Penalty	-	-	-	-	-	
Punishment	-	-	-	-	-	
Compounding	-	-	-	-	-	
B. DIRECTORS						
Penalty	-	-	-	-	-	
Punishment	-	-	-	-	-	
Compounding	-	-	-	-	-	
C. OTHER OFFICERS IN DEFAULT						
Penalty	-	-	-	-	-	
Punishment	-	-	-	-	-	
Compounding	-	-	-	-	-	

For Narayani Steels Limited
(A Company under Corporate Insolvency Resolution Process)

Registered Office
23A, N.S. Road 7th Floor,
Room-31
Kolkata
West Bengal
India
700001

(Sunil Choudhary)
Managing Director
DIN: 00289479

Place: Vizianagaram
Date: 03.09.2021

Annexure-3
FORM AOC-I

(Pursuant to first proviso to Sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the Financial Statement of Subsidiaries/Associate Companies/Joint Ventures

Part "A": Subsidiaries

(Information in respect of each Subsidiary to be presented with amounts in Rs.)

1.	Sl. No.	-
2.	Name of the Subsidiary	-
3.	Reporting period for the Subsidiary concerned, if different from the Holding Company's reporting period	-
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of Foreign Subsidiaries.	-
5.	Share Capital	-
6.	Reserves & Surplus	-
7.	Total assets	-
8.	Total Liabilities	-
9.	Investments	-
10.	Turnover	-
11.	Profit before taxation	-
12.	Provision for taxation	-
13.	Profit after taxation	-
14.	Proposed Dividend	-
15.	% of Shareholding	-

Notes:

1. Names of Subsidiaries which are yet to commence operations-None.
2. Names of Subsidiaries which have been liquidated or sold during the year-None.

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sl. No.	Name of Associates/Joint Ventures	Hari Equipments Private Limited (CIN: U51504WB1971PTC080792)
1.	Latest audited Balance Sheet Date	31.03.2021
2.	Shares of Associate/Joint Ventures held by the Company on the year end	
	No.	4,59,490 Equity Shares of Rs. 10/- each
	Amount of Investment in Associates/Joint Venture	Rs. 45,94,900/-
	Extend of Holding %	37.51%
3.	Description of how there is significant influence	Sunil Choudhary is the common Directors
4.	Reason why the Associate/ Joint Venture is not consolidated	It is consolidated
5.	Networth attributable to Shareholding as per latest audited Balance Sheet	
6.	Profit / Loss for the year	
	i. Considered in Consolidation	
	i. Not Considered in Consolidation	-

For Narayani Steels Limited

Registered Office
23A, N.S. Road 7th Floor,
Room-31
Kolkata
West Bengal
India
700001

(Sunil Choudhary)
Managing Director
DIN: 00289479

(Ankit Gupta)
Whole Time Director and Chief Financial Officer
DIN: 08415248

Place: Vizianagaram.
Date: 03.09.2021

(Arun Kumar Meher)
Company Secretary and Compliance Officer
M.No.: A48598

Annexure-5

Policy on appointment and payment of remuneration of Directors, Key Managerial Personnel and other employees

Introduction

In accordance with Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee has formulated Remuneration Policy (“the policy”).

The objective of the policy is to ensure that Executive Directors, Non-Executive Directors, Key Managerial Personnel (KMP) and other Employees are sufficiently compensated for their performance. The Policy seeks to provide criteria for determining qualifications, positive attributes and independence of a Director.

Remuneration Policy

Directors

Nomination and Remuneration Committee shall recommend the remuneration, including the commission based on the net profits of the Company for the Non-Executive Directors and Whole-time Director and Managing Director and other Executive Directors. This will be then approved by the Board and Shareholders. Prior approval of Shareholders will be obtained wherever applicable in case of remuneration to Non-Executive Directors.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and variable pay to Whole-time Directors. Salary is paid within the range approved by the Shareholders. Annual increments effective 1st April each year, as recommended by the Nomination and Remuneration Committee, and is approved by the Board of Directors of the Company. Within the prescribed ceiling, the perquisites package is approved by the Remuneration Committee.

The remuneration paid to Executive Directors is determined keeping in view the industry benchmark and the relative performance of the Company to the industry performance. Perquisites and retirement benefits are paid according to the Company policy as applicable to all Employees.

Independent Non-Executive Directors will receive sitting fees for attending the meeting of the Board and Board Committees and commission as approved by the Board and Shareholders.

The remuneration by way of commission paid to the Independent Non-Executive directors is determined periodically & reviewed based on the industry benchmarks.

Key Managerial Personnel

Nomination and Remuneration Committee shall recommend the remuneration, including the commission based on the net profits of the Company for the other Key Managerial Personnel apart from Directors. This will be then approved by the Board. The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and variable pay

to the other Key Managerial Personnel apart from Directors. Annual increments effective 1st April each year, as recommended by the Nomination and Remuneration Committee, and is approved by the Board.

The remuneration paid to the other Key Managerial Personnel apart from Directors is determined keeping in view the industry benchmark and the relative performance of the Company to the industry performance. Perquisites and retirement benefits are paid according to the Company policy as applicable to all Employees.

Other Employees

The remuneration of Employees largely consists of basic salary, perquisites, allowances and performance incentives. Perquisites and retirement benefits are paid according to the Company policy, subject to prescribed statutory ceiling and other Rules formulated by the Company from time to time.

The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification & experience/ merits, performance of each employee. The Company while deciding the remuneration package takes into consideration current employment scenario and remuneration package of the industry.

The annual variable pay of managers is linked to the performance of the Company in general and their individual performance for the relevant year measured against Company's objectives fixed in the beginning of the year.

Criteria for Board Membership

Directors, Key Managerial Personnel and Other Employees

The Company shall take into account following points:

- They must have relevant experience in Finance/ Law/ Management/ Sales/ Marketing/ Administration/ Research/ Corporate Governance/ Technical Operations or the other disciplines related to Company's business.
- They should possess the highest personal and professional ethics, integrity and values.
- They must be willing to devote sufficient time and energy in carrying out their duties and responsibilities.

Independent Directors

- Independent Director is a Director who has no direct or indirect material relationship with the Company or its Holding, Subsidiary or Associate Company or any of its officers, other than as a Director or Shareholder of the Company or its Holding, Subsidiary or Associate Company as specified in the Act and applicable Rules thereto.
- Independent Non-Executive Directors are appointed for their professional expertise in their individual capacity as independent professionals/ Business Executives.
- Independent Director shall meet all criteria specified in Section 149(7) of the Companies Act, 2013 and Rules made there under and LODR, 2015 if any.

Annexure-4
FormNo-MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2021
[Pursuant to Section 204(1) of the Companies Act, 2013 and

Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Narayani Steels Limited,
23A, N.S.Road, 7th Floor,
Room No-31, Kolkata-700001,
West Bengal, India.

We have conducted the Secretarial Audit of the Compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Narayani Steels Limited** (CIN: L27109WB1996PLC082021) (here-in-after called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, Minute books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its Officers, Agents and Authorized Representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, Minute books, Forms and Returns filed and other records maintained by Narayani Steels Limited for the Financial Year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable to the Company;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and the Listing Agreements entered into by the Company with the Stock Exchanges;
 - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 – Not applicable as the Company has not issued any ESOP during the financial year under review;
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the Company has not issued any Debt Securities during the financial year under review;
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable; and
 - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable as the Company did not buy back its Equity Shares during the financial year under review.

2. We are of the opinion that the Management has complied with the following Laws specifically applicable to the Company:

- (a) Factories Act, 1948
- (b) Industrial Disputes Act, 1947
- (c) The Payment of Wages Act, 1936
- (d) The Minimum Wages Act, 1948
- (e) Employees Provident Funds and Miscellaneous Provisions Act, 1952
- (f) The Payment of Gratuity Act, 1972
- (g) The Contract Labour (Regulation & Abolition) Act, 1970
- (h) The Child Labour (Prohibition & Regulation) Act, 1986
- (i) The Industrial Employment (Standing Order) Act, 1946
- (j) The Employee Compensation Act, 1923
- (k) Customs Act, 1962
- (l) The Water (Prevention and Control of Pollution) Act, 1974
- (m) The Air (Prevention and Control of Pollution) Act, 1981
- (n) The Bureau of Indian Standards Act, 1986
- (o) The Steel and Steel Products (Quality Control) Order, 2018;

We have also examined compliance with the applicable Clauses of the following:

- o Secretarial Standards issued by The Institute of Company Secretaries of India.

3. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- a) *Few Forms were filed with additional fees;*
- b) *According to the information provided, the following dues/outstanding of tax have been continuing:*

<i>Nature of Dues</i>	<i>Amount (in Rs)</i>	<i>Forum where dispute is pending</i>
<i>Income Tax (F.Y. 2005-06)</i>	<i>6,04,053</i>	<i>CIT (Appeals),Kolkata</i>
<i>Income Tax (F.Y. 2009-10)</i>	<i>6,46,040</i>	<i>ITAT, Kolkata</i>
<i>Income Tax (F.Y. 2011-12)</i>	<i>2,05,52,000</i>	<i>CIT (Appeals),Kolkata</i>
<i>Income Tax (F.Y. 2012-13)</i>	<i>5,97,640</i>	<i>CIT (Appeals),Kolkata</i>
<i>Income Tax (F.Y. 2013-14)</i>	<i>14,97,770</i>	<i>CIT (Appeals),Kolkata</i>
<i>Income tax (F.Y. 2015-16)</i>	<i>10,73,416</i>	<i>CIT (Appeals),Kolkata</i>

(c) during the year under review, the company went into Corporate Insolvency Resolution Process (CIRP) as per NCLT order dated 24.03.2021. The following are claims received by the Resolution Professional from Financial Creditors :

RECONCILIATION OF CLAIMS RECEIVED FROM RP AS AGAINST THE BOOKS AS ON 31-03-2021			
FINANCIAL CREDITORS (Admitted by RP)	BAL in books Rs in lakhs	BAL as per IRP Rs in lakhs	Variation Rs. in lakhs
UNION BANK OF INDIA	19.008.09	19,552.94	-544.85
AXIS BANK	597.84	583.67	14.17
ICICI BANK LTD	1,199.85	1,186.83	13.02
TATA CAPITAL	1,278.44	1,301.67	-23.23
YES BANK	273.26	265.37	7.89
Total	22,357.48	22,890.18	-532.71

In addition to the above, further admitted claims of Rs. 67.23 Lakhs arising on account of corporate guarantee was shown under Contingent Liability.

4. We further report that-

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Non-Executive & Non-Independent Director. There have been changes in composition of Board of the Directors but that change does not affect the SEBI (LODR) Regulations, 2015 during the Financial Year 2020-21.
- b) *the Company has to maintain a mechanism to monitor the acknowledgement of Notice and Agenda of Board Meeting(s);*

- c) *the Company has not filed a return (DIR-12) as required under section 170(2) of the Companies Act, 2013 for the appointment/ratification of Mr. Rabi Kumar Gupta and Prakash Kumar Thakur as the Independent Director(s) of the Company at the Annual General Meeting of the Company held on 30.12.2020 and the status of both the Directors continue to be that of 'Additional Director' on the MCA website.*
- d) *The Independent Directors appointed during the year do not match the criteria of having their names included in the data bank of Independent Directors as mentioned in Clause 6 (1)(b) of The Companies (Appointment and Qualifications of Directors) Rules, 2014.*
- e) The Company conducted few Board Meeting(s) on shorter notice to transact the urgent business and at least One Independent Director present in the said meetings.
- f) As per the Minutes of the Meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.
- g) We report that there is scope to improve the systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
5. We have relied on the representation made by the Company and its Officers for systems and mechanisms formed by the Company for Compliances under other applicable Acts, Laws and Regulations to the Company.

For ASN Associates
Company Secretaries

M Nagaraju
(Associate)

Place: Visakhapatnam

Date: 27/08/2021

ACS: 24339

CP No:21515

UDIN: A024339C000840594

*This report is to be read with our letter of even date which is annexed as 'Annexure-A' and forms an integral part of this report

‘ANNEXURE A’

To

The Members,

Narayani Steels Limited. 23A,

N.S.Road, 7th Floor,

Room No-31, Kolkata-700001,

West Bengal, India.

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial Record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices, we followed for this purpose provided a reasonable basis for our opinion.
3. The Compliance by the Company of applicable financial law like Direct and Indirect Tax Laws and maintaining of financial Records and Books of Accounts have not been reviewed in this Audit since the same have been subject to review by Statutory Financial Audit and other designated Professionals.
4. Wherever required, we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For ASN Associates
Company Secretaries

MNagaraju
(Associate)

Place: Visakhapatnam

ACS: 24339

Date: 27/08/2021

CP No:21515

Auditors' Certificate on Corporate Governance

To
The Members of
Narayani Steels Limited
Kolkata.

We have examined the compliance of conditions of Corporate Governance by M/s. Narayani Steels Limited ("the Company") for the year ended on 31st March, 2021 as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the Company with Bombay Stock Exchanges Ltd.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we Certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the Company with Bombay Stock Exchanges Ltd as applicable except for the following clauses:

- *the Company has to maintain a mechanism to monitor the acknowledgement of Notice and Agenda of Board Meeting(s);*
- *The Independent Directors appointed during the year do not match the criteria of having their names included in the data bank of Independent Directors as mentioned in Clause 6 (1)(b) of The Companies (Appointment and Qualifications of Directors) Rules, 2014.*

Further, during the year under review, the company went into Corporate Insolvency Resolution Process (CIRP) as per NCLT order dated 24.03.2021 and accordingly, an Insolvency Resolution Professional has taken over the management of the Company.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For ASN Associates Company Secretaries

M.Nagaraju
(Associate)

Place: Visakhapatnam
Date: 27.08.2021

ACS No.: 24339
C P No.: 21515

**DECLARATION BY MANAGING DIRECTOR WITH RESPECT TO COMPLIANCE WITH CODE OF
CONDUCT OF THE COMPANY**

As provided under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V of the said regulations, this is to confirm that all the Members of the Board and the Senior Management have affirmed compliance with the Code of Conduct for the Financial Year ended March 31, 2021.

For Narayani Steels Limited

Date: 03.09.2021
Place: Vizianagaram

Sunil Choudhary
Chairman & Managing Director DIN: 00289479

(Narayani Steels Limited is under Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016. Its affairs, business and assets are being managed by the Resolution Professional, Mr. **Krishna Komaravolu**, IP Registration no. **IBBI/IPA-002/IP-N00562/2017-18/11699**, appointed as Interim Resolution Professional by the National Company Law Tribunal by order dated 24th March, 2021 and continued as Resolution Professional by the Committee of Creditors in its meeting held on 23 April, 2021 under provisions of the code.)

MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATE

To
The Board of Directors
Narayani Steels Limited.

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Narayani Steels Limited ('the Company'), have reviewed the financial statements and cash flow statements of the Company for the Financial Year ended March 31,2021 and that to the best of our knowledge and belief, we hereby certify that:

- a. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
- b. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- c. There are, to the best of our knowledge and belief, no transactions entered into the company during the year which are fraudulent, illegal or in violation of the company's code of conduct.
- d. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken to rectify these deficiencies.
- e. We have indicated to the auditors and audit committee that:
 - i. There are no significant changes in control over financial reporting during the year;
 - ii. There are no significant changes in accounting polices during the year; and

There are no instant significant fraud of which we are aware and which involve management or any employee, having significant role in the company's internal control system over financial reporting.

Place: Vizanagaram
Date: 27th August,2021

Sunil Choudhary
Managing Director

Ankit Gupta
CFO

(Narayani Steels Limited is under Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016. Its affairs, business and assets are being managed by the Resolution Professional, Mr. Krishna Komaravolu, IP Registration no. IBBI/IPA-002/IP-N00562/2017-18/11699, appointed as Interim Resolution Professional by the National Company Law Tribunal by order dated 24th March, 2021 and continued as Resolution Professional by the Committee of Creditors in its meeting held on 23 April, 2021 under provisions of the code.)

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members,

**Narayani Steels Limited, 23A, N.S. Road, 7th Floor,
Room No-31, Kolkata-700001, West Bengal, India**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Narayani Steels Limited having CIN - L27109WB1996PLC082021 and having registered office at 23A, N. S. Road, 7th Floor, Room No-31, Kolkata-700001, West Bengal, India and Corporate Office at Sy No.202/30-34 and 38/Part, Modavalasa Village, Denkada Mandal, Vizianagaram-535004, Andhra Pradesh, India (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C sub-clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the MCA portal as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority. The Independent Directors appointed during the year do not match the criteria of having their names included in the data bank of Independent Directors as mentioned in Clause 6 (1)(b) of The Companies (Appointment and Qualifications of Directors) Rules, 2014. During the year under review, the company went into Corporate Insolvency Resolution Process (CIRP) as per NCLT order dated 24.03.2021 and accordingly, an Insolvency Resolution Professional has taken over the management of the Company

Sr. no.	Name of the Director	DIN	Date of appointment in the Company
1.	Sunil Choudhary	00289479	November 13, 1996
2.	Swarnalath Mandaleeka	06632712	January 28, 2021
3.	Ankit Gupta	08415248	March 30, 2019
4.	Rabi Kumar Gupta	06706451	July 28, 2020
5.	Krishnamacharulu Eunny	07281774	September 10, 2015
6.	Prakash Kumar Thakur	08037310	July 28, 2020

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Gopinath Nayak & Associates
Company Secretaries

Bharat Chandra Das

Partner

ACS No.: 25843

C P No.: 9834

Place: Bhubaneswar

Date: 30.08.2021

INDEPENDENT AUDITOR'S REPORT

To the Members of M/s. Narayani Steels Limited

Report on Audit of Standalone Financial Statements

Qualified Opinion:

We have audited the accompanying Standalone Financial Statements of **M/s. Narayani Steels Limited** ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2021, and the Standalone Statement of Profit and Loss and Standalone Cash Flow Statement for the year then ended, Standalone statement of changes in equity and notes to the Standalone Financial Statements including a summary of significant accounting policies and other explanatory information(hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the "**Basis for Qualified Opinion paragraph,**" and "**Material Uncertainty Related to Going Concern under the Emphasis of Matter paragraph**" aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2021, and its profit/loss and its cash flows for the year ended on that date.

Basis for Qualified Opinion:

1. We draw attention to Note 8 and 48 to the Standalone financial results that there has been no realization from Trade Receivables amounting to Rs. 137.78 Crores during past 21 months. Therefore we express that there is no reasonable certainty of realization as to its timing and collection of Sundry Debtors of Rs. 169.22Cr. as on 31.03.2021. We are also unable to quantify the amount of doubtful debtors and the sufficiency or otherwise of Provision made therefore in the given circumstances. Further, the legal documentation for the balance transfer of Rs. 87.15Cr. from Steel Exchange India Limited (SEIL) to its group company Vizag Profiles Private Limited (VPPL) is not sufficient and Legally binding.

The Non-Realization of Sundry Debtors has resulted in Bank loans becoming NPA in the Banks. The annual interests accrued on Bank outstanding continues to be the reason for the Financial Loss and has dented the net worth of the Company. The ICICI bank approached NCLT. Consequently, the company went into Corporate Insolvency Resolution Process (CIRP) as per NCLT order dated 24.03.2021.

2. We draw attention to Note 51 to the Standalone financial results that the RP has invited Expression of Interest (EOI) from prospective resolution applicants as per 2nd COC conducted by RP on 18-06-2021. The Management has presented accounts based on the assumption of the Going Concern Concept since the plant is working and the CIRP is at its preliminary stage. However, since the Net worth has become negative, and the realisibility of the debtors is in doubt, the Company ceases to be a Going concern and the Assets & Liabilities are to be adjusted in the books.

3. We draw attention to Note 21 to the Standalone financial results that the deferred taxes of Rs. 4374.42 lakhs as on 31st March 2021 cannot be considered as an asset since the Company ceases to be a Going concern. As a result, the loss will further go up by the Deferred Tax amount.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the following matters:-

1. As stated in Note No 41 to the Standalone financial results, the Bankers have classified its advance to Company as NPA and issued notices under SARFAESI Act, 2002. The ICICI Bank, one of the financial creditor who is unsecured, has filed an application CP(IB) No. 986/KB/2020 before NCLT u/s 7 of the Insolvency & Bankruptcy Code, 2016 (The Code) for initiating Corporate Insolvency Resolution Process (CIRP) against the Company and the same has been admitted by NCLT at its hearing dated 16.03.2021 and pronounced order on 24.03.2021 to initiate CIRP In Narayani Steels Limited. Further, Mr. Krishna Komaravolu, registered with Insolvency and Bankruptcy Board of India, having Registration No. IBBI/IPA-002/IP-N00562/2017-2018/11699 has been appointed as Interim Resolution Professional, for ascertaining the particulars of creditors and for convening a meeting of Committee of Creditors for evolving a resolution plan. The IRP has been confirmed and appointed as Resolution Professional (RP) .The Resolution Professional has received the claims and subsequently convened the first meeting of COC on 24-4-2021. He has examined and admitted the claims from Financial Creditors amounting to Rs. 296.13 Cr. The variations between balances as per books and amount claimed by the financial creditors amounting to Rs. 5.32 Cr. is due to charging of penal interest and other charges claimed by the Financial creditors as explained to us. A claim from State GST, Operational Creditor amounting to Rs. 35.68 Crores is still under the examination of the RP.

2. As stated in Note 42 to the Standalone financial results which explain that the operations of the company has been impacted significantly. The Company has stopped its Trading and Manufacturing activity. In order to keep the plant (Unit-2) running, the company has entered into an agreement with M/s Elegant Metals and Minerals Private Limited, to operate the plant on conversion basis at a cost of Rs. 3000 per metric ton. The total gross income earned from conversion is Rs. 184.63 Lakhs during the last quarter of the year.
3. As stated in Note 34 to the Standalone financial results, the total Contingent Liabilities amounting to Rs.109.68 Crores is disclosed on account of Collaterals given on behalf of Associates / group companies of the Company and other liabilities. During the year, Karur Vysya Bank and Canara Bank have sold two properties mortgaged to them and appropriated the sale proceeds amounting to Rs. 9.45 Cr. towards the liability on account of corporate guarantee given on behalf of its associate company M/s. Kedarnath Commotrade Private Limited discharging about Rs. 15.25 Crores of liability. The total amount of Rs. 9.45 Cr. adjusted by banks has been claimed from the M/s Kedarnath Commotrade Private Limited as receivable by the company.
4. As stated in Note 52 to the Standalone financial results, the Audit Report is issued on the Revised Accounts. The Revision of accounts on the Profit and Loss A/c is resulted in Decrease of Loss by Rs. 239.20 Lakhs.

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

Material Uncertainty Related to Going Concern

5. As stated in Note 51 in the Standalone Ind AS Financial Statements which indicate that as the Net worth has become negative, and the realisibility of the debtors is in doubt, the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going Concern .

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the matter was addressed in our Audit
<p>1. Related Party Transactions:</p> <p>(Refer Note No. 37 to the Standalone Financial Statements)</p> <p>The Company has entered into several transactions with related parties during the year 2020-21. We identified related party transactions as a key audit matter because of risks with respect to completeness of disclosures made in the Financial Statements, non-compliance with relationships such as the Companies Act 2013 and SEBI regulations and the judgment involved in assessing whether transactions with related parties are undertaken at arm’s length.</p>	<p>In view of the significance of the matter, we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> i. We carried out an assessment of the key controls to identify and disclose related party relationships and transactions in accordance with the relevant Indian Accounting Standards. ii. We carried out an assessment of compliance with the listing regulations and regulations under Companies Act 2013, including checking of approvals as specified in Sections 177 and 188 of the Companies Act 2013 with respect to the related party transactions. iii. We considered the adequacy and appropriateness of the disclosures in the Financial Statements relating to the related party transactions. iv. For transactions with related parties, we inspected relevant ledgers, Registers and other information that may indicate the existence of related party relationships or transactions. We also tested completeness of related parties disclosures with reference to the various registers maintained by the company statutorily. v. We have tested on a sample basis management’s assessment of related party transactions for arm’s length pricing.

2. Claims and Contingent Liabilities:

(Refer Note No. 16, 34, 41 of Standalone Financial Statements)

The Resolution Professional has received the claims and subsequently convened the first meeting of COC on 24-04-2021. He has examined and admitted the claims from Financial Creditors amounting to Rs. 296.13 Cr. as below:

FINANCIAL CREDITORS (Admitted by RP)	BAL in books Rs in lakhs	BAL as per IRP Rs in lakhs
UNION BANK	19,008.09	19,552.94
AXIS BANK	597.84	583.67
ICICI BANK LTD	1,199.85	1,186.83
TATA CAPITAL	1,278.44	1,301.67
YES BANK	273.26	265.37
Total	22,357.48	22,890.18

Remaining amount of liability of Rs. 67.23 Cr on account of Corporate Guarantee are shown under Contingent Liability as below:

Contingent Liabilities-31.3.2021	Rs. In lakh s
Claims against the company not acknowledged as debts	401
Disputed Income Tax Demands under appeal	250
Corporate guarantee for credit facilities (Admitted by RP)	3,524
Other Corporate guarantee for credit facilities (Admitted by RP)	3,198
Disputed Sales Tax/ VAT under appeal for the year 2010 - 11	5
Disputed Penalty on VAT under appeal for 04/2011 to 12/2012	21
State Tax (VAT), Vizianagaram (Claim is under examination of RP)	3,569
Total	10,968

Our audit procedures included the following:

- i. Assessed the design and implementation of the company's controls over the assessment of litigations and completeness of disclosures. Supporting documents were tested for the positions taken by the management, meetings conducted with in-house legal counsel and legal team and minutes of the Board were reviewed to test the operating effectiveness of these controls.
- ii. The variations between balances as per books and amount claimed by the financial creditors as admitted by RP amounting to Rs. 5.32 Cr. It is Explained to us that the difference may be due to charging of penal interest and other charges debited by the Financial Creditors.
- iii. Additionally, we have perused the claims received by the Resolution Professional after invitation of Claims from the Financial and Operational Creditors.
- iv. We have enquired into the genuineness of claims admitted by RP with the management (RP and KMP).

3. Non Realisation of Sundry Debtors despite lapse of considerable time Provision for Expected Credit Loss on Trade Receivables:

Our procedures in relation to verification of Sundry Debtors and Expected Credit loss on trade receivables include the following:

<p>(Refer note No. 8 and 48 of Standalone Financial Statements)</p> <p>The total Sundry Debtors as on 31.03.2021 available in books is Rs. 169.22 Cr. The aging of debtors reveals that there is no realisation from the major debtors and is stagnant for the past 21 months. During the year the Company has transferred an amount of Rs. 87.15 Crores from M/s. Steel Exchange India Limited (SEIL) to its group company M/s. Vizag Profiles Private Limited (VPPL) by virtue of Joint understanding agreed in this regard. As per the earlier confirmations available at the company, the Company has obtained Confirmation of Balances from its major Trade Receivables of approx. Rs. 98.93 Cr. which includes Rs. 74.15 Cr. from VFPL as on 31.03.2021. Total confirmations received are equal to 58.47 % of Total Receivables.</p>	<p>i. As instructed by us, the company had sent the letters seeking Confirmation of the Balances as on 31.03.2021 to be sent directly to us. Confirmations have not reached the office of Statutory Auditors as at the end of the audit.</p> <p>ii. For this purpose of verification of balance transfer, Mail Confirmation from SEIL and Balance Confirmation from VPPL are obtained.</p> <p>iii. Analysing the key terms of contract with customer to ascertain provision required for expected credit loss as per Ind AS.</p> <p>iv. We inspected the criteria followed by the management in calculating the amount of provision and the logic behind the provision.</p> <p>v. Company has provided for the Expected Credit Risk amounting to Rs.46.95 Cr. in addition to the Provision for Doubtful Debts amounting to Rs.11.91 Cr as on 31/03/2021 as per Ind AS and as per the principle of Prudence.</p> <p>In view of non-realisation and sticky nature of sundry debtors, further steps are to expedited to speed up the recovery process.</p>
<p>4. Sale of Assets by Banks and Tax liability there on:</p> <p>(Refer Note No. 34 of Standalone Financial Statements)</p> <p>During the year Karur Vysya Bank and Canara Bank have sold two properties mortgaged to them and appropriated the sale proceeds amounting to Rs. 9.45 Cr. towards their liability arising on account of corporate guarantee given the Company on behalf of its group company M/s. Kedarnath Commotrade Private Limited.</p>	<p>Our Audit Procedure in relation to sale of assets by the banks and Income Tax liability on sale proceeds was conducted as under:</p> <p>i. We have obtained information relating to the terms of the corporate guarantee provided to M/s Kedarnath Commotrade Private limited (KCPL).</p> <p>ii. We made sufficient enquiries with the management to understand the sequence with which the banks have sold and the method adopted in selling those assets which were given as collaterals.</p> <p>iii. The minutes of the meeting of the Board with regard to accounting treatment for the sale of mortgaged assets by banks and approval for lodging the claim with group company KCPL are examined.</p> <p>iv. The total amount of Rs. 9.45 Cr. adjusted</p>

	<p>by banks has been claimed from the M/s Kedarnath Commotrade Private Limited as receivable to the company.</p> <p>v. The confirmation letter received from KCPL for the above claim was perused.</p> <p>vi. The liability of Capital gains tax under the Income Tax Act was examined in detail. The Tax liability has not been brought to books as the Profit on the sale of the long-term capital assets can be set off against the current business loss of the company.</p>
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Management’s Responsibility for the Standalone Financial Statements

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013 (“the Act”) with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards referred specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the company’s financial reporting process.

Information Other than the Standalone Financial Statements and Auditor’s Report Thereon:

The Bank’s Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the Financial Statements and our auditor’s report thereon. The information included in the Annual Report is expected to be made available to us after the date of the auditor’s report.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements , our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we

conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Auditor's Responsibility for the audit of Standalone Financial Statements:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work: and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon:

The Bank's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the Financial Statements and our auditor's report thereon. The information included in the Annual Report is expected to be made available to us after the date of the auditor's report.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act we give in the "**Annexure 1**" a statement on the matter specified in paragraphs 3 and 4 of the Order which is subject to the effects/ possible effects of the matter described in the "Basis for Qualified Opinion" paragraph of our Audit Report.
2. As required by section 143 (3) of the Act, we report that:
 - a. We have sought and, except for the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b. Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss including the statement of other comprehensive income , the statement of changes in equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid INDAS Financial Statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015;
- e. On the basis of written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of section 164(2) of the Act.
- f. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- g. With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls refers to our separate Report in “**Annexure 2**” to this report.
- h. The company has paid remuneration to the managerial persons during the year ended 31st March 2021 within the limits specified in the provisions of Section 197 read with Schedule V of the Act.;
- i. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS Financial Statements – Refer Note 34 to the Ind AS Standalone Financial Statements.

- ii. The Company did not have any long-term contracts including derivative contracts
Which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the
Investor Education and Protection Fund by the Company

**For RAMAMOORTHY (N) & CO.,
Chartered Accountants
Firm Registration No. 02899S**

**(K. Ramachandra Rao)
Partner
Membership No. 201334
UDIN: 21201334AAAAC4095**

**Place: Visakhapatnam
Date: 03-09-2021**

ANNEXURE-1 TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 of the Report on Other Legal and Regulatory Requirements of Independent Auditor's Report of even date to the members of Narayani Steels Limited on the Standalone Ind AS Financial Statements as of and for the year ended 31 March 2021

i.

- a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified during the year. No material discrepancies were observed on such verification.
- c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

In respect of immovable properties been taken on lease and disclosed as property, plant and equipment in the Standalone Ind AS Financial Statements, the lease agreements are in the name of the Company

- ii. Inventories have been physically verified by the management during the year. In view of reduced operations of the company, there is only one item of inventory. In our opinion, the frequency of such verification is reasonable. No material discrepancies were noticed on verification between the physical stocks and the book records.
- iii. On the basis of examination of records and according to the information and explanations given to us, the Company has during the year not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, clause iii (a), (b), (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of making investments and providing guarantees and securities, as applicable.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the rules framed thereunder and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

vi. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, maintenance of cost records has been prescribed under sub-section (1) of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

vii.

a) Barring some delays in certain cases, the Company has generally been regular in depositing undisputed statutory dues, Provident Fund, Employees State Insurance, Income Tax, Goods and Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Goods and Service Tax, Cess and other material statutory dues were in arrears as at 31st March 2021 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us and the records of the Company examined by us, the dues outstanding of income-tax, sales-tax, service tax, duty of Custom, duty of excise, value added tax, goods and service tax and cess on account of any dispute, are as follows:

c)

Name of Statute	Nature of dues	Amount (Rs. In lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	6.04	F.Y.2005-06	CIT (Appeals),Kolkata
Income Tax Act, 1961	Income Tax	6.46	F.Y.2009-10	ITAT, Kolkata
Income Tax Act, 1961	Income Tax	205.52	F.Y.2011-12	CIT (Appeals),Kolkata
Income Tax Act, 1961	Income Tax	5.97	F.Y.2012-13	CIT (Appeals),Kolkata
Income Tax Act, 1961	Income Tax	14.98	F.Y.2013-14	CIT (Appeals),Kolkata
Income Tax Act, 1961	Income Tax	10.73	F.Y.2015-16	CIT (Appeals),Kolkata

viii. In our opinion and according to the information and explanations given to us, the company has defaulted/ delayed in repayment of dues to banks and a financial institution and Corporate Insolvency Resolution Process is started against the company by the NCLT petition of one of the financial institutions. The following are claims received by the Resolution Professional from Financial Creditors :

RECONCILIATION OF CLAIMS RECEIVED FROM RP AS AGAINST THE BOOKS AS ON 31-03-2021			
FINANCIAL CREDITORS (Admitted by RP)	BAL in books Rs in lakhs	BAL as per IRP Rs in lakhs	Variation Rs. in lakhs
UNION BANK OF INDIA	19,008.09	19,552.94	-544.85
AXIS BANK	597.84	583.67	14.17
ICICI BANK LTD	1,199.85	1,186.83	13.02
TATA CAPITAL	1,278.44	1,301.67	-23.23
YES BANK	273.26	265.37	7.89
Total	22,357.48	22,890.48	-532.70

In addition to the above, further admitted claims of Rs. 67.23 Lakhs arising on account of corporate guarantee was shown under Contingent Liability. The total Contingent Liability was Rs. 10,968 Lakhs. The Company has not taken any loans or borrowings from government and has not issued any debentures.

- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. According to the information and explanations given to us, the Company has not taken any Term Loan during the year.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and according to the information and explanations given by the management, we report that no fraud by the company or on the company by the officers and employees of the Company has been noticed or reported during the year.
- xi. According to the information and explanations given by the management, the managerial remuneration has been paid/ provided in accordance with their requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and the records of the Company examined by us, all transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standards.

- xiv. According to the information and explanations given to us and the records of the company examined by us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and the records of the company examined by us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3 (xv) of the Order is not applicable.
- xvi. The company is not required to be registered under section 45- IA of Reserve Bank of India Act, 1934.

**For RAMAMOORTHY (N) & CO.,
Chartered Accountants
Firm Registration No. 02899S**

**(K. Ramachandra Rao)
Partner
Membership No. 201334
UDIN: 21201334AAAACT4095**

**Place: Visakhapatnam
Date: 03-09-2021**

ANNEXURE- 2 TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013("the Act")

Qualified Opinion

We have audited the internal financial controls with reference to financial statements of M/s **Narayani Steels Limited** ("the Company") as of 31st March, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, maintained adequate internal financial controls with reference to financial statements as of 31st March, 2021, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weakness described in Basis for Qualified Opinion paragraph below on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to financial statements were operating effectively as of 31st March 2021.

We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the standalone financial statements for the year ended 31st March, 2021 and the material weakness does not affect our opinion on the said standalone financial statements of the Company.

Basis for Qualified Opinion

According to the information and explanations given to us and based on our audit, a material weakness has been identified in the Company's internal financial controls with reference to financial statements as of 31st March, 2021 relating to certain operating ineffectiveness in controls in respect of obtaining balance confirmations from trade receivables and payables, and bank balances at regular intervals.

The inadequate supervisory and review control over Company's process in respect of its aforesaid assessment in accordance with the accounting principles generally accepted in India could potentially result in a material misstatement in preparation and presentation of financial statement including the profit after tax.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements of the Company.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For RAMAMOORTHY (N) & CO.,
Chartered Accountants
Firm Registration No. 028995**

**(K. Ramachandra Rao)
Partner
Membership No. 201334
UDIN: 21201334AAAACT4095**

**Place: Visakhapatnam
Date: 03-09-2021**

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)
STANDALONE BALANCE SHEET AS AT 31st March 2021

All amount in Rupees, unless otherwise stated

Particulars	Note	As at 31st March 2021	As at 31st March, 2020
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4A	139,828,530	208,801,771
(b) Capital Work In Progress	4B	-	-
(c) Investment Properties	4C	-	13,549,699
(d) Right-of-use assets	5A	10,784,696	11,837,726
(e) Intangible Assets	5B	145,234	244,884
(f) Financial assets			
(i) Investments	6	34,356	28,958
(ii) Other assets	11	9,002,430	9,863,728
(g) Deferred Tax Assets (net)	21	437,442,761	156,532,170
(h) Other non-current assets	13	1,145,260	1,948,439
Total Non-current assets		598,383,267	402,807,376
(2) Current assets			
(a) Inventories	7	15,086,400	133,216,966
(b) Financial assets			
(i) Investments	6	-	9,346,358
(ii) Trade receivables	8	1,103,546,216	1,750,014,239
(iii) Cash and cash equivalents	9	503,250	1,657,603
(iv) Other Bank Balances	10	-	183,395,877
(v) Other assets	11	1,014,189	1,042,489
(c) Current tax assets (net)	12	7,360,169	6,045,300
(d) Other current assets	13	145,101,690	96,234,173
Total Current assets		1,272,611,914	2,180,953,005
TOTAL ASSETS		1,870,995,181	2,583,760,381
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	109,090,000	109,090,000
(b) Other equity	15	(520,286,578)	(613,036)
Total Equity		(411,196,578)	108,476,964
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	11,528,955	166,917,553
(ii) Lease liabilities	17	8,277,036	11,540,077
(iii) Other liabilities	18	308,434	572,233
(b) Other non-current liabilities	20	261,492	857,828
(c) Deferred tax liabilities (net)	21	-	-
(d) Provisions	22	453,922	453,922
Total Non-current liabilities		20,829,839	180,341,613
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	2,013,628,107	2,204,454,005
(ii) Lease liabilities	17	756,675	839,620
(iii) Trade payables	19	-	-
total outstanding dues of micro enterprises and small enterprises		-	-
total outstanding dues of creditors other than micro enterprises and small enterprises		12,920,543	36,728,386
(iv) Other liabilities	18	224,018,133	18,585,292
(b) Other current liabilities	20	9,646,322	33,942,359
(c) Provisions	22	392,141	392,141
Total Current liabilities		2,261,361,920	2,294,941,805
TOTAL EQUITY AND LIABILITIES		1,870,995,181	2,583,760,381
Significant accounting policies	3		
<i>The accompanying notes form an integral part of these financial statements</i>			
As per our report of even date attached		For and on behalf of Narayani Steels Limited	
For RAMAMOORTHY (N)& CO., Chartered Accountants Firm Registration Number: 0028995		Krishna Komaravolu Resolution Professional	Ankit Gupta Director & CFO DIN: 08415248
K. RAMACHANDRA RAO Partner Membership No: 0201334			
Place of Signature: Vizianagaram Dated: The 3rd day of September, 2021		Arun Kumar Meher Company Secretary M.NO.: ACS48598	

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)
STANDALONE STATEMENT OF PROFIT AND LOSS FOR HALF YEAR ENDED 31ST March, 2021

All amount in Rupees, unless otherwise stated

SL. No. Particulars	Note	Year ended 31 March 2021	Year ended 31 March 2020
I Revenue from operations	23	779,325,720	3,585,202,158
II Other income	24	49,103,538	38,425,687
III Total income (I + II)		828,429,258	3,623,627,845
IV Expenses			
Cost of Materials Consumed	25	380,729,758	595,442,865
Purchase of Traded Goods	26	230,481,300	2,821,675,772
Changes in Inventories of Finished & Traded Goods	27	100,166,013	29,364,623
Impairment loss allowance	28	-	5,673,370
Employee benefits expense	29	53,110,776	50,289,738
Finance costs	30	269,021,471	230,579,669
Depreciation and amortisation expense	4A, 4C & 5	13,359,220	16,664,438
Other expenses	31	582,150,253	354,463,224
Total expenses (IV)		1,629,018,789	4,104,153,698
V PROFIT BEFORE TAX & EXCEPTIONAL ITEM (III-IV)		(800,589,531)	(480,525,853)
VI Exceptional Item		-	-
VII Profit before tax (V-VI)		(800,589,531)	(480,525,853)
VIII Tax expense:	32		
Current tax		-	-
Earlier year tax		-	459,996
Deferred tax	21	(280,912,393)	(167,833,697)
IX Profit for the year (VII-VIII)		(519,677,138)	(313,152,152)
Other comprehensive income (net of tax)			
A. Items that will not be reclassified to profit or loss			
(a) Remeasurements of defined benefit liability/ (asset)		-	(243,253)
(b) Equity instruments through other comprehensive income		5,398	(67,401)
(c) Income taxes relating to items that will not be reclassified to profit or loss		(1,802)	61,450
Net other comprehensive income not to be reclassified subsequently to profit or loss		3,596	(249,205)
B. Items that will be reclassified to profit or loss		-	-
Net other comprehensive income to be reclassified subsequently to profit or loss		-	-
X Other comprehensive income		3,596	(249,205)
XI Total comprehensive income for the year (IX + X)		(519,673,542)	(313,401,356)
XII Earnings per equity share			
[Face value of equity share Rs. 10 each (previous year Rs. 10 each)]			
- Basic		(47.64)	(28.71)
- Diluted		(47.64)	(28.71)
Significant accounting policies	3		

The accompanying notes form an integral part of these financial statements

As per our report of even date attached
For RAMAMOORTHY (N)& CO.,
Chartered Accountants
Firm Registration Number: 0028995

For and on behalf of Narayani Steels Limited

Krishna Komaravolu
Resolution Professional

Ankit Gupta
Director & CFO
DIN: 08415248

K. RAMACHANDRA RAO
Partner
Membership No: 0201334

Arun Kumar Meher
Company Secretary
M.NO.: ACS48598

Place of Signature: Vizianagaram
Dated: The 3rd day of September, 2021

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)
STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st March 2021

(Rs. In Lakhs)

Particulars	For the year ended 31.03.2021 (audited)	For the year ended 31.03.2020 (audited)
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	(8,005.90)	(4,805.26)
ADJUSTMENTS FOR:		
Depreciation and amortisation expense	133.59	166.64
Provision for expected credit loss on trade receivables	3,572.06	1,041.58
Provision for bad and doubtful debts	691.19	500.00
Net (gain) / loss on investments measured at fair value through profit or loss	-	10.93
Impairment in the value of investment in associate	-	56.73
Amortisation of corporate guarantee obligation	-	0.52
Finance Costs	2,690.21	2,305.80
Rental Income	(34.01)	(33.79)
Commission Income	-	(8.19)
Profit on sale of investments	(88.35)	(1.16)
Loss on Sale of Property, Plant & Equipment	-	0.05
Profit on sale of land	(365.54)	-
Sundry Balance written off (net)	40.35	6.06
lease liability written back	(26.74)	-
Interest income	(1.22)	(342.56)
Gratuity	-	1.62
Operating profit before working capital changes	(1,394.36)	(1,101.02)
ADJUSTMENTS FOR :		
Trade receivables, loans, advances and other assets	1,689.34	2,493.98
Inventories	1,181.31	456.69
Trade payables, other liabilities and other financial liabilities	1,676.21	(12,128.11)
	4,546.86	(9,177.44)
Cash generated from operations	3,152.50	(10,278.47)
Income tax paid	(13.15)	(68.28)
Net Cash from / (used in) Operating Activities	3,139.35	(10,346.75)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment (including capital work-in-progress)	(15.04)	(86.59)
Sale of Property, Plant & Equipment	950.44	1.15
Purchase of Investments	-	(88.75)
Sale of investments	315.11	97.05
(Investments in) / Proceeds from Bank deposits (maturity more than 3 months but less than 12 months)	1,833.96	607.77
Rent received	34.01	33.79
Interest received	1.22	342.56
Net cash from / (used in) Investing Activities	3,119.70	906.98
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(Repayment) of Borrowings	(3,562.38)	11,580.87
Principal accrued on lease liabilities	(18.00)	(16.60)
Interest accrued on lease liabilities	(11.28)	(11.68)
Finance Costs	(2,678.93)	(2,294.12)
Net cash from / (used in) financing activities	(6,270.60)	9,258.47
Net Increase / (Decrease) in Cash & Cash equivalents	(11.55)	(181.30)
Cash & Cash equivalents at beginning of the year^	16.58	197.88
Cash & Cash equivalents at end of the year^	5.03	16.58

^ as disclosed in Note 9

Note :

The Statement of Cash Flow has been prepared under the indirect method as set out in Ind AS - 7 specified under section 133 of the Companies Act, 2013.

Significant accounting policies

The accompanying notes form an integral part of these financial statements

As per our report of even date attached
For **RAMAMOORTHY (N)& CO.,**
Chartered Accountants
Firm Registration Number: 0028995

For and on behalf of Narayani Steels Limited

Krishna Komaravolu
Resolution Professional

Ankit Gupta
Director & CFO
DIN: 08415248

K. RAMACHANDRA RAO
Partner
Membership No: 0201334

Arun Kumar Meher
Company Secretary
M.NO.: ACS48598

Place of Signature: Vizianagaram
Dated: The 3rd day of September, 2021

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

All amount in Rupees, unless otherwise stated

A. Equity share capital			
Particulars	Number of shares	Amount	
As at 31 March 2019	10909000.00	1,090,900,000.00	
Changes in equity share capital during 2019-20	-	-	
As at 31 March 2020	10909000.00	1,090,900,000.00	
Changes in equity share capital during 2020-21	-	-	
As at 31 March 2021	10909000.00	1,090,900,000.00	
B. Other equity			
Particulars	Reserves and surplus		Total
	Securities Premium	Retained Earnings	
Balance as at 31 March 2019	167,384,922.00	145,403,398.20	312,788,320.20
Total comprehensive income for the year ended 31 March 2019			
Profit or Loss	-	(313,152,151.68)	(313,152,151.68)
Other comprehensive income (net of tax)	-	(249,204.55)	(249,204.55)
Total comprehensive income	-	(313,401,356.23)	(313,401,356.23)
Balance as at 31 March 2020	167,384,922.00	(167,997,958.03)	(613,036.03)
Total comprehensive income for the year ended 31 March 2021			
Profit or Loss	-	(519,677,138.20)	(519,677,138.20)
Other comprehensive income (net of tax)	-	3,596.03	3,596.03
Total comprehensive income	-	(519,673,542.17)	(519,673,542.17)
Balance as at 31st March 2021	167,384,922.00	(687,671,500.20)	(520,286,578.20)
Significant accounting policies 3			
<i>The accompanying notes form an integral part of these financial statements</i>			
<p>As per our report of even date attached For RAMAMOORTHY (N)& CO., Chartered Accountants Firm Registration Number: 002899S</p>		<p>For and on behalf of Narayani Steels Limited</p>	
<p>K. RAMACHANDRA RAO Partner Membership No: 0201334</p>		<p>Krishna Komaravolu Resolution Professional</p> <p>Ankit Gupta Director & CFO DIN: 08415248</p>	
<p>Place of Signature: Vizianagaram Dated: The 3rd day of September, 2021</p>		<p>Arun Kumar Meher Company Secretary M.NO.: ACS48598</p>	

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31 March 2021

1 Corporate Information

Narayani Steels Limited ("the Company") is principally engaged in the business of manufacture and sale of TMT bars, Rounds, Squares, Angles, etc. and trading of Billets, Blooms, Ingots, Iron ores, etc.

The Company is an integrated manufacturer of diverse range of Iron & steel products with its manufacturing facilities located at Vizianagaram, Andhra Pradesh, India.

Narayani Steels Limited is a public limited company incorporated in India on 13th November, 1996 under the Companies Act, 1956 (as amended Companies Act, 2013) and listed on the Bombay Stock Exchange. The registered office is situated at 23A, N.S.Road 7th Floor, Kolkata - 700001. **(Corporate Office at Survey No. 202/31-38, Modavalsa Village, Denkada Mandalam, Vizianagaram, Andhra Pradesh-535006, India).**

2 Basis of preparation

a) Statement of Compliance

These standalone financial statements are prepared in accordance with the provisions of the Companies Act, 2013 ('Act') (to the extent notified) and Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing standard requires a change in the accounting policy hitherto in use.

b) Functional and presentation currency

The financial statements are presented in Indian Rupees ('Rs') which is Company's presentation currency. The functional currency of the Company is also Indian Rupees ('Rs'). All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh with two decimals as per the requirement of Schedule III, unless otherwise stated.

c) Basis of measurement

The financial statements have been prepared on historical cost convention on the accrual basis, except for the following items:

- (i) Certain financial assets and financial liabilities measured at fair value;
- (ii) Employee's defined benefit plan as per actuarial valuation.

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing standard requires a change in the accounting policy hitherto in use.

The statement of cash flows have been prepared under indirect method.

d) Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

e) Critical accounting judgements and key sources of estimation uncertainty: Key assumptions-

(i) Useful lives of Property, plant and equipment and intangible assets:

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

(ii) Fair value measurement of financial instruments:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using certain valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

(iii) Defined benefit plans:

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31 March 2021

The cost of the defined benefit plan includes gratuity and the present value of the gratuity obligation are determined using actuarial valuations using projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(iv) Recognition and measurement of provisions and contingencies:

The certain key assumptions about the likelihood and magnitude of an outflow of resources. Provision is made towards known contractual obligation, litigation cases and pending assessments in respect of taxes, duties and other levies, if any, in respect of which management believes that there are present obligations and the settlement of such obligations are expected to result in outflow of resources, to the extent provided for.

(v) Expected credit losses on financial assets: The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the expected credit loss calculation based on the Company's history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

f) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

The management regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1 : includes financial Instrument measured using quoted prices (unadjusted) in active markets for identical assets and liabilities that the entity can access at the measurement date.

- Level 2 : Includes financial Instruments which are not traded in active market but for which all significant inputs required to fair value the instrument are observable. The fair value is calculated using the valuation technique which maximises the use of observable market data.

- Level 3: Includes those instruments for which one or more significant input are not based on observable market data.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3 Significant accounting policies

a) Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements based on the nature of business and the time between the acquisition of assets for development and their realisation in cash and cash equivalents.

b) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Trade receivables are initially measured at transaction price. Regular way purchase and sale of financial assets are accounted for at trade date.

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31 March 2021

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Amortised cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest rate (EIR) amortisation is included in finance income in the profit or loss.

Financial assets at FVOCI

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Financial assets at FVTPL

A financial asset which is not classified in any of the above categories are measured at FVTPL.

Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit & Loss.

Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

ii. Financial liability

Initial recognition and measurement

Financial liabilities are initially recognised at fair value plus any transaction cost that are attributable to the acquisition of the financial liabilities except financial liabilities at fair value through profit or loss which are initially measured at fair value.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in following categories:

- Financial liabilities through profit or loss (FVTPL)
- Financial liabilities at amortised cost

Financial liabilities through FVTPL

A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Financial liabilities at amortised cost

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and any gain or loss on derecognition are recognised in profit or loss.

Interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.

Derecognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31 March 2021

Derivative financial instruments

The Company uses forward contracts to hedge its currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivative financial instruments are recognised initially and subsequently at fair value through mark to market valuation. Gain or loss arising from the changes in fair value of derivatives are credited or debited to the Exchange differences in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized as a financial liability at the time the guarantee is issued at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

iii. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

c) Property, Plant and Equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Borrowing costs directly attributable to the acquisition or construction of those qualifying property, plant and equipment, which necessarily take a substantial period of time to get ready for their intended use, are capitalised.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate components of property, plant and equipment.

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price and value in use, which is determined by the present value of the estimated future cash flows.

ii. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2017, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

iii. Subsequent expenditure

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

iv. Depreciation

Depreciation for the year is recognised in the Statement of Profit and Loss.

Depreciation is provided based on the life and in the manner prescribed in Schedule II to the Companies Act, 2013, on straight line method on property, plant and equipment in Unit II at Bhogapuram, on written down value method on other property, plant and equipment and on written down basis on Right-to-use Assets.

These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of right-of-use assets, over the lease period, if shorter.

The estimated useful lives of the assets of property, plant and equipment are estimated by the management which are equal to the life prescribed under Schedule II of the Act.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted as appropriate.

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31 March 2021

v. Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of classification.

vi. Capital Work-in-progress

Costs of the Property, plant and equipment not ready for their intended use at the Balance Sheet date together with all related expenses are shown as Capital Work-in-progress.

d) Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, investment properties are measured at cost. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The Company depreciates investment properties on a written down value method over the useful life of the asset.

Any gain or loss on disposal of an investment property is recognised in profit or loss.

The fair values of investment properties are disclosed in the notes accompanying these financial statements.

Fair values are determined by an independent property valuer who holds recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

e) Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal.

The useful life of computer software is considered to be 5 years.

i. Amortisation

Amortisation for the year is recognised in the Statement of Profit and Loss.

Intangible assets are amortised over a period of 5 years.

f) Lease

The Company as a Lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The Company recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date.

The cost of the right-of-use asset measured at inception comprises of the amount of initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date.

Certain lease arrangements include options to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that such options would be exercised.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

Lease liability is measured at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined.

If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications. The Company recognises the amount of the remeasurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the remeasurement in statement of profit and loss.

Variable lease payments not included in the measurement of the lease liabilities are expensed to the statement of profit and loss in the period in which the events or conditions which trigger those payments occur.

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31 March 2021

Transition

Effective April 01, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to lease arrangements existing on the date of initial application using the modified retrospective approach with right-of-use asset recognized at an amount equal to the lease liability adjusted for any prepayments/accruals recognized in the balance sheet immediately before the date of initial application. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted.

g) Inventories

Inventories are valued at lower of cost and net realisable value. Cost of inventories is determined on FIFO basis.

Assessment of net realisable value is made at each subsequent reporting date. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write-down is reversed.

h) Investments and other financial assets

i. Classification

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in profit or loss. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

ii. Measurement

At initial recognition, the company measures a financial asset at its fair value and in the case of a financial asset not at fair value through profit and loss, at transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit and loss.

Equity instruments

The company subsequently measures all equity investments at fair value. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss.

i) Investment in associates

Investment in associates are carried at cost less impairment loss, if any. The cost comprises price paid to acquire investment and directly attributable cost.

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31 March 2021

j) Impairment

i. Impairment of financial instruments: financial assets

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category.

For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

ii. Impairment of non-financial assets

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest Company of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

k) Amendment to Ind AS 19 - Plan Amendment, Curtailment or Settlement

The Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements requiring an entity to determine the current service costs and the net interest for the period after the remeasurement using the assumptions used for the remeasurement; and determine the net interest for the remaining period based on the remeasured net defined benefit liability or asset. The adoption of amendment to Ind AS 19 did not have any material impact on the standalone financial statements of the Company.

i. Short-term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

ii. Defined contribution plans

Contributions to provident-fund, a defined contribution plan are deposited with a recognised provident fund. The contributions payable to the provident fund are recognized as expenses, when an employee renders the related services. The Company has no obligation, other than the contribution payable to funds.

The Company's contribution to State Plans namely Employee State Insurance Fund and Employees' Pension Scheme is charged to Profit and Loss Account.

iii. Defined benefit plans

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

l) Provisions (other than for employee benefits)

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31 March 2021

m) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

The Company recognises revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company has generally concluded that it is the principal in its revenue arrangements as it typically controls the goods or services before transferring them to the customer.

Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, or other similar items in a contract when they are highly probable to be provided. The amount of revenue excludes any amount collected on behalf of third parties.

The Company has adopted Ind AS 115 using cumulative effect method of initially applying this standard recognised at the date of initial application (i.e. April 01, 2018). There is no impact on the adoption of the standard in the standalone financial statements.

n) Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest method after taking into account the amount outstanding and the rate applicable.

o) Income tax

Income tax expense comprises of current and deferred tax. Current tax and deferred tax is recognized in the statement of profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

i. Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

ii. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

Ind AS 21 – The Effect of Changes in Foreign Exchange Rates states that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company does not have evaluated any impact of on its standalone financial statements.

p) Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Where there is an unrealised exchange loss which is treated as an adjustment to interest and subsequently there is a realised or unrealised gain in respect of the settlement or translation of the same borrowing, the gain to the extent of the loss previously recognised as an adjustment is recognised as an adjustment to interest.

q) Foreign currency transaction

Transactions in foreign currencies are translated into functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

i) Foreign currency monetary items are translated in the functional currency at the exchange rate of the reporting date.

ii) Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.

iii) Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

iv) Exchange differences are recognised in profit or loss in the period in which they arise, except exchange differences arising from the translation of the items which are recognised in OCI.

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31 March 2021

r) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

s) Segment reporting (Ind AS 108)

Operating Segment are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director of the Company. The Company operates only in one Business segment i.e. Trading of Iron & Steel and related products, hence does not have segment as per Ind AS 108 "Operating Segments". The performance of the Company is mainly driven by sales made in domestic market and hence, no separate reportable geographical segment is identified.

t) Provision, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance costs. Expected future operating losses are not provided for.

Contingencies

Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets has to be recognised in the financial statements in the period in which if it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

Contingent Liabilities are shown by way of notes to the Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable

A Contingent Asset is not recognized in the Accounts.

u) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, cash at bank and other deposits with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31st March 2021 (Continued)

All amount in Rupees, unless otherwise stated

4A Property, plant and equipment				
Particulars	Gross Carrying Amount			
	Balance at 31st March. 2020	Additions	Disposals/ Adjustments	Balance at 31st March 2021
Land (Freehold) {Refer note 34(B)}	89,422,405	-	58,489,654	30,932,751
Leasehold improvements	11,627,871	-	-	11,627,871
Buildings	38,207,096	-	-	38,207,096
Plant & Equipment	71,357,864	1,406,800	-	72,764,664
Computer	1,113,847	-	-	1,113,847
Office Equipment	2,232,095	96,900	-	2,328,995
Electrical Installation & Fittings	1,963,543	-	-	1,963,543
Furniture & Fixtures	14,384,263	-	-	14,384,263
Vehicles	4,812,141	-	-	4,812,141
Total	235,121,125	1,503,700	58,489,654	178,135,171

Property, plant and equipment						
Particulars	Accumulated Depreciation/ amortisation				Net Carrying Value	
	Balance at 31st March. 2020	For the period	Disposals/ Adjustments	Balance at 31st March 2021	At 31st March 2020	At 31st March 2021
Land (Freehold)	-	-	-	-	89,422,405	30,932,751
Leasehold improvements	1,174,911	993,031	-	2,167,942	10,452,960	9,459,929
Buildings	2,830,706	1,130,928	-	3,961,634	35,376,390	34,245,462
Plant & Equipment	13,967,264	5,557,224	-	19,524,488	57,390,600	53,240,177
Computer	711,899	120,499	-	832,398	401,948	281,449
Office Equipment	1,080,793	585,000	-	1,665,793	1,151,302	663,203
Electrical Installation & Fittings	441,087	318,635	-	759,722	1,522,456	1,203,821
Furniture & Fixtures	3,996,306	2,602,562	-	6,598,868	10,387,957	7,785,395
Vehicles	2,116,389	679,409	-	2,795,797	2,695,752	2,016,344
Total	26,319,354	11,987,288	-	38,306,642	208,801,771	139,828,530

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31st March 2021 (Continued)

All amount in Rupees, unless otherwise stated

4C Investment Properties				
Particulars	Gross Carrying Amount			
	Balance at 31st March 2020	Additions	Disposals/ Adjustments	Balance at 31st March 2021
Real Estate Espaces	18,280,325	-	18,280,325	-
Total	18,280,325	-	18,280,325	-

Particulars	Accumulated Depreciation/ amortisation			Net Carrying Value		
	Balance at 31st March 2020	For the year	Disposals/ Adjustments	Balance at 31st March 2021	At 31st March 2020	Balance at 31st March 2021
Real Estate Espaces	4,730,626	219,252	4,949,878	-	13,549,699	-
Total	4,730,626	219,252	4,949,878	-	13,549,699	-

NARAYANI STEELS LIMITED

(CIN: L27109WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31st March 2021 (Continued)

All amount in Rupees, unless otherwise stated

Particulars	Capital Work-in-Progress			
	Gross Carrying Amount			
	Balance at 31st March 2020	Additions	Disposals/ Adjustments	Balance at 31st March. 2021
Plant & Machinery (Repeater) ^	-	-	-	-
Total	-	-	-	-

Particulars	Gross Carrying Amount			
	Balance at 31st March. 2020	Additions	Disposals/ Adjustments	Balance at 31st March 2021
	Vacant Sites	12,871,821	-	-
Total	12,871,821	-	-	12,871,821

Particulars	Accumulated Depreciation / amortisation				Net Carrying Value	
	Balance at 31st March. 2020	For 12 Months	Disposals/ Adjustments	At 31st March 2021	At 31st March 2020	At 31st March 2021
	Vacant Sites	1,034,096	1,053,030	-	2,087,125	11,837,726
Total	1,034,096	1,053,030	-	2,087,125	11,837,726	10,784,696

Particulars	Gross Carrying Amount			
	Balance at 31st March. 2020	Additions	Disposals/ Adjustments	Balance at 31st December 2020
	Computer Software	327,250	-	-
Moble Application	171,000	-	-	171,000
Total	498,250	-	-	498,250

Particulars	Accumulated Depreciation/ amortisation				Net Carrying Value	
	Balance at 31st March. 2020	For 12 months	Disposals/ Adjustments	At 31st March 2021	At 31st March 2020	At 31st March 2021
	Computer Software	196,350	65,450	-	261,800	130,900
Moble Application	57,016	34,200	-	91,216	113,984	79,784
Total	253,366	99,650	-	353,016	244,884	145,234

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31 March 2021 (Continued)

All amount in Rupees, unless otherwise stated

6	Investments	As at 31st March 2021	As at 31st March 2020
	Non-Current investments		
	Investments in equity instruments fully paid up - Unquoted		
	In a associate (at cost)		
	Hari Equipments Private Limited, 4,59,490 (31st March, 2020: 4,59,490) equity shares of Rs. 10 /- each fully paid up	5,673,370	5,673,370
	Less: Provision for impairment in the value of investment in associate	(5,673,370)	(5,673,370)
		-	-
	Investments in equity instruments fully paid up - Quoted		
	In Others (at fair value through Other Comprehensive Income - FVOCI)		
	Union Bank of India - 1,009 (31st March, 2020: 1,009) Equity Shares of Rs. 10 /- each fully paid up	34,356	28,958
		34,356	28,958
	Current investments		
	Investment in mutual funds of Rs.10/- each (at fair value through Profit & Loss - FVTPL)		
	Union Small Cap Fund Regular Plan - Growth - 0 units (31st March, 2020: 47,470.413 units).	-	507,933
	Union Focused Fund Regular Plan- Growth Option - 0 units (31st March, 2020: 6,19,990 units).	-	5,257,515
	Union Corporate Bond Fund Regular Plan - Growth - 0 units (31st March, 2020: 3,21,408.607 units).	-	3,580,910
		-	9,346,358
	During the year ending 31.03.2021, Mutual Funds held as long term Investment by the Company amounting to Rs. 93.46 lakhs have been liquidated and adjusted by the Union Bank of India for the recovery of dues from the company at a value of Rs. 135.11 lakhs.		
	Aggregate value of unquoted investments	-	-
	Aggregate amount of impairment in value of investment in associate	5,673,370	5,673,370
	Aggregate value of quoted investments	34,356	9,375,317
	Investments carried at cost (net of provision of diminution of investments)	-	-
	Investments carried at fair value through other comprehensive income	34,356	28,958
	Investments carried at fair value through profit and loss	-	9,346,358
	7 Inventories	As at	As at
	(As taken, valued and certified by the management)	31st March 2021	31st March 2020
	Raw Materials	-	16,677,385
	Traded Goods	-	76,877,731
	Finished Goods	15,086,400	35,022,236
	Scrap & Miss Rolls	-	3,352,446
	Stores & Spares	-	549,302
	Furnace oil, Coal & Gas	-	737,867
		15,086,400	133,216,966
	8 Trade receivables	As at	As at
		31st March 2021	31st March 2020
	Unsecured, considered good ^^	1,692,192,385	1,912,335,972
	Less: Expected Credit Loss (Refer Note:38(i))	(469,527,400)	(112,321,733)
	Less: Provision for bad and doubtful debts	(119,118,769)	(50,000,000)
		1,103,546,216	1,750,014,239

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31 March 2021 (Continued)

All amount in Rupees, unless otherwise stated

^^ Trade Receivables have been hypothecated as security for borrowings

The total Sundry Debtors are amounting to Rs. 169.22 Cr. as on 31.03.2021. Company is hopeful of recovering the major portion of Sundry Debtors as promised by the major group of Debtors. The ageing of Sundry Debtors is as under:

Period	Balance O/S. Rs, In Crores
Upto 180 days	2.32
>180 days to <two Years	29.12
>Two years	112.79
>Three years	24.99
Total	169.22

^^ Information relating to confirmation of Balances Refer Note 50

9 Cash and cash equivalents

Cash on hand (as certified)
Balances with banks in current accounts

As at 31st March 2021	As at 31st March 2020
131	1,106,705
503,120	550,895
503,250	1,657,600

10 Other Bank Balances

Fixed Deposit maturity for more than 3 months but less than 12 months

Fixed Deposits are pledged with banks as margin for bank guarantees / credit facilities.

As at 31st March 2021	As at 31st March 2020
-	183,395,877
-	183,395,877

^Note : The balance in the Fixed Deposit accounts including interest accrued thereupon, have been adjusted with the amounts outstanding to the lenders on default of repayment of principal and interest on these credit facilities availed.

11 Other financial assets

Non-current

Security Deposits

As at 31st March 2021	As at 31st March 2020
9,002,430	9,863,728
9,002,430	9,863,728

Current

Advance to Others

1,014,189	1,042,489
1,014,189	1,042,489

12 Current tax assets (Net)

Income Tax Refundable
Tax Deducted/Collected at Source^

As at 31st March 2021	As at 31st March 2020
2,297,591	2,297,591
5,062,578	3,747,709
7,360,169	6,045,300

^ Includes TDS receivable to the tune of Rs 5,43,750 on account of sale of land at yendada.

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31 March 2021 (Continued)

All amount in Rupees, unless otherwise stated

13 Other current assets

Non-Current

Prepaid expenses

As at 31st March 2021	As at 31st March 2020
1,145,260	1,948,439
1,145,260	1,948,439

Current

Advances other than capital advances

- Advance to Related parties

- Advance to others

Balances with Revenue Authorities *

Prepaid expenses

-	-
95,369,600	23,919,802
49,525,584	72,018,228
206,505	296,143
145,101,690	96,234,173

* Balances with Revenue Authorities includes VAT REFUNDS of Rs. 160.62 Lakhs

14 Equity share capital

Authorised

1,40,00,000 (31st March 2019 - 1,40,00,000) Equity Shares of Rs. 10/- each

As at 31st March 2021	As at 31st March 2020
140,000,000	140,000,000
140,000,000	140,000,000

Issued, subscribed and fully paid-up

1,09,09,000 (31st March 2019 - 1,09,09,000) Equity Shares of Rs. 10/- each

109,090,000	109,090,000
109,090,000	109,090,000

A. Reconciliation of number of equity shares outstanding at the beginning and at the end of the period

	As at 31st March 2021		As at 31 March 2020	
	Number	Amount	Number	Amount
Balance as at the beginning of the year	10,909,000	109,090,000	10,909,000	109,090,000
Add: Issued during the year	-	-	-	-
Balance as at the end of the year	10,909,000	109,090,000	10,909,000	109,090,000

B. Rights, preferences and restrictions attaching to Equity Shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share and the equity shares will rank pari-passu with each other in all respects.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the share holders.

C. Particulars of shareholders holding more than 5% shares of fully paid up equity shares

Name of the shareholders	As at 31st March 2021		As at 31st March 2020	
	Number of equity shares	% of total shares in the class	Number of equity shares	% of total shares in the class
Kishanlal Choudhary	1,003,500	9.2%	1,003,500	9.2%
Sunil Choudhary (HUF)	1,261,000	11.6%	1,261,000	11.6%
Sunil Choudhary	1,224,500	11.2%	1,224,500	11.2%
Cooltex Merchandise Private Limited	2,163,000	19.8%	2,163,000	19.8%

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31 March 2021 (Continued)

All amount in Rupees, unless otherwise stated

15 Other Equity

A. Summary of other equity balance

	As at 31st March 2021	As at 31st March 2020
Securities Premium	167,384,922	167,384,922
Retained Earnings (including other comprehensive income)	(687,671,500)	(167,997,958)
Other Equity	(520,286,578)	(613,036)

		1st April 2020	Movement during the year	As at 31st March 2021	1 April 2019	Movement during the year	31st March 2020
Securities Premium	(a)	167,384,922	-	167,384,922	167,384,922	-	167,384,922
Retained Earnings (including other comprehensive income)	(b)	(167,997,958)	(519,673,542)	(687,671,500)	145,403,398	(313,401,356)	(167,997,958)
		(613,036)	(519,673,542)	(520,286,578)	312,788,320	(313,401,356)	(613,036)

B. Nature and purpose of reserves:

- (i) **Securities Premium:** Securities premium represents the premium received on issue of shares over and above the face value of equity shares. The account is available for utilisation in accordance with the provisions of the Companies Act, 2013.
- (ii) **Retained earnings (including other comprehensive income):** This Reserve represents the cumulative profits / losses of the Company. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31 March 2021 (Continued)

All amount in Rupees, unless otherwise stated

16 Borrowings	Current portion		Non-current portion	
	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020
Non-current Borrowings				
Secured				
Term loans				
Loan against vehicles	922,940	947,206	695,255	1,231,969
	922,940	947,206	695,255	1,231,969
Unsecured				
Term Loan from a financial institution	-	9,999,600	10,833,700	834,100
Loans from Bodies Corporate^^		-	-	164,851,484
	922,940	10,946,806	11,528,955	166,917,553

Note:

16.1 ^^ Interest free loan carried at amortised cost (Refer note below)

As at 31st March 2021 As at 31st March 2020

- - - 17,948,516

Ind AS 109 requires the loan to be initially measured at fair value minus transaction costs. As the loan is partly interest free, the fair value of the loan is different from the transaction price. Therefore, the recognition of the difference between the fair value at initial recognition and the transaction price of the interest free loan is recognised as "Deferred fair value gain/loss". The difference is amortised over the period of the loan. The amount of amortisation is equal to the unwinding of discount. The deferred fair value gain/loss is presented as **other non-current liability** and **other current liability**.

Current Borrowings

Secured				
Working Capital Loans from Bank				
- Cash Credit			1,642,493,195	1,862,176,380
Unsecured				
Channel Financing from Banks & Financial Institutions				
			371,134,912	342,277,625
			2,013,628,107	2,204,454,005

A) During the year ended March 2021, the Insolvency Resolution Professional has received claims from the financial creditors. Reconciliation of Books and claims is done as under

RECONCILIATION OF CLAIMS RECEIVED FROM RP AS AGAINST THE BOOKS AS ON 31-03-2021				
Sl.No	PARTICULARS	BALANCE AS PER BOOKS	CLAIM BALANCE AS PER IRP	VARIATION
A. FINANCIAL CREDITORS:				
1	Union Bank of India	1,900,809,475	1,955,293,717	-54,484,242
2	AXIS BANK	59,784,391	58,366,740	1,417,651
3	ICICI BANK LTD	119,984,687	118,653,433	1,331,254
4	TATA CAPITAL FINANCIAL SERVICES	127,843,578	130,167,066	-2,323,488
5	YES BANK	27,326,168	26,537,429	788,739
	Total Financial Creditors	2,235,748,299	2,289,018,385	-53,270,086

B) The Net Variation of Rs. 532.70 Lakhs may be on account of various charges levied by Banks

C) The claims arising from corporate guarantee as admitted by Resolution Professional is disclosed under Contingent Liabilities Refer Note. No 34

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31 March 2021 (Continued)

		All amount in Rupees, unless otherwise stated	
		As at	As at
		31st March 2021	31st March 2020
17	Lease Liabilities		
	Non-Current	8,277,036	11,540,077
	Current	756,675	839,620
		9,033,711	12,379,697

Lease liability of the property for which lease contract is terminated has been derecognised as per IND AS in the financial statements by writing back the liability for Rs. 26.74 lakhs during the year. Consequently, the depreciation on Right of Use assets of the said property is also not calculated.

Lease liability represents present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

		As at	As at
		31st March 2021	31st March 2020
18	Other financial liabilities		
A.	Non- Current		
	Security Deposits	308,434	572,233
		308,434	572,233
B.	Current		
	Current maturities of long-term debt (Refer Note 16)	922,940	10,946,806
	Interest accrued but not due on borrowings	1,004,898	1,008,742
	Interest accrued and due on borrowings	221,115,295	5,654,745
	Deferred liability - On corporate guarantee **	975,000	975,000
		224,018,133	18,585,292

Note:

** Ind AS 109 requires the guarantor to recognise the corporate guarantee contract initially at its fair value. Therefore, the liability is recognised in the financial statements for the fair value of the corporate guarantee as "Deferred liability - on corporate guarantee".

18.1 Subsequently, this guarantee is to be measured at the higher of an amount determined based on the expected loss method (as per guidance in Ind AS 109) or the cumulative amount recognised less amount originally recognised as expense on a straight-line basis in accordance with Ind AS 18, Revenue as "Amortisation of financial guarantee obligation".

		As at	As at
		31st March 2021	31st March 2020
19	Trade payables		
	Dues to Micro And Small Enterprises (as per the intimation received from vendors)		
	a. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year *	-	-
	b. Interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
	c. Interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
	d. The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
	e. Interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-
	Dues to others		
	- For goods and services	12,920,543	36,728,386
	- Liability under Letter of Credit	-	-
		12,920,543	36,728,386

* A sum of Nil (31st March, 2020: Rs. Nil) is payable to Micro and Small Enterprises on account of liabilities other than trade payables.

There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2021. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. and thus relied upon by the auditors.

Trade Payables (Due to Others) include Rs. Nil (31st March, 2020: 5.90 lakhs) due to private companies in which Director is a Director.

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31 March 2021 (Continued)

All amount in Rupees, unless otherwise stated

20 Other liabilities

Non-Current

Deferred fair value gain - On interest free loan (Refer note: 16.1 for details)
Income received in advance

As at 31st March 2021	As at 31st March 2020
-	-
261,492	857,828
261,492	857,828

Current

Advances from customers / parties
Advances against sale of property
Liability for expenses
Statutory liabilities
Deferred fair value gain - On interest free loan (Refer note: 16.1 for details)
Income received in advance

-	8,321,703
-	1,500,000
9,452,868	5,538,293
163,380	563,908
-	17,948,516
30,074	69,940
9,646,322	33,942,359

21 Deferred Tax Asset / Liabilities (net)

Deferred tax liabilities

Property, Plant & Equipment, Right-of-use of asset, Intangible Assets and Investment Properties
Fair Valuation of Investments
Capital Gains / (Loss)

As at 31st March 2021	As at 31st March 2020
11,339,777	17,153,000
(1,223,341)	(405,473)
(669,096)	83,418
9,447,340	16,830,945

Total deferred tax liabilities (A)

Deferred tax Assets

Provision for Gratuity
Provision for expected credit losses & bad and doubtful debts on trade receivables
Business Losses & Unabsorbed Depreciation
Lease Liabilities & Others

282,450	295,648
196,513,637	56,721,706
155,439,503	109,535,162
94,654,511	6,810,599

Total deferred tax assets (B)

446,890,101	173,363,115
--------------------	--------------------

Net Deferred Tax (Assets)/Liabilities (A-B)

(437,442,761)	(156,532,170)
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Movement in deferred tax liabilities/ assets balances

Deferred tax liabilities

Property, Plant & Equipment, Right-of-use of asset, Intangible Assets and Investment Properties
Fair Valuation of Investments
Capital Gains / (Loss)

Total deferred tax liabilities (A)

Deferred tax Assets

Provision for Gratuity
Provision for expected credit losses & bad
Business Losses & Unabsorbed Depreciation
Lease Liabilities & Others

Total deferred tax assets (B)

Net deferred tax (assets)/liabilities (A-B)

As at 31st March 2020	Deferred tax liabilities/assets in relation to			As at 31st March 2021
	Recognised in Profit or Loss	Recognised in OCI	-	
17,153,000	5,813,223	-	-	11,339,777
(405,473)	819,671	(1,802)	-	(1,223,341)
83,418	752,514	-	-	(669,096)
16,830,945	7,385,407	(1,802)	-	9,447,340
295,648	13,199	-	-	282,450
56,721,706	(139,791,931)	-	-	196,513,637
109,535,162	(45,904,342)	-	-	155,439,503
6,810,599	(87,843,912)	-	-	94,654,511
173,363,115	(273,526,986)	-	-	446,890,101
(156,532,170)	280,912,393	(1,802)	-	(437,442,761)

^^The Company has recognized Deferred Tax Assets on unabsorbed depreciation and business losses as the management is confident on its realisability.

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31 March 2021 (Continued)

		All amount in Rupees, unless otherwise stated	
		As at	As at
		31st March 2021	31st March 2020
22	Provisions		
	Non-current		
	Provisions for employee benefits		
	- Provision for gratuity	453,922	453,922
		453,922	453,922
	Current		
	Provisions for employee benefits		
	- Provision for gratuity	392,141	392,141
	Others		
	- Provision for taxation	-	-
		392,141	392,141
	^^Gratuity is not provided as per actuarial calculations as required to be done as per IND AS. However the same has been continued as per last year amounting to Rs. 8.46 Lakhs		
23	Revenue from operations	As at	Year ended
		31st March 2021	31 March 2020
	Sale of Products	779,325,720	3,585,202,158
	Total revenue from operations	779,325,720	3,585,202,158
	^The Company has stopped its Trading and Manufacturing activity in the last quarter of the year .In order to keep the plant (Unit-2) running, the company has entered into an agreement with M/s Elegant Metals and Minerals Private Limited, to operate the plant on conversion basis at a cost of Rs. 3000 per metric ton. The total gross income earned from conversion is Rs. 184.63 Lakhs.		
	Details of sale of products (net of GST):	As at	Year ended
		31st March 2021	31 March 2020
	TMT Bars, Rounds, Squares, Angles, Flats	700,723,659	1,657,156,853
	Billets, Blooms and related items	-	1,220,489,304
	Pig Iron, Scrap and related items	78,602,061	562,636,345
	Coal & Coke	-	144,919,656
		779,325,720	3,585,202,158
24	Other income	As at	Year ended
		31st March 2021	31 March 2020
A.	Interest income comprises interest:		
	- On fixed deposits	-	15,233,448
	- On other deposits	-	1,190,748
	-On financial liabilities carried at amortised cost (Refer note: 16.1 for details)	-	17,662,659
	-On financial assets carried at amortised cost - SD	122,405	169,550
	Other non-operating income		
	Rental Income	3,400,976	3,379,453
	Sundry Balances Written Back (net)	(4,034,737)	-
	Net gain / (loss) on fair valuation of equity instruments	-	(1,092,949)
	Profit on sale of current investments	4,165,017	115,668
	Profit on sale of investment properties	4,669,553	-
	Commission income	-	819,087
	lease liability written back	2,674,476	-
	Profit on Sale of Land	36,554,096	-
	Miscellaneous receipts	576,751	25,420
	Amortisation of corporate guarantee obligation (Refer note: 18.1 for details)	975,000	922,603
		49,103,538	38,425,687

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31 March 2021 (Continued)

		All amount in Rupees, unless otherwise stated	
		As at	Year ended
		31st March 2021	31 March 2020
25	Cost of Materials Consumed		
	Iron and Steel Materials		
	Inventory at the beginning of the year	16,677,385	32,788,193
	Add : Purchases	383,489,674	579,332,057
		400,167,059	612,120,249
	Less: Sale of Raw materials	19,437,301	-
	Less : Inventory at the end of the year	-	16,677,385
	Cost of Materials Consumed	380,729,758	595,442,865
26	Purchase of Traded Goods		
	TMT Bars, Rounds, Squares, Angles, Flats	175,940,972	989,037,838
	Billets, Blooms and related items	-	1,190,338,690
	Pig Iron, Scrap and related items	54,540,328	516,026,687
	Coal & Coke	-	126,272,557
		230,481,300	2,821,675,772
27	Changes in Inventories		
	Opening Stock		
	-Finished Goods	35,022,236	59,385,769
	-Scrap and Miss Roll	3,352,446	3,968,610
	-Traded Goods	76,877,731	81,262,657
		115,252,413	144,617,036
	Closing Stock		
	-Finished Goods	15,086,400	35,022,236
	-Scrap and Miss Roll	-	3,352,446
	-Traded Goods	-	76,877,731
		15,086,400	115,252,413
		100,166,013	29,364,623
28	Impairment loss allowance		
	On Non- current investments measured at		
	Impairment in the value of investment in associate	-	5,673,370
		-	5,673,370
29	Employee benefits expense		
	Salaries, wages, bonus and allowances	46,568,280	42,453,206
	Contribution to provident and other funds	171,300	377,675
	Gratuity (Refer note: 35 for details)	-	161,615
	Director's Remuneration	4,825,000	5,706,668
	Staff welfare expenses	1,546,196	1,590,574
		53,110,776	50,289,738

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31 March 2021 (Continued)

		All amount in Rupees, unless otherwise stated	
		As at	Year ended
		31st March 2021	31 March 2020
30	Finance costs		
	Interest expense		
	To Banks (including LC Charges)	254,308,156	188,101,445
	To Others	13,080,356	15,890,046
	On financial liabilities carried at amortised cost (Refer note: 16.1 for details)	-	17,662,659
	On financial liabilities carried at amortised cost SD	27,976	63,581
	On financial liabilities carried at amortised cost Lease liabilities	1,128,489	1,167,876
	Other borrowing costs	476,494	7,694,061
		269,021,471	230,579,669
31	Other expenses		
	A. Manufacturing Expenses		
	Processing and Moulding Charges	1,065,228	1,974,896
	Power and Fuel	52,565,195	56,216,198
	Stores and Spares Consumed	10,047,762	6,704,420
	Repairs and Maintenance	2,599,309	2,982,475
		66,277,494	67,877,988
	B. Administrative and Other Expenses		
	Rent & Service Charges	(28,707)	549,550
	Port Rent on Coal	-	2,225,564
	Rates & Taxes	214,831	793,793
	Insurance	132,510	193,735
	Freight & Delivery Charges	10,282,620	104,447,049
	Telephone & Internet Expenses	87,656	197,381
	Travelling & Conveyance	954,614	1,626,035
	Repairs & Maintenance		
	- Building	133,671	885,703
	- Plant & Machinery	-	-
	- Others	495,329	1,686,470
	Safety & Security Charges	1,387,494	2,357,302
	Vehicle Running and Maintenance	1,413,282	513,609
	Legal & Professional Fees	3,026,350	7,927,419
	Sales Promotion Expenses	289,877	864,369
	Auditor's Remuneration [Refer Note (a) below]	540,000	906,000
	Directors' Sitting Fees	15,400	15,800
	Miscellaneous Expenses	821,870	3,008,853
	Amortisation of corporate guarantee obligation (Refer note: 18.1 for details)	975,000	975,000
	Provision for expected credit loss (net of reversals) (Refer note: 38(i) for details)	357,205,667	104,158,306
	Provision for bad and doubtful debts	69,118,769	50,000,000
	Fines & Penalties	-	46,000
	Commission	57,404	1,400,892
	VAT & CST paid on assessment	-	-
	Donation	-	370,936
	Loss on Sale of Property, Plant & Equipment	-	4,899
	Bad Debts written off	68,749,122	824,159
	Sundry Balances written off (net)	-	606,411
		515,872,758	286,585,236
31	Other expenses (A+B)	582,150,253	354,463,224
(a)	Payment to auditors		
	Statutory audit	250,000	379,500
	Tax audit	50,000	126,500
	Other Services	240,000	400,000
		540,000	906,000

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31 March 2021 (Continued)

All amount in Rupees, unless otherwise stated

32 Income taxes

A. Amount recognised in profit or loss

		As at 31st March 2021	As at 31 March 2020
Current tax			
Current period	A	-	-
Earlier Year tax			
Earlier Year tax	B	-	459,996
Deferred tax			
Deferred Tax for the year	C	(280,912,393)	(167,833,697)
Tax expense reported in the statement of profit and loss [(A)+(B)+(C)]		(280,912,393)	(167,373,701)

B. Income tax recognised in other comprehensive income

		As at 31st March 2021	As at 31 March 2020
Deferred tax			
On items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		-	295,648
Equity instruments through other comprehensive income		(1,802)	(405,473)
Income tax expense reported in the statement of profit and loss		(1,802)	(109,824)

C. Reconciliation of effective tax rate for the year ended 31st March 2021

		As at 31st March 2021	As at 31 March 2020
Profit / (Loss) before tax		(800,589,531)	(480,525,853)
Tax using the Indian tax rate @ 31st March 2021: 33.38% (31st March 2020: 34.944%)		(267,268,809)	(167,914,954)
Tax effect of items on which indexation is done and tax is calculated at special rates		(334,428)	(126,186)
Tax impact of expenses which will never be allowed		(13,590,778)	-
Adjustments recognised in the current year in relation to the current tax of prior years		-	459,996
Other Differences		-	262,000
Change in tax rate and other tax differences		(274,927)	(200,663)
Effective tax		(281,468,942)	(167,519,806)

D. The Company has suffered significant losses during the financial year and its net worth has been completely eroded. However, the company has recognised deferred tax asset of Rs.1565.32 Lakhs on carry forward losses and unabsorbed depreciation as in the opinion of the management, the loss during the year has been mainly on account of disruption in supply leading to substantial decline in the turnover and the recession in the steel sector. The global pandemic COVID-19 compounded the woes of the sector already reeling under pressure. The management is optimistic about the restoration of regular supplies and overall improvement in the sector and is confident that there would be sufficient profits in the future to appropriate the carry forward losses and unabsorbed depreciation.

33 Basic and diluted earnings per share (Ind AS 33)

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic earnings per share calculation are as follows:

	Year ended 31 March 2021	Year ended 31 March 2020
(a) Profit attributable to equity shareholders	(519,677,138)	(313,152,152)
(b) Adjusted profit for dilutive earnings	(519,677,138)	(313,152,152)
(c) Weighted average number of ordinary shares outstanding for the purpose of basic earnings per share	10,909,000	10,909,000
(d) Weighted average number of ordinary shares in computing diluted earnings per share [(d) + (e)]	10,909,000	10,909,000
(e) Earnings per share on profit for the year (Face Value Rs. 10/- per share)		
Basic [(a)/(c)]	(47.64)	(28.71)
Diluted [(b)/(d)]	(47.64)	(28.71)

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31 March 2021 (Continued)

All amount in Rupees, unless otherwise stated

34 Contingent Liabilities

(to the extent not provided for)

Claims against the company not acknowledged as debts^
Disputed Income Tax Demands under appeal
Corporate guarantee for credit facilities to Hari Equipments Private Limited
Other Corporate guarantee for credit facilities
Disputed Sales Tax/ VAT under appeal for the year 2010 - 11*
Disputed Penalty on VAT under appeal for the period 04/2011 to 12/2012*
State Tax Vizianagaram

	Year ended 31 March 2021	Year ended 31 March 2020
	In lakhs	In lakhs
	401	401
	250	250
	3,524	3,000
	3,198	1,525
	5	5
	21	21
	3,569	-
	10,968	5,202

^ represents the claims made by Rashtriya Ispat Nigam Limited (RINL) for the alleged loss to them arising out of excess delivery which happened due to mismatch of tare weightment of the vehicles placed by Narayani Steels Limited for lifting of Pig Iron. The Company has denied the claim and the matter is still pending to be resolved. The management is of the opinion that the claim by RINL is arbitrary and is unlikely to be materialised.

* Amount paid under protest Rs. 4.69 lakhs and Rs. 21.47 lakhs against VAT and penalty demand respectively.

A) The Company has given Corporate Guarantees and given collaterals on behalf of its Associate / group Companies to the Lending Institutions. On default by those associate companies, the Banks have issued possession Notices to the Company for liquidating the Assets. The claims as admitted by the Resolution Professional after the company went into CIRP is Rs.67.23 Crores on account of corporate guarantees given by this company to its associates/group companies.

B) RINL has claimed an amount of Rs. 4.01 Cr. for shortages of quantities in their books. The company is totally denying any claim in this regard. After grant High Court stay for mutual settlement, the correspondence with RINL is going on. The CBI has also collected information in this regard and the matter is under their verification.

C) Thus, the total contingent liability including above as per the disclosures is amounting to Rs. 109.68 Crores.

D) During the year, Karur Vysya Bank and Canara Bank have sold two properties mortgaged to them and appropriated the sale proceeds amounting to Rs. 9.45 Cr. towards the liability on account of corporate guarantee given on behalf of its associate company M/s. Kedarnath Commtrade Private Limited discharging about Rs. 15.25 Crores of liability. The total amount of Rs. 9.45 Cr. adjusted by banks has been claimed from the M/s Kedarnath Commtrade Private Limited as receivable to the company.

35 Employee Benefits

(a) Defined contribution plans:

Contribution to defined contribution plans, recognised as an expense for the year are as under:

Particulars

Employer's contribution to provident fund & other funds
Total

	Year ended 31 March 2021	Year ended 31 March 2020
	171,300	377,675
	171,300	377,675

(b) Defined benefit plans:

Contribution to defined benefit plans, recognised as an expense in profit and loss statement for the year are as under:

Particulars

Gratuity - Net defined benefit obligation
Total

	Year ended 31 March 2021	Year ended 31 March 2020
	-	161,615
	-	161,615

Defined benefit plan

The present value of obligation is determined based on the actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(i) Movement of defined benefit obligation

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Defined benefit obligation at beginning of the year
Current service cost
Past service cost
Interest cost
Benefits paid
Actuarial (gain)/loss
Defined benefit obligation at end of the year

	Year ended 31 March 2021	Year ended 31 March 2020
	846,063	441,195
	-	131,967
	-	-
	-	29,648
	-	-
	-	243,253
	846,063	846,063

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31 March 2021 (Continued)

All amount in Rupees, unless otherwise stated

(ii)	Liability recognised in the balance sheet		Year ended 31 March 2021	Year ended 31 March 2020			
	Present value of defined benefit obligation		846,063	846,063			
	Amount recognised as liability in balance sheet		846,063	846,063			
(iii)	Expenses recognised during the year (Under the head "Employee Benefit expenses" – refer note no. 29)						
	Expense recognised in profit and loss statement		Year ended 31 March 2021	Year ended 31 March 2020			
	Current service cost		-	131,967			
	Past Service Cost (vested)		-	-			
	Net interest cost		-	29,648			
	Total amount		-	161,615			
	Total amount recognised in profit and loss (note no. 28)		-	161,615			
	Total amount recognised in cost of construction (note no. XX)		-	-			
	Remeasurements recognised in other comprehensive income		Year ended 31 March 2021	Year ended 31 March 2020			
	Actuarial (Gain)/Loss on obligations due to change in demographic assumption		-	-			
	Actuarial (Gain)/Loss on obligations due to change in financial assumption		-	103,305			
	Actuarial (Gain)/Loss on obligations due to unexpected experience		-	139,948			
	Total amount recognised in other comprehensive income		-	243,253			
	Net Cost		-	404,868			
(iv)	Actuarial assumptions		Year ended 31 March 2021	Year ended 31 March 2020			
	Discount rate (per annum)		0	6.72			
	Rate of escalation in salary (per annum)		0	6			
	Retirement age		70	70			
	Assumptions regarding future mortality experience are set in accordance with the published rates under Indian Assured Lives Mortality (2006-08).						
(v)	Sensitivity analysis						
	The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is:						
		As at	Increase by	As at	Decrease by	As at	31
	Sensitivity analysis	31 March 2021	31 March 2020	31 March 2021	As at March 2020	31	
	Discount Rate (-/+ 0.5%)	-	738,000	-	-	973,000	
	Salary Growth (-/+ 0.5%)	-	973,000	-	-	737,000	
	Attrition Rate (-/+ 0.5%)	-	846,000	-	-	846,000	
	Mortality Rate (-/+ 10%)	-	847,000	-	-	845,000	
(vii)	Maturity profile						
	Year		As at 31 March 2021	As at 31 March 2020			
	1	-	-	405,103			
	2	-	-	1,311			
	3	-	-	1,512			
	4	-	-	1,746			
	5	-	-	2,019			
	6 to 10	-	-	15,800			
	More than 10 years	-	-	2,517,270			

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31 March 2021 (Continued)

All amount in Rupees, unless otherwise stated

36 Segment information

The Company is mainly engaged in a single business segment of Manufacturing and Trading of Iron & Steel Products, accordingly there is no separate reportable segment as per Ind AS 108- "Operating Segment"

The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed as below:

(a) Revenue from operations

All revenue from operations of the company are generated within India.

(b) Non-current assets

All Non-current assets of the company are located in India.

(c) Customer contributing more than 5% of Revenue

Revenue from three (31st March 2020: two) external customers contributed to 91.98 % (31st March 2020: 30.52%) of Company's total revenue amounting approximately to Rs. 6984.82 lakhs & Rs. 10,941.83 lakhs for the year ended 31st March 2021 & 31st March 2020 respectively. Other than these customers, there is no other customer whose revenue contributed to more than 5% of the Company's revenue.

37 Related Party Disclosures^

Key Management Personnel (KMP)

Sunil Choudhary
Ankit Gupta
Ankit Gupta
Arun Kumar Meher
Krishnamacharyulu Eunny
Jaya Padmavathi Bandi
Rabi Kumar Gupta
Prakash Kumar Thakur
Swarnalath Mandaleeka

Nature of Relationship

Managing Director
Chief Financial Officer (CFO) (w.e.f 30.03.2019)
Whole Time Director (w.e.f 06.04.2019)
Company Secretary & Compliance Officer
Non Executive Independent Director
Non Executive Director (upto 28.01.2021)
Additional Director (w.e.f 28.07.2020)
Additional Director (w.e.f 28.07.2020)
Additional Director (w.e.f 28.01.2021)

Associates

Hari Equipments Private Limited

Enterprises owned or significantly influenced by key management personnel or their relatives

Nippon Alloys Ltd. (Formerly, Narayani Ispat Ltd.)
Kedarnath Commotrade Private Limited (upto 29.03.2019)
Balajee Roadways
Agrimony Tradex Vyaappar Private Limited (upto 29.03.2019)
Hemang Steel Traders

The following transactions were carried out with related parties in the ordinary course of business:

Nature of Transactions	(Rupees in lakhs)	
	As at 31 March 2021	As at 31 March 2020
Purchases (exclusive of GST)		
Nippon Alloys Ltd. (Formerly, Narayani Ispat Ltd.)	-	1,192
Hari Equipments Private Limited	-	105
Kedarnath Commotrade Private Limited	-	-
Agrimony Tradex Vyaappar Private Limited	-	-
Sales (exclusive of GST)		
Nippon Alloys Ltd. (Formerly, Narayani Ispat Ltd.)	-	32
Hari Equipments Private Limited	-	1
Kedarnath Commotrade Private Limited	-	-
Agrimony Tradex Vyaappar Private Limited	-	-

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31 March 2021 (Continued)

All amount in Rupees, unless otherwise stated

Rental Income		
Agrimony Tradex Vyaappar Private Limited	0.27	-
Balajee Roadways	-	0.30
Nippon Alloys Ltd. (Formerly, Narayani Ispat Ltd.)	0.14	1.21
Hari Equipments Private Limited	0.40	0.50
Kedarnath Commotrade Private Limited	0.40	-
Rent Deposit Paid		
Hari Equipments Private Limited	26.26	40.00
Rent Paid		
Bina Choudhary	5.25	6.00
Nippon Alloys Ltd. (Formerly, Narayani Ispat Ltd.)	-	3.00
Hari Equipments Private Limited	5.00	6.00
Balajee Roadways	13.75	-
Freight Expense		
Balajee Roadways	0.59	820.65
Director's Remuneration		
Sunil Choudhary	27.25	36.00
Ankit Gupta	21.00	21.07
Director's Sitting Fees		
Bina Choudhary (upto 10.09.2019)	-	0.02
Krishnamacharyulu Eunny	0.070	0.05
Prakash Kumar Thakur	0.022	-
Rabi Kumar Gupta	0.042	-
Jaya Padmavathi Bandi (upto 28.01.2021)	0.012	0.02
Bhaskara Rao Puvvala	-	0.02
Atul Kumar Saxena	-	0.05
Swarnalath Mandaleeka	0.008	-
Salary		
Arun Kumar Meher	4.20	3.74

Outstanding Balances

Nature of Transactions	As at 31 March 2021	As at 31 March 2020
Trade Receivables		
Nippon Alloys Ltd. (Formerly, Narayani Ispat Ltd.)	-	378,038
Agrimony Tradex Vyaappar Private Limited	-	-
Trade Payables		
Hari Equipments Private Limited	1,318,000	590,266
Balajee Road ways	167,000	-
Liabilities For Expenses		
Sunil Choudhary	112,500	
Bina Choudhary	161,875	45,000
Investments in Shares		
Hari Equipments Private Limited	-	-
Advances Given		
Kedarnath Commotrade Private Limited	94,500,000	-
Advances Received		
Hemang Steel Traders	-	722,216

^ In case of transactions with Vendors / Customers, the total of purchases / sales are reported. Payments / receipts there against (including inter-party transfers) are not stated.

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31 March 2021 (Continued)

All amount in Rupees, unless otherwise stated

38 Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

Risk management framework

The Company's principal financial liabilities comprise of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company operations. The Company's principal financial assets include trade and other receivables, investments, cash and cash equivalents, other bank balances and other financial assets that derive directly from its operations.

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in debt securities and mutual fund schemes of debt categories only and restricts the exposure in equity markets.

(i) Credit risk

Credit risk is the risk of financial loss of the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company receivables from customers and loans. Credit risk arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing/ investing activities, including deposits with bank and mutual fund investments. The Company has no significant concentration of credit risk with any counterparty. The carrying amount of financial assets represent the maximum credit risk exposure.

Trade receivables

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are an institution, dealer or end-user customer, their geographic location, industry, trade history with the Company and existence of previous financial difficulties.

With respect to trade receivables, based on internal assessment which is driven by the historical experience/current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Company estimates its allowance for trade receivable using lifetime expected credit loss.

However, out of abundant caution, over and above the provisions required as per IND-AS, on account of doubtful debts due to continued disruptions in supply throughout the year and also due to the possible

Movement in the expected credit loss allowance of trade receivables are as follows:

	As at 31 March 2021	As at 31st March 2020
Balance at the beginning of the year	112,321,733	8,163,427
Add: Provision during the year (net of reversals)	357,205,667	104,158,306
Balance at the end of the year	469,527,400	112,321,733
% of Expected Credit Loss:		
More than 1 year	10.00%	10.00%
More than 2 years	25.00%	25.00%
More than 3 years	75.00%	75.00%

Exposure to credit risks

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. Details of concentration percentage of revenue generated from top customer and top five customers are stated below:

Particulars	Year ended 31st March 2021		Year ended 31st March 2020	
	%	Amount	%	Amount
Revenue from a top customer	42.73%	325,775,211	24.85%	890,973,297
Revenue from top five customers	98.82%	753,362,357	43.84%	1,571,613,900

Other credit risk is managed through credit approvals, establishing credit limits and by continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. As per simplified approach, the Company makes provision of expected credit

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31 March 2021 (Continued)

All amount in Rupees, unless otherwise stated

(ii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's finance team is responsible for liquidity, funding as well as settlement management. In addition, Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

Particulars	Less than 1 year	1-5 years	> 5 years	Total
As at 31 March 2021				
Borrowings	2,236,671,240	11,528,955	-	2,248,200,194
Trade payables	12,920,543	-	-	12,920,543
Other financial liabilities	975,000	-	-	975,000
	2,250,566,782	11,528,955	-	2,262,095,737
As at 31 March 2020				
Borrowings	2,222,064,298	184,866,069	-	2,406,930,367
Trade payables	36,728,386	-	-	36,728,386
Other financial liabilities	975,000	-	-	975,000
	2,259,767,684	184,866,069	-	2,444,633,753

(iii) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, payables and borrowings.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates related primarily to the Company's short term borrowings with floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Exposure to interest rate risk

The interest rate profile of the Company's interest bearing financial instruments at the end of the reporting period are as follows:

Particulars				31 March 2021	31 March 2020
Fixed rate instruments					
Financial assets	-				-
Financial liabilities				(12,533,853)	(167,926,295)
Variable rate instruments					
Financial assets	-				-
Financial liabilities				(2,013,628,107)	(2,204,454,005)

Sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

A reasonably possible change of 50 basis points in variable rate instruments at the reporting dates would have increased or decreased profit or loss by the amounts shown below:

Particulars	Profit/ (loss)		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2021				
Variable rate instruments	(10,068,141)	10,068,141	(6,706,993)	6,706,993
Cash flow sensitivity (net)	(10,068,141)	10,068,141	(6,706,993)	6,706,993
31 March 2020				
Variable rate instruments	(11,022,270)	11,022,270	(7,342,595)	7,342,595
Cash flow sensitivity (net)	(11,022,270)	11,022,270	(7,342,595)	7,342,595

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31 March 2021 (Continued)

All amount in Rupees, unless otherwise stated

(b) Equity price risks

The Company is not exposed to equity risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

(c) Currency risk

The Company does not have currency risks since it is not exposed to any foreign currency transaction.

39 Capital management (Ind AS 1)

The Company's management objective are :

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products commensurately with the level of risk.

The Company monitors capital on the basis of carrying amount of equity including retained earnings as presented on the face of Balance Sheet. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. There is no change in the overall capital risk management strategy as compared to the last year.

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Company's objective when managing capital are to: (a) to maximise shareholders value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Company's capital management, capital includes issued equity share capital and other equity reserves attributable to the equity holders.

The Company monitors capital using debt-equity ratio, which is total debt less investments divided by total equity.

Particulars							31 March 2021	31 March 2020
Total debt (Bank and other borrowings)			A				2,027,084,899	2,383,327,106
Equity			B				(411,196,578)	108,476,964
Liquid investments including bank deposits			C				503,250	185,053,479
Debt to Equity (A / B)							(5)	22
Debt to Equity (net) [(A-C) / B]							(5)	20

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31 March 2021 (Continued)

All amount in Rupees, unless otherwise stated

- The Company has been facing various disruptions, in addition to the pandemic situation, since last year such as stoppage of supply of materials by its largest Vendor i.e., RINL, fall in demand and volatility in iron & steel industry and stress over Channel finance and other borrowing accounts. 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 realize the entire outstanding amounts alleged to be Rs. 174.17 Cr. owing to them by the Company. There are 5 Channel Finance Lenders who are unsecured creditors whose liability after adjustment of Margin available with them is approx. Rs.34 Cr. in the Company Books before providing the provision for interest. The balance in the Books after providing interest is Rs. 37 Cr. One of the 5 Lenders, namely Andhra Bank, got merged with Union Bank. The default can be attributed to non-realization of Debtors, substantial decrease in volume of business and sales on account of major disruption of supply.
- 40 The Union Bank has stopped all the recovery proceedings consequential upon the submission of Action plan at the FGM office dt. 04.01.2021. Given the liquidity strain, the company has offered the bank that it would be in a position to attract some liquidity by sale of certain collaterals given to the bank as security. By liquidation of the same, the company would be able to redeem part of the debt. The company has deposited an amount of Rs.4.01 Cr. to the loan account of Union Bank of India and requested the bank to revalue the properties and to liquidate the properties. Finally, One of the Unsecured creditor Namely, ICICI Bank has approached NCLT, and got an order to initiate the Corporate Insolvency Resolution Process (CIRP).
- The ICICI Bank, one of the financial creditor who is unsecured, has filed an application CP(IB) No. 986/KB/2020 before NCLT u/s 7 of the Insolvency & Bankruptcy Code, 2016 (The Code) for initiating Corporate Insolvency Resolution Process(CIRP) against the Company and the same has been admitted by NCLT at its hearing dated 16.03.2021 and pronounced order on 24.03.2021 to initiate CIRP In Narayani Steels Limited. There by, the order prohibits action under SARFAESI Act, 2002 and declares Moratorium as per sec 14 of the Code-2016.
- 41 Further, Mr. Krishna Komaravolu, registered with Insolvency and Bankruptcy Board of India, having Registration No. IBBI/IPA-002/IP-N00562/2017-2018/11699 has been appointed as Interim Resolution Professional, for ascertaining the particulars of creditors and to convening a meeting of Committee of Creditors for evolving a resolution plan. The IRP has been confirmed and made as Resolution Professional (RP) .
- The Resolution Professional has received the claims and subsequently convened the first meeting of COC on 24-4-21. He has examined and admitted the claims from Financial Creditors amounting to Rs. 296.13 Cr. The variations between balances as per books and amount claimed by the financial creditors amounting to Rs. 5.32 Cr. may be due to charging of penal interest and other charges claimed by the Financial creditors. A claim from State GST, Operational Creditor, amounting to Rs. 35.68 Crores is still under the examination of the RP. The RP has invited Expression of Interest (EOI) from prospective resolution applicants as per 2nd COC conducted by RP on 18-06-2021. The accounts are presented based on the assumption of the Going Concern Concept as plant is working and the CIRP is at its preliminary stage.
- COVID-19 Pandemic has substantially impacted. Consequently, Company's manufacturing plants and offices had to be closed down for a considerable period of time up to the Quarter ended 31st March, 2021. As a result of the lockdown, the revenue from the month of February 2020 to March 2021 has also been impacted. Consequently, the results of this Year are not comparable with the results of the previous financial year. Over and above the impact of COVID-19 and other disruptions such as issues with RINL etc., Presently, Only One plant(Unit-ii) is running out of Company's two plants and the production is stopped from December 2020 at the other plant (Unit-i)and is vacated from its leased premises while equipment therein is shifted to Unit-2. . **The Company has stopped its Trading and Manufacturing activity. In order to keep the plant (Unit-2) running, the company has entered into an agreement with M/s Elegant Metals and Minerals Private Limited, to operate the plant on conversion basis at a cost of Rs. 3000 per metric ton. The total gross income earned from conversion is Rs. 184.63 Lakhs during the last quarter of the year.**
- 42 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 groups liquidity and going concern, recoverable values of its property, plant and equipment, intangible assets and the realizable values of other assets. However, given the effect of this lockdown 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.
- 43 The Company has recognized an impairment loss of Rs. 56.73 lakhs on its investment in Hari Equipments Private Limited, an associate of the Company, as the associate company has suspended its trading activities incurring significant losses with complete erosion of its net worth as of the end of financial year 31.03.2020
- The Financial year 2020-21 had been very challenging with various adverse factors affecting the operations of the company resulting in substantial losses during the year. However, the management is hopeful that the company will rebound in the coming years with the revival of the steel industry, the company is also taking all possible steps for resumption of full volume operations with a view to generate revenue. In view of the same, the company has recognised the deferred tax assets on carry forward losses and unabsorbed depreciation as the management believes that the company shall have sufficient taxable profits in the future to realise the deferred tax assets.
- 44 The Company has taken premises under operating lease. The escalation clause is applicable on renewal. There is no restriction imposed by lease agreements. These lease agreements are normally renewed on expiry. Expense charged to profit and loss account is **Rs.13.75 lakhs** (31st March 2020: Rs. 17.18 lakhs). However, one of the lease property contract is terminated in the beginning of the year.
- 45
- | | As at | As at |
|---|-----------------|-----------------|
| | 31st March 2021 | 31st March 2020 |
| 46 Foreign Exchange Earnings and Outgo | | |
| Expenditure in Foreign Currency: | | |
| Travel & Miscellaneous matters | - | - |
- 47 Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever considered necessary to conform to this year's classification. Accordingly, amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to amounts and other disclosures relating to the current year.
- The company had sent the letters on seeking Confirmation of the Balances as on 31.03.2021 have not reached the office of Statutory auditors as at the end of the audit. This may be due to partial lockdown in the state of Andhra Pradesh. The total Sundry Debtors as on 31.03.2021 available in books is Rs. 169.22 Cr. As per the earlier confirmations available at the company, the Company has obtained Confirmation of Balances from its major Trade Receivables of approx. Rs. 98.93 Cr. (58.47%) as on 31.03.2021. This includes Rs. 87.15 crores (Net confirmation given by Vizag Profiles Private Limited and available on record is Rs. 74.15 Cr.) transferred from M/s. Steel Exchange India Limited to its associate company m/s. Vizag Profiles Private Limited by virtue of Joint understanding agreed in this regard. For this purpose, Mail Confirmation from SEIL and Balance Confirmation from VFPL are obtained. The Company has agreed for transfer in order to improvise the early recovery of the dues from the major Trade Debtor. Company has provided for the Expected Credit Risk amounting to Rs.46.95 Cr. in addition to the Provision for Doubtful Debts amounting to Rs.11.91 Cr as on 31/03/2021 as per Prudence, general practice and IND AS.
- 48 The Union Bank has appointed an Agency for Specialized Monitoring (ASM) for conducting the Audit on behalf of the Lending Institution after the account has become NPA. The Company did not conduct the Internal Audit during the year 2020-21 as the major operations of trading is stopped and production is reduced substantially.
- 49
- 50 **Financial instruments and related disclosures**

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31 March 2021 (Continued)

All amount in Rupees, unless otherwise stated

50.1 Fair value measurement

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

The Company has established the following fair value hierarchy that categorises the value into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are as stated in Note 2: Basis of Preparation

The management assessed that trade receivables, cash and cash equivalent, trade payable and other financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments, except that an additional provision of Rs.13.78 Crores has been created, out of abundant caution, over and above the provisions required as per IND-AS, on account of doubtful debts due to continued disruptions in supply throughout the year and also due to the possible repercussions arising out of the global pandemic COVID-19.

The company uses the discounted cash flow techniques (in relation to interest-bearing borrowings and loans) which involves determination of present value of expected receipt/payment discounted using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The fair value so determined is classified as Level 2.

50.2 Financial Instrument by category

The following table shows fair values of financial assets and liabilities, including their levels in financial hierarchy, together with the carrying amounts shown in the statement of financial position.

Particulars	Note No	As at 31st March 2021		As at 31st March 2020	
		carrying amount	fair value Level 1/2	carrying amount	fair value Level 1/2
A FINANCIAL ASSETS:					
a) Measured at Amortised Cost					
Investments	6	-	-	-	-
Trade receivables	8	1,103,546,216		1,750,014,239	
Cash and Cash equivalents	9	503,250		1,657,600	
Other Bank Balances	10	-		183,395,877	
Other financial assets	11	10,016,620		10,906,218	
b) Measured at fair value through profit and loss					
Investments	6	3,911,543	3,911,543	9,346,358	9,346,358
c) Measured at fair value through other comprehensive income					
Investments	6	34,356	34,356	28,958	28,958
B Financial liabilities:					
a) Measured at amortised cost					
Borrowings	16	2,029,655,479	2,029,655,479	2,371,371,558	2,371,371,558
Trade payables	19	12,920,543		36,728,386	
Other financial liabilities	18	223,095,193		18,585,292	

51 The accounts are presented based on the assumption of the Going Concern Concept as plant Unit-II is working on conversion basis continuously. The Company is able to manage its Cash Flows. Resolution Professional (RP) is appointed on 24.03.2021 for 180 days and the period can be extended to complete the Resolution Plan. The Resolution Professional has invited Expression of Interest (EOI) from prospective resolution applicants as per 2nd COC conducted by RP on 18-06-2021. Hence, the Going Concern basis is adopted by the Company.

52 The Financials for the year ended as on 31.03.2021 were finalised and adopted in the board meeting dated 29.06.2021. Those Accounts were audited by the auditors as on that date. The Loss as per those financials is Rs. 54.35 Cr. Subsequently, It has come to the Notice of the Management that Investment in Mutual Funds of Union Bank of India has been got liquidated amounting to Rs. 35.80 Lakhs by the Union Bank as on 31.03.2021 and the same is not shown in the Books of Accounts as on 31.03.2021. Hence, the revision of Accounts is made to give effect to the appropriation of Investment against the Loan A/c., made by the Bank. The effect of change in Investment is reduced by Rs. 35.75 Lakhs and Loan Component of Union Bank reduced by the same amount. This resulted in a net loss of Rs. 0.05 Lakhs in P&L A/c., The Loss after revision of Accounts is Rs. 54.26 lakhs. The Total effect together with Deferred Tax Liability on the P&L A/c., is Rs. 9.66 Lakhs. These revised accounts are adopted by the Management at its meeting dt. 03.09.2021. These modified accounts are presented to the Auditors for their Audit and to issue the Revised Audit Report.

INDEPENDENT AUDITOR'S REPORT

To the Members of M/s. Narayani Steels Limited

Report on the audit of Consolidated Financial Statements

Qualified Opinion:

We have audited the accompanying Consolidated Financial Statements of **M/s. Narayani Steels Limited** ("the Company"), which comprise the Consolidated Balance Sheet as at March 31, 2021, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, Consolidated statement of changes in equity and notes to the Consolidated Financial Statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the "**Basis for Qualified Opinion paragraph,**" and "**Material Uncertainty Related to Going Concern under the Emphasis of Matter paragraph**" aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2021, and its profit/loss and its cash flows for the year ended on that date.

Basis for Qualified Opinion:

1. We draw attention to Note 8 and 48 to the Consolidated financial results that there has been no realization from Trade Receivables amounting to Rs. 137.78 Crores during past 21 months. Therefore we express that there is no reasonable certainty of realization as to its timing and collection of Sundry Debtors of Rs. 169.22Cr. as on 31.03.2021. We are also unable to quantify the amount of doubtful debtors and the sufficiency or otherwise of Provision made therefore in the given circumstances. Further, the legal documentation for the balance transfer of Rs. 87.15Cr. from Steel Exchange India Limited (SEIL) to its group company Vizag Profiles Private Limited (VPPL) is not sufficient and Legally binding.

The Non-Realization of Sundry Debtors has resulted in Bank loans becoming NPA in the Banks. The annual interests accrued on Bank outstanding continues to be the reason for the Financial Loss and has dented the net worth of the Company. The ICICI bank approached NCLT. Consequently, the company went into Corporate Insolvency Resolution Process (CIRP) as per NCLT order dated 24.03.2021.

2. We draw attention to Note 51 to the Consolidated financial results that the RP has invited Expression of Interest (EOI) from prospective resolution applicants as per 2nd COC conducted by RP on 18-06-2021. The Management has presented accounts based on the assumption of the Going Concern Concept since the plant is working and the CIRP is at its preliminary stage. However, since the Net worth has become negative, and the realisibility of the debtors is in doubt, the Company ceases to be a Going concern and the Assets & Liabilities are to be adjusted in the books.

3. We draw attention to Note 21 to the consolidated financial results that the deferred taxes of Rs. 4374.42 lakhs as on 31st March 2021 cannot be considered as an asset since the Company ceases to be a Going concern. As a result the loss will further go up by the Deferred Tax amount.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the following matters:-

1. As stated in Note No 41 to the Consolidated financial results, the Bankers have classified its advance to Company as NPA and issued notices under SARFAESI Act, 2002. The ICICI Bank, one of the financial creditor who is unsecured, has filed an application CP(IB) No. 986/KB/2020 before NCLT u/s 7 of the Insolvency & Bankruptcy Code, 2016 (The Code) for initiating Corporate Insolvency Resolution Process(CIRP) against the Company and the same has been admitted by NCLT at its hearing dated 16.03.2021 and pronounced order on 24.03.2021 to initiate CIRP In Narayani Steels Limited. Further, Mr. Krishna Komaravolu, registered with Insolvency and Bankruptcy Board of India, having Registration No. IBBI/IPA-002/IP-N00562/2017-2018/11699 has been appointed as Interim Resolution Professional, for ascertaining the particulars of creditors and for convening a meeting of Committee of Creditors for evolving a resolution plan. The IRP has been confirmed and appointed as Resolution Professional (RP). The Resolution Professional has received the claims and subsequently convened the first meeting of COC on 24-4-2021. He has examined and admitted the claims from Financial Creditors amounting to Rs. 296.13 Cr. The variations between balances as per books and amount claimed by the financial creditors amounting to Rs. 5.32 Cr. is due to charging of penal interest and other charges claimed by the Financial creditors as explained to us. A claim from State GST, Operational Creditor amounting to Rs. 35.68 Crores is still under the examination of the RP.

2. As stated in Note 42 to the Consolidated financial results which explain that the operations of the company has been impacted significantly. The Company has stopped its Trading and Manufacturing activity. In order to keep the plant (Unit-2) running, the company has entered into an agreement with M/s Elegant Metals and Minerals Private Limited, to operate the plant on conversion basis at a cost of Rs. 3000 per metric ton. The total gross income earned from conversion is Rs. 184.63 Lakhs during the last quarter of the year.
3. As stated in Note 34 to the Consolidated financial results, the total Contingent Liabilities amounting to Rs.109.68 Crores is disclosed on account of Collaterals given on behalf of Associates / group companies of the Company and other liabilities. During the year, Karur Vysya Bank and Canara Bank have sold two properties mortgaged to them and appropriated the sale proceeds amounting to Rs. 9.45 Cr. towards the liability on account of corporate guarantee given on behalf of its associate company M/s. Kedarnath Commotrade Private Limited discharging about Rs. 15.25 Crores of liability. The total amount of Rs. 9.45 Cr. adjusted by banks has been claimed from the M/s Kedarnath Commotrade Private Limited as receivable by the company.
4. As stated in Note 52 to the Consolidated financial results, the Audit Report is issued on the Revised Accounts. The Revision of accounts on the Profit and Loss A/c is resulted in Decrease of Loss by Rs. 239.20 Lakhs.

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

Material Uncertainty Related to Going Concern

5. As stated in Note 51 in the Consolidated Ind AS Financial Statements which indicate that as the Net worth has become negative and the realisibility of the debtors is in doubt, the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a Going Concern.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the matter was addressed in our Audit
<p>1. Related Party Transactions:</p> <p>(Refer Note No. 37 to the Consolidated Financial Statements)</p> <p>The Company has entered into several transactions with related parties during the year 2020-21. We identified related party transactions as a key audit matter because of risks with respect to completeness of disclosures made in the Financial Statements, non-compliance with relationships such as the Companies Act 2013 and SEBI regulations and the judgment involved in assessing whether transactions with related parties are undertaken at arm’s length.</p>	<p>In view of the significance of the matter, we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> i. We carried out an assessment of the key controls to identify and disclose related party relationships and transactions in accordance with the relevant Indian Accounting Standards. ii. We carried out an assessment of compliance with the listing regulations and regulations under Companies Act 2013, including checking of approvals as specified in Sections 177 and 188 of the Companies Act 2013 with respect to the related party transactions. iii. We considered the adequacy and appropriateness of the disclosures in the Financial Statements relating to the related party transactions. iv. For transactions with related parties, we inspected relevant ledgers, Registers and other information that may indicate the existence of related party relationships or transactions. We also tested completeness of related parties disclosures with reference to the various registers maintained by the company statutorily. v. We have tested on a sample basis management’s assessment of related party transactions for arm’s length pricing.

2. Claims and Contingent Liabilities:

(Refer Note No. 16, 34, 41 of Consolidated Financial Statements)

The Resolution Professional has received the claims and subsequently convened the first meeting of COC on 24-04-2021. He has examined and admitted the claims from Financial Creditors amounting to Rs. 296.13 Cr. as below:

FINANCIAL CREDITORS (Admitted by RP)	BAL in books Rs in lakhs	BAL as per IRP Rs in lakhs
UNION BANK	19,008.09	19,552.94
AXIS BANK	597.84	583.67
ICICI BANK LTD	1,199.85	1,186.83
TATA CAPITAL	1,278.44	1,301.67
YES BANK	273.26	265.37
Total	22,357.48	22,890.18

Remaining amount of liability of Rs. 67.23 Cr on account of Corporate Guarantee are shown under Contingent Liability as below:

Contingent Liabilities-31.3.2021	Rs. In lakh s
Claims against the company not acknowledged as debts	401
Disputed Income Tax Demands under appeal	250
Corporate guarantee for credit facilities (Admitted by RP)	3,524
Other Corporate guarantee for credit facilities (Admitted by RP)	3,198
Disputed Sales Tax/ VAT under appeal for the year 2010 - 11	5
Disputed Penalty on VAT under appeal for 04/2011 to 12/2012	21
State Tax (VAT), Vizianagaram (Claim is under examination of RP)	3,569
Total	10,968

3. Non Realisation of Sundry Debtors despite lapse of considerable time Provision for Expected Credit Loss on Trade Receivables:

(Refer note No. 8 and 48 of Consolidated Financial Statements)

The total Sundry Debtors as on 31.03.2021 available in books is Rs. 169.22 Cr. The aging of debtors reveals that there is no realisation from the major debtors and is stagnant for the past 21 months. During the year the Company has transferred an

Our audit procedures included the following:

- i. Assessed the design and implementation of the company's controls over the assessment of litigations and completeness of disclosures. Supporting documents were tested for the positions taken by the management, meetings conducted with in-house legal counsel and legal team and minutes of the Board were reviewed to test the operating effectiveness of these controls.
- ii. The variations between balances as per books and amount claimed by the financial creditors as admitted by RP amounting to Rs. 5.32 Cr. It is Explained to us that the difference may be due to charging of penal interest and other charges debited by the Financial Creditors.
- iii. Additionally, we have perused the claims received by the Resolution Professional after invitation of Claims from the Financial and Operational Creditors.
- iv. We have enquired into the genuineness of claims admitted by RP with the management (RP and KMP) .

Our procedures in relation to verification of Sundry Debtors and Expected Credit loss on trade receivables include the following:

- i. As instructed by us, the company had sent the letters seeking Confirmation of the Balances as on 31.03.2021 to be sent directly to us. Confirmations have not reached the office of Statutory Auditors as at the end of the audit.

<p>amount of Rs. 87.15 Crores from M/s. Steel Exchange India Limited (SEIL) to its group company M/s. Vizag Profiles Private Limited (VPPL) by virtue of Joint understanding agreed in this regard. As per the earlier confirmations available at the company, the Company has obtained Confirmation of Balances from its major Trade Receivables of approx. Rs. 98.93 Cr. which includes Rs. 74.15 Cr. from VFPL as on 31.03.2021. Total confirmations received are equal to 58.47 % of Total Receivables.</p>	<ul style="list-style-type: none"> ii. For this purpose of verification of balance transfer, Mail Confirmation from SEIL and Balance Confirmation from VPPL are obtained. iii. Analysing the key terms of contract with customer to ascertain provision required for expected credit loss as per Ind AS. iv. We inspected the criteria followed by the management in calculating the amount of provision and the logic behind the provision. v. Company has provided for the Expected Credit Risk amounting to Rs.46.95 Cr. in addition to the Provision for Doubtful Debts amounting to Rs.11.91 Cr as on 31/03/2021 as per Ind AS and as per the principle of Prudence. <p>In view of non realisation and sticky nature of sundry debtors, further steps are too expedited to speed up the recovery process.</p>
<p>4. Sale of Assets by Banks and Tax liability there on: (Refer Note No. 34 of Consolidated Financial Statements)</p> <p>During the year KarurVysya Bank and Canara Bank have sold two properties mortgaged to them and appropriated the sale proceeds amounting to Rs. 9.45 Cr. towards their liability arising on account of corporate guarantee given the Company on behalf of its group company M/s. Kedarnath Commotrade Private Limited.</p>	<p>Our Audit Procedure in relation to sale of assets by the banks and Income Tax liability on sale proceeds was conducted as under:</p> <ul style="list-style-type: none"> i. We have obtained information relating to the terms of the corporate guarantee provided to M/s Kedarnath Commotrade Private limited (KCPL). ii. We made sufficient enquiries with the management to understand the sequence with which the banks have sold and the method adopted in selling those assets which were given as collaterals. iii. The minutes of the meeting of the Board with regard to accounting treatment for the sale of mortgaged assets by banks and approval for lodging the claim with group company KCPL are examined. iv. The total amount of Rs. 9.45 Cr. adjusted by banks has been claimed

	<p>from the M/s Kedarnath Commtrade Private Limited as receivable to the company.</p> <p>v. The confirmation letter received from KCPL for the above claim was perused.</p> <p>vi. The liability of Capital gains tax under the Income Tax Act was examined in detail. The Tax liability has not been brought to books as the Profit on the sale of the long-term capital assets can be set off against the current business loss of the company.</p>
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Management’s Responsibility for the Consolidated Financial Statements

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013 (“the Act”) with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards referred specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated Ind AS financial statements, the management of the Company including its associate is responsible for assessing the Company's ability including its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company including its associate.

Information Other than the Consolidated Financial Statements and Auditor’s Report Thereon:

The Bank’s Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the Financial Statements and our auditor’s report thereon. The information included in the Annual Report is expected to be made available to us after the date of the auditor’s report.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements , our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or

otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Auditor's Responsibility for audit of consolidated financial statements:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon:

The Bank's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the Financial Statements and our auditor's report thereon. The information included in the Annual Report is expected to be made available to us after the date of the auditor's report.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other Matter

We did not audit the financial statements of Associate company i.e., M/s Hari Equipment's Private Limited included in the Consolidated financial statements of the Company whose financial statements have been audited by the other auditors and report has not been furnished to us. The investment in Associate in the Consolidated financial statements was impaired due to share of accumulated losses in the associate company has been exceeded the cost of investments. As per Equity Method, further share of net loss of the associate company is not included in the financial statements as per INDAS 28 (Investment in Associates) and investment is reported at Nil value. Our opinion is modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, we report that:
 - a. We have sought and, except for the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss including the statement of other comprehensive income , the statement of changes in equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid INDAS Financial Statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015;
 - e. On the basis of written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of section 164(2) of the Act.
 - f. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
 - g. With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such control refers to our separate Report in “**Annexure 1**” to this report.
 - h. The company has paid remuneration to the managerial persons during the year ended 31st March 2021 within the limits specified in the provisions of Section 197 read with Schedule V of the Act.
 - i. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS Financial Statements – Refer Note 34 to the Ind AS Consolidated Financial Statements.
- ii. The Company did not have any long-term contracts including derivative contracts which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

**For RAMAMOORTHY (N) & CO.,
Chartered Accountants
Firm Registration No. 02899S**

**(K. Ramachandra Rao)
Partner
Membership No. 201334
UDIN: 21201334AAAACS1816**

**Place: Visakhapatnam
Date: 03-09-2021**

ANNEXURE- 1 TO THE INDEPENDENT AUDITOR’S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

Qualified Opinion

We have audited the Internal Financial Controls with reference to Financial Statements of M/s **Narayani Steels Limited** (“the Company”) as of 31st March, 2021 in conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, maintained adequate internal financial controls with reference to Financial Statements as of 31st March, 2021, based on the criteria for internal financial control with reference to Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weakness described in Basis for Qualified Opinion paragraph below on the achievement of the objectives of the control criteria, the Company’s internal financial controls with reference to Financial Statements were operating effectively as of 31st March 2021.

We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the Consolidated Financial Statements for the year ended 31st March, 2021 and the material weakness does not affect our opinion on the said Consolidated Financial Statements of the Company.

Basis for Qualified Opinion

According to the information and explanations given to us and based on our audit, a material weakness has been identified in the Company’s internal financial controls with reference to Financial Statements as of 31st March, 2021 relating to certain operating ineffectiveness in controls in respect of obtaining balance confirmations from trade receivables and payables, and bank balances at regular intervals.

The inadequate supervisory and review control over Company’s process in respect of its aforesaid assessment in accordance with the accounting principles generally accepted in India could potentially result in a material misstatement in preparation and presentation of financial statement including the profit after tax.

A ‘material weakness’ is a deficiency, or a combination of deficiencies, in internal financial

control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim Financial Statements will not be prevented or detected on a timely basis.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to

provide a basis for our audit opinion on the Company's internal financial controls system with reference to Financial Statements of the Company.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Financial Statements includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements .

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to Financial Statements , including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Financial Statements to future periods are subject to the risk that the internal financial control with reference to Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For RAMAMOORTHY (N) & CO.,
Chartered Accountants
Firm Regn No. 02899S**

**(K. Ramachandra Rao)
Partner
Memb No. 201334
UDIN: 21201334AAAACS1816**

**Place: Visakhapatnam
Date: 03-09-2021**

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)
CONSOLIDATED BALANCE SHEET AS AT 31st March 2021

All amount in Rupees, unless otherwise stated

Particulars	Note	As at 31st March 2021	As at 31st March, 2020
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4A	139,828,530	208,801,771
(b) Capital Work In Progress	4B	-	-
(c) Investment Properties	4C	-	13,549,699
(d) Right-of-use assets	5A	10,784,696	11,837,726
(e) Intangible Assets	5B	145,234	244,884
(f) Financial assets			
(i) Investments	6	34,356	28,958
(ii) Other assets	11	9,002,430	9,863,728
(g) Deferred Tax Assets (net)	21	437,442,761	156,532,170
(h) Other non-current assets	13	1,145,260	1,948,439
Total Non-current assets		598,383,267	402,807,376
(2) Current assets			
(a) Inventories	7	15,086,400	133,216,966
(b) Financial assets			
(i) Investments	6	-	9,346,358
(ii) Trade receivables	8	1,103,546,216	1,750,014,239
(iii) Cash and cash equivalents	9	503,250	1,657,603
(iv) Other Bank Balances	10	-	183,395,877
(v) Other assets	11	1,014,189	1,042,489
(c) Current tax assets (net)	12	7,360,169	6,045,300
(d) Other current assets	13	145,101,690	96,234,173
Total Current assets		1,272,611,914	2,180,953,005
TOTAL ASSETS		1,870,995,181	2,583,760,381
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	109,090,000	109,090,000
(b) Other equity	15	(520,286,578)	(613,036)
Total Equity		(411,196,578)	108,476,964
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	11,528,955	166,917,553
(ii) Lease liabilities	17	8,277,036	11,540,077
(iii) Other liabilities	18	308,434	572,233
(b) Other non-current liabilities	20	261,492	857,828
(c) Deferred tax liabilities (net)	21	-	-
(d) Provisions	22	453,922	453,922
Total Non-current liabilities		20,829,839	180,341,613
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	2,013,628,107	2,204,454,005
(ii) Lease liabilities	17	756,675	839,620
(iii) Trade payables	19	-	-
total outstanding dues of micro enterprises and small enterprises		-	-
total outstanding dues of creditors other than micro enterprises and small enterprises		12,920,543	36,728,386
(iv) Other liabilities	18	224,018,133	18,585,292
(b) Other current liabilities	20	9,646,322	33,942,359
(c) Provisions	22	392,141	392,141
Total Current liabilities		2,261,361,920	2,294,941,805
TOTAL EQUITY AND LIABILITIES		1,870,995,181	2,583,760,381

Significant accounting policies 3

The accompanying notes form an integral part of these financial statements

As per our report of even date attached
For RAMAMOORTHY (N)& CO.,
Chartered Accountants
Firm Registration Number: 002899S

For and on behalf of Narayani Steels Limited

Krishna Kumaravolu
Resolution Professional

Ankit Gupta
Director & CFO
DIN: 08415248

K. RAMACHANDRA RAO
Partner
Membership No: 0201334

Arun Kumar Meher
Company Secretary
M.NO.: ACS48598

Place of Signature: Vizianagaram
Dated: The 3rd day of September, 2021

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31ST March, 2021

All amount in Rupees, unless otherwise stated

SL. No.	Particulars	Note	Year ended 31 March 2021	Year ended 31 March 2020
I	Revenue from operations	23	779,325,720	3,585,202,158
II	Other income	24	49,103,538	38,425,687
III	Total income (I + II)		828,429,258	3,623,627,845
IV	Expenses			
	Cost of Materials Consumed	25	380,729,758	595,442,865
	Purchase of Traded Goods	26	230,481,300	2,821,675,772
	Changes in Inventories of Finished & Traded Goods	27	100,166,013	29,364,623
	Impairment loss allowance	28	-	5,673,370
	Employee benefits expense	29	53,110,776	50,289,738
	Finance costs	30	269,021,471	230,579,669
	Depreciation and amortisation expense	4A, 4C & 5	13,359,220	16,664,438
	Other expenses	31	582,150,253	354,463,224
	Total expenses (IV)		1,629,018,789	4,104,153,698
V	PROFIT BEFORE TAX & EXCEPTIONAL ITEM (III-IV)		(800,589,531)	(480,525,853)
VI	Exceptional Item		-	-
VII	Profit before tax (V-VI)		(800,589,531)	(480,525,853)
VIII	Tax expense:	32		
	Current tax		-	-
	Earlier year tax		-	459,996
	Deferred tax	21	(280,912,393)	(167,833,697)
IX	Profit for the year (VII-VIII)		(519,677,138)	(313,152,152)
	Other comprehensive income (net of tax)			
	A. Items that will not be reclassified to profit or loss			
	(a) Remeasurements of defined benefit liability/ (asset)		-	(243,253)
	(b) Equity instruments through other comprehensive income		5,398	(67,401)
	(c) Income taxes relating to items that will not be reclassified to profit or loss		(1,802)	61,450
	Net other comprehensive income not to be reclassified subsequently to profit or loss		3,596	(249,205)
	B. Items that will be reclassified to profit or loss		-	-
	Net other comprehensive income to be reclassified subsequently to profit or loss		-	-
X	Other comprehensive income		3,596	(249,205)
XI	Total comprehensive income for the year (IX + X)		(519,673,542)	(313,401,356)
XII	Earnings per equity share			
	[Face value of equity share Rs. 10 each (previous year Rs. 10 each)]			
	- Basic		(47.64)	(28.71)
	- Diluted		(47.64)	(28.71)

Significant accounting policies

3

The accompanying notes form an integral part of these financial statements

As per our report of even date attached
For RAMAMOORTHY (N)& CO.,
Chartered Accountants
Firm Registration Number: 0028995

For and on behalf of Narayani Steels Limited

K. RAMACHANDRA RAO
Partner
Membership No: 0201334

Krishna Komaravolu
Resolution Professional

Ankit Gupta
Director & CFO
DIN: 08415248

Place of Signature: Vizianagaram
Dated: The 3rd day of September, 2021

Arun Kumar Meher
Company Secretary
M.NO.: ACS48598

NARAYANI STEELS LIMITED (CIN: L27109WB1996PLC082021) CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st March 2021		
(Rs. In Lakhs)		
Particulars	For the year ended 31.03.2021 (audited)	For the year ended 31.03.2020 (audited)
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	(8,005.90)	(4,805.26)
ADJUSTMENTS FOR:		
Depreciation and amortisation expense	133.59	166.64
Provision for expected credit loss on trade receivables	3,572.06	1,041.58
Provision for bad and doubtful debts	691.19	500.00
Net (gain) / loss on investments measured at fair value through profit or loss	-	10.93
Impairment in the value of investment in associate	-	56.73
Amortisation of corporate guarantee obligation	-	0.52
Finance Costs	2,690.21	2,305.80
Rental Income	(34.01)	(33.79)
Commission Income	-	(8.19)
Profit on sale of investments	(88.35)	(1.16)
Loss on Sale of Property, Plant & Equipment	-	0.05
Profit on sale of land	(365.54)	-
Sundry Balance written off (net)	40.35	6.06
lease liability written back	(26.74)	-
Interest income	(1.22)	(342.56)
Gratuity	-	1.62
Operating profit before working capital changes	6,611.53	3,704.23
ADJUSTMENTS FOR :		
Trade receivables, loans, advances and other assets	1,689.34	2,493.98
Inventories	1,181.31	456.69
Trade payables, other liabilities and other financial liabilities	1,676.21	(12,128.11)
Cash generated from operations	4,546.86	(9,177.44)
Income tax paid	(13.15)	(68.28)
Net Cash from / (used in) Operating Activities	3,152.50 3,139.35	(10,278.47) (10,346.75)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment (including capital work-in-progress)	(15.04)	(86.59)
Sale of Property, Plant & Equipment	950.44	1.15
Purchase of Investments	-	(88.75)
Sale of investments	315.11	97.05
(Investments in) / Proceeds from Bank deposits (maturity more than 3 months but less than 12 months)	1,833.96	607.77
Rent received	34.01	33.79
Interest received	1.22	342.56
Net cash from / (used in) Investing Activities	3,119.70	906.98
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(Repayment) of Borrowings	(3,562.38)	11,580.87
Principal accrued on lease liabilities	(18.00)	(16.60)
Interest accrued on lease liabilities	(11.28)	(11.68)
Finance Costs	(2,678.93)	(2,294.12)
Net cash from / (used in) financing activities	(6,270.60)	9,258.47
Net Increase / (Decrease) in Cash & Cash equivalents	(11.55)	(181.30)
Cash & Cash equivalents at beginning of the year[^]	16.58	197.88
Cash & Cash equivalents at end of the year[^]	5.03	16.58
[^] as disclosed in Note 9		
Note : The Statement of Cash Flow has been prepared under the indirect method as set out in Ind AS - 7 specified under section 133 of the Companies Act, 2013.		
Significant accounting policies <i>The accompanying notes form an integral part of these financial statements</i>		
As per our report of even date attached For RAMAMOORTHY (N)& CO., Chartered Accountants Firm Registration Number: 002899S		For and on behalf of Narayani Steels Limited
	Krishna Komaravolu Resolution Professional	Ankit Gupta Director & CFO DIN: 08415248
K. RAMACHANDRA RAO Partner Membership No: 0201334	Arun Kumar Meher Company Secretary M.NO.: ACS48598	-
Place of Signature: Vizianagaram Dated: The 3rd day of September, 2021		-

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

All amount in Rupees, unless otherwise stated

A. Equity share capital

Particulars	Number of shares	Amount
As at 31 March 2019	10909000.00	1,090,900,000.00
Changes in equity share capital during 2019-20	-	-
As at 31 March 2020	10909000.00	1,090,900,000.00
Changes in equity share capital during 2020-21	-	-
As at 31 March 2021	10909000.00	1,090,900,000.00

B. Other equity

Particulars	Reserves and surplus		Total
	Securities Premium	Retained Earnings	
Balance as at 31 March 2019	167,384,922.00	145,403,398.20	312,788,320.20
Total comprehensive income for the year ended 31 March 2019			
Profit or Loss	-	(313,152,151.68)	(313,152,151.68)
Other comprehensive income (net of tax)	-	(249,204.55)	(249,204.55)
Total comprehensive income	-	(313,401,356.23)	(313,401,356.23)
Balance as at 31 March 2020	167,384,922.00	(167,997,958.03)	(613,036.03)
Total comprehensive income for the year ended 31 March 2021			
Profit or Loss	-	(519,677,137.93)	(519,677,137.93)
Other comprehensive income (net of tax)	-	3,596.03	3,596.03
Total comprehensive income	-	(519,673,541.90)	(519,673,541.90)
Balance as at 31st March 2021	167,384,922.00	(687,671,499.93)	(520,286,577.93)

Significant accounting policies

3

The accompanying notes form an integral part of these financial statements

As per our report of even date attached
For RAMAMOORTHY (N)& CO.,
Chartered Accountants
Firm Registration Number: 002899S

For and on behalf of Narayani Steels Limited

Krishna Komaravolu
Resolution Professional

Ankit Gupta
Director & CFO
DIN: 08415248

K. RAMACHANDRA RAO
Partner
Membership No: 0201334

Place of Signature: Vizianagaram
Dated: The 3rd day of September, 2021

Arun Kumar Meher
Company Secretary
M.NO.: ACS48598

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31 March 2021

1 Corporate Information

Narayani Steels Limited ("the Company") is principally engaged in the business of manufacture and sale of TMT bars, Rounds, Squares, Angles, etc. and trading of Billets, Blooms, Ingots, Iron ores, etc.

The Company is an integrated manufacturer of diverse range of Iron & steel products with its manufacturing facilities located at Vizianagaram, Andhra Pradesh, India.

Narayani Steels Limited is a public limited company incorporated in India on 13th November, 1996 under the Companies Act, 1956 (as amended Companies Act, 2013) and listed on the Bombay Stock Exchange. The registered office is situated at 23A, N.S.Road 7th Floor, Kolkata - 700001. **(Corporate Office at Survey No. 202/31-38, Modavalsa Village, Denkada Mandalam, Vizianagaram, Andhra Pradesh-535006, India).**

2 Basis of preparation

a) Statement of Compliance

These standalone financial statements are prepared in accordance with the provisions of the Companies Act, 2013 ('Act') (to the extent notified) and Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing standard requires a change in the accounting policy hitherto in use.

b) Functional and presentation currency

The financial statements are presented in Indian Rupees ('Rs') which is Company's presentation currency. The functional currency of the Company is also Indian Rupees ('Rs'). All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh with two decimals as per the requirement of Schedule III, unless otherwise stated.

c) Basis of measurement

The financial statements have been prepared on historical cost convention on the accrual basis, except for the following items:

- (i) Certain financial assets and financial liabilities measured at fair value;
- (ii) Employee's defined benefit plan as per actuarial valuation.

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing standard requires a change in the accounting policy hitherto in use.

The statement of cash flows have been prepared under indirect method.

d) Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

e) Critical accounting judgements and key sources of estimation uncertainty: Key assumptions-

(i) Useful lives of Property, plant and equipment and intangible assets:

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

(ii) Fair value measurement of financial instruments:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using certain valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

(iii) Defined benefit plans:

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31 March 2021

The cost of the defined benefit plan includes gratuity and the present value of the gratuity obligation are determined using actuarial valuations using projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(iv) Recognition and measurement of provisions and contingencies:

The certain key assumptions about the likelihood and magnitude of an outflow of resources. Provision is made towards known contractual obligation, litigation cases and pending assessments in respect of taxes, duties and other levies, if any, in respect of which management believes that there are present obligations and the settlement of such obligations are expected to result in outflow of resources, to the extent provided for.

(v) Expected credit losses on financial assets: The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the expected credit loss calculation based on the Company's history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

f) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

The management regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1 : includes financial Instrument measured using quoted prices (unadjusted) in active markets for identical assets and liabilities that the entity can access at the measurement date.
- Level 2 : Includes financial Instruments which are not traded in active market but for which all significant inputs required to fair value the instrument are observable. The fair value is calculated using the valuation technique which maximises the use of observable market data.
- Level 3: Includes those instruments for which one or more significant input are not based on observable market data.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3 Significant accounting policies

a) Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements based on the nature of business and the time between the acquisition of assets for development and their realisation in cash and cash equivalents.

b) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Trade receivables are initially measured at transaction price. Regular way purchase and sale of financial assets are accounted for at trade date.

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31 March 2021

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Amortised cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest rate (EIR) amortisation is included in finance income in the profit or loss.

Financial assets at FVOCI

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Financial assets at FVTPL

A financial asset which is not classified in any of the above categories are measured at FVTPL.

Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit & Loss.

Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

ii. Financial liability

Initial recognition and measurement

Financial liabilities are initially recognised at fair value plus any transaction cost that are attributable to the acquisition of the financial liabilities except financial liabilities at fair value through profit or loss which are initially measured at fair value.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in following categories:

- Financial liabilities through profit or loss (FVTPL)
- Financial liabilities at amortised cost

Financial liabilities through FVTPL

A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Financial liabilities at amortised cost

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and any gain or loss on derecognition are recognised in profit or loss.

Interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.

Derecognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31 March 2021

Derivative financial instruments

The Company uses forward contracts to hedge its currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivative financial instruments are recognised initially and subsequently at fair value through mark to market valuation. Gain or loss arising from the changes in fair value of derivatives are credited or debited to the Exchange differences in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized as a financial liability at the time the guarantee is issued at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

iii. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

c) Property, Plant and Equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Borrowing costs directly attributable to the acquisition or construction of those qualifying property, plant and equipment, which necessarily take a substantial period of time to get ready for their intended use, are capitalised.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate components of property, plant and equipment.

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price and value in use, which is determined by the present value of the estimated future cash flows.

ii. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2017, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

iii. Subsequent expenditure

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

iv. Depreciation

Depreciation for the year is recognised in the Statement of Profit and Loss.

Depreciation is provided based on the life and in the manner prescribed in Schedule II to the Companies Act, 2013, on straight line method on property, plant and equipment in Unit II at Bhogapuram, on written down value method on other property, plant and equipment and on written down basis on Right-to-use Assets.

These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of right-of-use assets, over the lease period, if shorter.

The estimated useful lives of the assets of property, plant and equipment are estimated by the management which are equal to the life prescribed under Schedule II of the Act.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted as appropriate.

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31 March 2021

v. Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of classification.

vi. Capital Work-in-progress

Costs of the Property, plant and equipment not ready for their intended use at the Balance Sheet date together with all related expenses are shown as Capital Work-in-progress.

d) Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, investment properties are measured at cost. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The Company depreciates investment properties on a written down value method over the useful life of the asset.

Any gain or loss on disposal of an investment property is recognised in profit or loss.

The fair values of investment properties are disclosed in the notes accompanying these financial statements.

Fair values are determined by an independent property valuer who holds recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

e) Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal.

The useful life of computer software is considered to be 5 years.

i. Amortisation

Amortisation for the year is recognised in the Statement of Profit and Loss.

Intangible assets are amortised over a period of 5 years.

f) Lease

The Company as a Lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The Company recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date.

The cost of the right-of-use asset measured at inception comprises of the amount of initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date.

Certain lease arrangements include options to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that such options would be exercised.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

Lease liability is measured at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined.

If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications. The Company recognises the amount of the remeasurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the remeasurement in statement of profit and loss.

Variable lease payments not included in the measurement of the lease liabilities are expensed to the statement of profit and loss in the period in which the events or conditions which trigger those payments occur.

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31 March 2021

Transition

Effective April 01, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to lease arrangements existing on the date of initial application using the modified retrospective approach with right-of-use asset recognized at an amount equal to the lease liability adjusted for any prepayments/accruals recognized in the balance sheet immediately before the date of initial application. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted.

g) Inventories

Inventories are valued at lower of cost and net realisable value. Cost of inventories is determined on FIFO basis.

Assessment of net realisable value is made at each subsequent reporting date. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write-down is reversed.

h) Investments and other financial assets

i. Classification

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in profit or loss. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

ii. Measurement

At initial recognition, the company measures a financial asset at its fair value and in the case of a financial asset not at fair value through profit and loss, at transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit and loss.

Equity instruments

The company subsequently measures all equity investments at fair value. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss.

i) Investment in associates

Investment in associates are carried at cost less impairment loss, if any. The cost comprises price paid to acquire investment and directly attributable cost.

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31 March 2021

j) Impairment

i. Impairment of financial instruments: financial assets

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financial assets in FVTPL category.

For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

ii. Impairment of non-financial assets

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest Company of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

k) Amendment to Ind AS 19 - Plan Amendment, Curtailment or Settlement

The Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements requiring an entity to determine the current service costs and the net interest for the period after the remeasurement using the assumptions used for the remeasurement; and determine the net interest for the remaining period based on the remeasured net defined benefit liability or asset. The adoption of amendment to Ind AS 19 did not have any material impact on the standalone financial statements of the Company.

i. Short-term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

ii. Defined contribution plans

Contributions to provident-fund, a defined contribution plan are deposited with a recognised provident fund. The contributions payable to the provident fund are recognized as expenses, when an employee renders the related services. The Company has no obligation, other than the contribution payable to funds.

The Company's contribution to State Plans namely Employee State Insurance Fund and Employees' Pension Scheme is charged to Profit and Loss Account.

iii. Defined benefit plans

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

l) Provisions (other than for employee benefits)

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31 March 2021

m) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

The Company recognises revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company has generally concluded that it is the principal in its revenue arrangements as it typically controls the goods or services before transferring them to the customer.

Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, or other similar items in a contract when they are highly probable to be provided. The amount of revenue excludes any amount collected on behalf of third parties.

The Company has adopted Ind AS 115 using cumulative effect method of initially applying this standard recognised at the date of initial application (i.e. April 01, 2018). There is no impact on the adoption of the standard in the standalone financial statements.

n) Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest method after taking into account the amount outstanding and the rate applicable.

o) Income tax

Income tax expense comprises of current and deferred tax. Current tax and deferred tax is recognized in the statement of profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

i. Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

ii. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

Ind AS 21 – The Effect of Changes in Foreign Exchange Rates states that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company does not have evaluated any impact of on its standalone financial statements.

p) Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Where there is an unrealised exchange loss which is treated as an adjustment to interest and subsequently there is a realised or unrealised gain in respect of the settlement or translation of the same borrowing, the gain to the extent of the loss previously recognised as an adjustment is recognised as an adjustment to interest.

q) Foreign currency transaction

Transactions in foreign currencies are translated into functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

i) Foreign currency monetary items are translated in the functional currency at the exchange rate of the reporting date.

ii) Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.

iii) Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

iv) Exchange differences are recognised in profit or loss in the period in which they arise, except exchange differences arising from the translation of the items which are recognised in OCI.

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31 March 2021

r) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

s) Segment reporting (Ind AS 108)

Operating Segment are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director of the Company. The Company operates only in one Business segment i.e. Trading of Iron & Steel and related products, hence does not have segment as per Ind AS 108 "Operating Segments". The performance of the Company is mainly driven by sales made in domestic market and hence, no separate reportable geographical segment is identified.

t) Provision, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance costs. Expected future operating losses are not provided for.

Contingencies

Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets has to be recognised in the financial statements in the period in which if it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

Contingent Liabilities are shown by way of notes to the Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable

A Contingent Asset is not recognized in the Accounts.

u) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, cash at bank and other deposits with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31st March 2021 (Continued)

All amount in Rupees, unless otherwise stated

4A Property, plant and equipment				
Particulars	Gross Carrying Amount			
	Balance at 31st March. 2020	Additions	Disposals/ Adjustments	Balance at 31st March 2021
Land (Freehold) {Refer Note 34(B)}	89,422,405	-	58,489,654	30,932,751
Leasehold improvements	11,627,871	-	-	11,627,871
Buildings	38,207,096	-	-	38,207,096
Plant & Equipment	71,357,864	1,406,800	-	72,764,664
Computer	1,113,847	-	-	1,113,847
Office Equipment	2,232,095	96,900	-	2,328,995
Electrical Installation & Fittings	1,963,543	-	-	1,963,543
Furniture & Fixtures	14,384,263	-	-	14,384,263
Vehicles	4,812,141	-	-	4,812,141
Total	235,121,125	1,503,700	58,489,654	178,135,171

Property, plant and equipment						
Particulars	Accumulated Depreciation/ amortisation			Net Carrying Value		
	Balance at 31st March. 2020	For the period	Disposals/ Adjustments	Balance at 31st March 2021	At 31st March 2020	At 31st March 2021
Land (Freehold)	-	-	-	-	89,422,405	30,932,751
Leasehold improvements	1,174,911	993,031	-	2,167,942	10,452,960	9,459,929
Buildings	2,830,706	1,130,928	-	3,961,634	35,376,390	34,245,462
Plant & Equipment	13,967,264	5,557,224	-	19,524,488	57,390,600	53,240,177
Computer	711,899	120,499	-	832,398	401,948	281,449
Office Equipment	1,080,793	585,000	-	1,665,793	1,151,302	663,203
Electrical Installation & Fittings	441,087	318,635	-	759,722	1,522,456	1,203,821
Furniture & Fixtures	3,996,306	2,602,562	-	6,598,868	10,387,957	7,785,395
Vehicles	2,116,389	679,409	-	2,795,797	2,695,752	2,016,344
Total	26,319,354	11,987,288	-	38,306,642	208,801,771	139,828,530

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31st March 2021 (Continued)

All amount in Rupees, unless otherwise stated

4C Investment Properties				
Particulars	Gross Carrying Amount			
	Balance at 31st March 2020	Additions	Disposals/ Adjustments	Balance at 31st March 2021
Real Estate Espaces	18,280,325	-	18,280,325	-
Total	18,280,325	-	18,280,325	-

Particulars	Accumulated Depreciation/ amortisation			Net Carrying Value		
	Balance at 31st March 2020	For the year	Disposals/ Adjustments	Balance at 31st March 2021	At 31st March 2020	Balance at 31st March 2021
Real Estate Espaces	4,730,626	219,252	4,949,878	-	13,549,699	-
Total	4,730,626	219,252	4,949,878	-	13,549,699	-

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31st March 2021 (Continued)

All amount in Rupees, unless otherwise stated

Capital Work-in-Progress				
Particulars	Gross Carrying Amount			
	Balance at 31st March 2020	Additions	Disposals/ Adjustments	Balance at 31st March. 2021
Plant & Machinery (Repeater) ^	-	-	-	-
Total	-	-	-	-

Right-of-use of assets				
Particulars	Gross Carrying Amount			
	Balance at 31st March. 2020	Additions	Disposals/ Adjustments	Balance at 31st March 2021
Vacant Sites	12,871,821	-	-	12,871,821
Total	12,871,821	-	-	12,871,821

Right-of-use of assets						
Particulars	Accumulated Depreciation / amortisation				Net Carrying Value	
	Balance at 31st March. 2020	For 12 Months	Disposals/ Adjustments	At 31st March 2021	At 31st March 2020	At 31st March 2021
Vacant Sites	1,034,096	1,053,030	-	2,087,125	11,837,726	10,784,696
Total	1,034,096	1,053,030	-	2,087,125	11,837,726	10,784,696

Intangible Assets				
Particulars	Gross Carrying Amount			
	Balance at 31st March. 2020	Additions	Disposals/ Adjustments	Balance at 31st December 2020
Computer Software	327,250	-	-	327,250
Moble Application	171,000	-	-	171,000
Total	498,250	-	-	498,250

Intangible Assets						
Particulars	Accumulated Depreciation/ amortisation				Net Carrying Value	
	Balance at 31st March. 2020	For 12 months	Disposals/ Adjustments	At 31st March 2021	At 31st March 2020	At 31st March 2021
Computer Software	196,350	65,450	-	261,800	130,900	65,450
Moble Application	57,016	34,200	-	91,216	113,984	79,784
Total	253,366	99,650	-	353,016	244,884	145,234

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)
Notes to the Consolidated financial statements for the year ended 31 March 2021 (Continued)

All amount in Rupees, unless otherwise stated

		As at 31st March 2021		As at 31st March 2020
6	Investments			
	Non-Current investments			
	Investments in equity instruments fully paid up - Unquoted			
	In a associate (at cost)			
	Hari Equipments Private Limited, 4,59,490 (30TH September, 2020: 4,59,490) equity shares of Rs. 10 /- each fully paid up	5,673,370		5,673,370
	Less: Provision for impairment in the value of investment in associate	(5,673,370)		(5,673,370)
		-		-
	Investments in equity instruments fully paid up - Quoted			
	In Others (at fair value through Other Comprehensive Income - FVOCI)			
	Union Bank of India - 1,009 (30TH September, 2020: 1,009) Equity Shares of Rs. 10 /- each fully paid up	34,356		28,958
		34,356		28,958
	Current investments			
	Investment in mutual funds of Rs.10/- each (at fair value through Profit & Loss - FVTPL)			
	Union Small Cap Fund Regular Plan - Growth - 0 units (31st March, 2020: 47,470.413 units).	-		507,933
	Union Focused Fund Regular Plan- Growth Option - 0 units (31st March, 2020: 6,19,990 units).	-		5,257,515
	Union Corporate Bond Fund Regular Plan - Growth - 0. units (31st March, 2020: 3,21,408.607 units).	-		3,580,910
		-		9,346,358
	During the year ending 31.03.2021, Mutual Funds held as long term Investment by the Company amounting to Rs. 93.46 lakhs have been liquidated and adjusted by the Union Bank of India for the recovery of dues from the company at a value of Rs. 135.11 lakhs.			
	Aggregate value of unquoted investments	-		-
	Aggregate amount of impairment in value of investment in associate	5,673,370		5,673,370
	Aggregate value of quoted investments	34,356		9,375,317
	Investments carried at cost (net of provision of diminition of investments)	-		-
	Investments carried at fair value through other comprehensive income	34,356		28,958
	Investments carried at fair value through profit and loss	-		9,346,358

6A(i) Details of Associate

The Company's interest in associate is accounted for using the equity method in the consolidated financial statements.

Name of Associate	Principal Activity	Place of Incorporation	Proportion of ownership interest / voting rights held by Company	
			31/03/2021	31/03/2020
Hari Equipments Private Limited	Trading of Iron & Steel Products and Coal	Kolkata, West Bengal, India	37.51%	37.51%

The consolidated 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" and Ind AS 28 on "Accounting for Investments in Associates and Joint Ventures". notified by Ministry of Corporate Affairs and combined as per Equity Method under Ind AS. The consolidated financial statements are prepared applying uniform accounting policies on all material items.

The following table summarizes the financial information of the statement of Profit and Loss of the associate prepared in accordance with Ind AS

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31 March 2021 (Continued)

All amount in Rupees, unless otherwise stated

Particulars	Hari Equipment Private Limited	
	As at 31st March 2021	As at 31st March 2020
Non -Current Assets	108,547,284	135,678,959
Current Assets	246,623,725	26,36,81,168
Non -Current Liabilities	60,117,409	59,849,614
Current Liabilities	369,321,166	325,499,328
Equity	(74,267,565)	14,011,185
The following table summarizes the financial information of the statement of Profit and Loss of the Associate prepared in accordance with IndAS		
Particulars		
Revenue from Operations	-	207,690,421
Other Income	26,949,118	9,831,280
(a) Total Income	26,949,118	217,521,701
Purchase of Traded Goods	-	200,781,610
Changes in Inventories	-	6,626,373
Employee Benefits Expenses		2,209,296
Finance Cost	54,239,059	50,041,890
Depreciation and Amortisation expense	719,778	807,959
Other Expenses	62,757,304	32,247,415
(b) Total Expenses	117,716,141	292,714,543
(c) Profit / Loss before Tax (a-b)	(90,767,023)	(75,192,842)
(d) Tax Expense	2,488,271	831,319
(e) Other Comprehensive Income (Net of Tax)	-	-
(f) Total Comprehensive Income for the year (c+ d+ e)	(88,278,752)	(74,361,523)
Group's share of Net Profit / (Loss) (Net of tax) restricted to the value of company 's investment in the associate.	-	(124.82)

Reconciliation of the above summarised financial information to the carrying amount of the interest in associates recognised in the consolidated financial statements:

Particulars	Hari Equipment Private Limited	
	As at 31st March 2021	As at 31st March 2020
Net of Assets of Associate	(74,267,565)	14,011,185
Proportion of the Group's Ownership Interest	37.51%	37.51%
Group's share of Net Assets	(27,857,764)	5,255,595

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31 March 2021 (Continued)

All amount in Rupees, unless otherwise stated

7 Inventories	As at 31st March 2021	As at 31st March 2020
(As taken, valued and certified by the management)		
Raw Materials	-	16,677,385
Traded Goods	-	76,877,731
Finished Goods	15,086,400	35,022,236
Scrap & Miss Rolls	-	3,352,446
Stores & Spares	-	549,302
Furnace oil, Coal & Gas	-	737,867
	15,086,400	133,216,966

8 Trade receivables	As at 31st March 2021	As at 31st March 2020
Unsecured, considered good ^^	1,692,192,385	1,912,335,972
Less: Expected Credit Loss (Refer Note:38(i))	(469,527,400)	(112,321,733)
Less: Provision for bad and doubtful debts	(119,118,769)	(50,000,000)
	1,103,546,216	1,750,014,239

^^ Trade Receivables have been hypothecated as security for borrowings

The total Sundry Debtors are amounting to Rs. 169.22 Cr. as on 31.03.2021. Company is hopeful of recovering the major portion of Sundry Debtors as promised by the major group of Debtors. The ageing of Sundry Debtors is as under:

Period	Balance O/S. Rs, In Crores
Upto 180 days	2.32
>180 days to <two Years	29.12
>Two years	112.79
>Three years	24.99
Total	169.22

^^ Information relating to confirmation of Balances Refer Note 50

9 Cash and cash equivalents	As at 31st March 2021	As at 31st March 2020
Cash on hand (as certified)	131	1,106,705
Balances with banks in current accounts	503,120	550,895
	503,250	1,657,600

10 Other Bank Balances	As at 31st March 2021	As at 31st March 2020
Fixed Deposit maturity for more than 3 months but less than 12 months	-	183,395,877
Fixed Deposits are pledged with banks as margin for bank guarantees / credit facilities.	-	183,395,877

^Note : The balance in the Fixed Deposit accounts including interest accrued thereupon, have been adjusted with the amounts outstanding to the lenders on default of repayment of principal and interest on these credit facilities availed.

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)
Notes to the Consolidated financial statements for the year ended 31 March 2021 (Continued)

All amount in Rupees, unless otherwise stated

		As at 31st March 2021	As at 31st March 2020
11	Other financial assets		
	Non-current		
	Security Deposits	9,002,430	9,863,728
		9,002,430	9,863,728
	Current		
	Advance to Others	1,014,189	1,042,489
		1,014,189	1,042,489
12	Current tax assets (Net)		
	Income Tax Refundable	2,297,591	2,297,591
	Tax Deducted/Collected at Source [^]	5,062,578	3,747,709
		7,360,169	6,045,300
	[^] Includes TDS receivable to the tune of Rs 5,43,750 on account of sale of land at yendada.		
13	Other current assets		
	Non-Current		
	Prepaid expenses	1,145,260	1,948,439
		1,145,260	1,948,439
	Current		
	Advances other than capital advances		
	- Advance to Related parties	-	-
	- Advance to others	95,369,600	23,919,802
	Balances with Revenue Authorities *	49,525,584	72,018,228
	Prepaid expenses	206,505	296,143
		145,101,690	96,234,173
	* Balances with Revenue Authorities includes VAT REFUNDS of Rs. 160.62 Lakhs		
14	Equity share capital		
	Authorised		
	1,40,00,000 (31st March 2019 - 1,40,00,000) Equity Shares of Rs. 10/- each	140,000,000	140,000,000
		140,000,000	140,000,000
	Issued, subscribed and fully paid-up		
	1,09,09,000 (31st March 2019 - 1,09,09,000) Equity Shares of Rs. 10/- each	109,090,000	109,090,000
		109,090,000	109,090,000

A. Reconciliation of number of equity shares outstanding at the beginning and at the end of the period

	As at 31st March 2021		As at 31 March 2020	
	Number	Amount	Number	Amount
Balance as at the beginning of the year	10,909,000	109,090,000	10,909,000	109,090,000
Add: Issued during the year	-	-	-	-
Balance as at the end of the year	10,909,000	109,090,000	10,909,000	109,090,000

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31 March 2021 (Continued)

All amount in Rupees, unless otherwise stated

B. Rights, preferences and restrictions attaching to Equity Shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share and the equity shares will rank pari-passu with each other in all respects.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the share holders.

C. Particulars of shareholders holding more than 5% shares of fully paid up equity shares

Name of the shareholders	As at 31st March 2021		As at 31st March 2020	
	Number of equity shares	% of total shares in the class	Number of equity shares	% of total shares in the class
Kishanlal Choudhary	1,003,500	9.2%	1,003,500	9.2%
Sunil Choudhary (HUF)	1,261,000	11.6%	1,261,000	11.6%
Sunil Choudhary	1,224,500	11.2%	1,224,500	11.2%
Cooltex Merchandise Private Limited	2,163,000	19.8%	2,163,000	19.8%

15 Other Equity

A. Summary of other equity balance

	As at 31st March 2021	As at 31st March 2020
Securities Premium	167,384,922	167,384,922
Retained Earnings (including other comprehensive income)	(687,671,500)	(167,997,958)
Other Equity	(520,286,578)	(613,036)

	1st April 2020	Movement during the year	As at 31st March 2021	1 April 2019	Movement during the year	31st March 2020
Securities Premium (a)	167,384,922	-	167,384,922	167,384,922	-	167,384,922
Retained Earnings (including other comprehensive income) (b)	(167,997,958)	(519,673,542)	(687,671,500)	145,403,398	(313,401,356)	(167,997,958)
	(613,036)	(519,673,542)	(520,286,578)	312,788,320	(313,401,356)	(613,036)

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)
Notes to the Consolidated financial statements for the year ended 31 March 2021 (Continued)

All amount in Rupees, unless otherwise stated

B. Nature and purpose of reserves:

- (i) **Securities Premium:** Securities premium represents the premium received on issue of shares over and above the face value of equity shares. The account is available for utilisation in accordance with the provisions of the Companies Act, 2013.
- (ii) **Retained earnings (including other comprehensive income):** This Reserve represents the cumulative profits / losses of the Company. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

16	Borrowings	Current portion		Non-current portion	
		As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020
	Non-current Borrowings				
	Secured				
	Term loans				
	Loan against vehicles	922,940	947,206	695,255	1,231,969
		922,940	947,206	695,255	1,231,969
	Unsecured				
	Term Loan from a financial institution	-	9,999,600	10,833,700	834,100
	Loans from Bodies Corporate^^	-	-	-	164,851,484
		922,940	10,946,806	11,528,955	166,917,553

Note:

16.1 ^^ Interest free loan carried at amortised cost (Refer note below)

	As at 31st March 2021	As at 31st March 2020
	-	17,948,516

Ind AS 109 requires the loan to be initially measured at fair value minus transaction costs. As the loan is partly interest free, the fair value of the loan is different from the transaction price. Therefore, the recognition of the difference between the fair value at initial recognition and the transaction price of the interest free loan is recognised as "Deferred fair value gain/loss". The difference is amortised over the period of the loan. The amount of amortisation is equal to the unwinding of discount. The deferred fair value gain/loss is presented as **other non-current liability** and **other current liability**.

Current Borrowings

Secured

Working Capital Loans from Bank
- Cash Credit

1,642,493,195	1,862,176,380
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Unsecured

Channel Financing from Banks & Financial Institutions

371,134,912	342,277,625
2,013,628,107	2,204,454,005

A) During the year ended March 2021, the Insolvency Resolution Professional has received claims from the financial creditors . Reconciliation of Books and claims is done as under

RECONCILIATION OF CLAIMS RECEIVED FROM RP AS AGAINST THE BOOKS AS ON 31-03-2021				
Sl.No	PARTICULARS	BALANCE AS PER BOOKS	CLAIM BALANCE AS PER IRP	VARIATION
	A. FINANCIAL CREDITORS:			
1	UNION BANK OF INDIA (509107040000002-INVOK G			
	UNION BANK OF INDIA (509107040000003-INVOK G			
	UNION BANK OF INDIA (LC ACCOUNT)☒			
	UNION BANK OF INDIA CC ACCOUNT			
	ANDHRA BANK LOAN (0955IB100000034)	1,900,809,475	1,955,293,717.00	-54,484,242.09
2	AXIS BANK (A/C NO.917030050314197)☒	59,784,390.56	58,366,740.00	1,417,650.56
3	ICICI BANK LTD (010205008174)☒	119,984,687.00	118,653,433.00	1,331,254.00
4	TATA CAPITAL FINANCIAL SERVICES-MUMBAI☒		130,167,066.00	
	TATA CAPITAL SERVICES LTD (LOAN)☒	127,843,578.46		-2,323,487.54
5	YES BANK (004686900000011)☒	27,326,168.36	26,537,429.00	788,739.36
	Total Financial Creditors	2,250,157,477.20	2,289,018,385.00	-53,270,085.71

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31 March 2021 (Continued)

All amount in Rupees, unless otherwise stated

- B) The Net Variation of Rs. 532.70 Lakhs may be on account of various charges levied by Banks
C) The claims arising from corporate guarantee as admitted by Resolution Professional is disclosed under Contingent Liabilities Refer Note. No 34

17 Lease Liabilities

Non-Current
Current

As at 31st March 2021	As at 31st March 2020
8,277,036	11,540,077
756,675	839,620
9,033,711	12,379,697

Lease liability of the property for which lease contract is terminated has been derecognised as per IND AS in the financial statements by writing back the liability for Rs. 26.74 lakhs during the year. Consequently, the depreciation on Right of Use assets of the said property is also not calculated.

Lease liability represents present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

18 Other financial liabilities

A. Non- Current
Security Deposits

As at 31st March 2021	As at 31st March 2020
308,434	572,233
308,434	572,233

B. Current

Current maturities of long-term debt (Refer Note 16)
Interest accrued but not due on borrowings
Interest accrued and due on borrowings
Deferred liability - On corporate guarantee **

922,940	10,946,806
1,004,898	1,008,742
221,115,295	5,654,745
975,000	975,000
224,018,133	18,585,292

Note:

** Ind AS 109 requires the guarantor to recognise the corporate guarantee contract initially at its fair value. Therefore, the liability is recognised in the financial statements for the fair value of the corporate guarantee as "Deferred liability - on corporate guarantee".

- 18.1** Subsequently, this guarantee is to be measured at the higher of an amount determined based on the expected loss method (as per guidance in Ind AS 109) or the cumulative amount recognised less amount originally recognised as expense on a straight-line basis in accordance with Ind AS 18, Revenue as "Amortisation of financial guarantee obligation".

19 Trade payables

Dues to Micro And Small Enterprises (as per the intimation received from vendors)

- a. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year *
- b. Interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year
- c. Interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)
- d. The amount of interest accrued and remaining unpaid at the end of accounting year
- e. Interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.

Dues to others

- For goods and services
- Liability under Letter of Credit

As at 31st March 2021	As at 31st March 2020
-	-
-	-
-	-
-	-
-	-
12,920,543	36,728,386
-	-
12,920,543	36,728,386

* A sum of Nil (31st March, 2020: Rs. Nil) is payable to Micro and Small Enterprises on account of liabilities other than trade payables.

There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2021. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. and thus relied upon by the auditors.

Trade Payables (Due to Others) include Rs. Nil (31st March, 2020: 5.90 lakhs) due to private companies in which Director is a Director.

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31 March 2021 (Continued)

All amount in Rupees, unless otherwise stated

20 Other liabilities	As at	
	31st March 2021	31st March 2020
Non-Current		
Deferred fair value gain - On interest free loan (Refer note: 16.1 for details)	-	-
Income received in advance	261,492	857,828
	261,492	857,828
Current		
Advances from customers / parties	-	8,321,703
Advances against sale of property	-	1,500,000
Liability for expenses	9,452,868	5,538,293
Statutory liabilities	163,380	563,908
Deferred fair value gain - On interest free loan (Refer note: 16.1 for details)	-	17,948,516
Income received in advance	30,074	69,940
	9,646,322	33,942,359

21 Deferred Tax Asset / Liabilities (net)	As at	
	31st March 2021	31st March 2020
Deferred tax liabilities		
Property, Plant & Equipment, Right-of-use of asset, Intangible Assets and Investment Properties	11,339,777	17,153,000
Fair Valuation of Investments	(1,223,341)	(405,473)
Capital Gains / (Loss)	(669,096)	83,418
Total deferred tax liabilities (A)	9,447,340	16,830,945
Deferred tax Assets		
Provision for Gratuity	282,450	295,648
Provision for expected credit losses & bad and doubtful debts on trade receivables	196,513,637	56,721,706
Business Losses & Unabsorbed Depreciation	155,439,503	109,535,162
Lease Liabilities & Others	94,654,511	6,810,599
Total deferred tax assets (B)	446,890,101	173,363,115
Net Deferred Tax (Assets)/Liabilities (A-B)	(437,442,761)	(156,532,170)

Movement in deferred tax liabilities/ assets balances

	Deferred tax liabilities/assets in relation to			
	As at 31st March 2020	Recognised in Profit or Loss	Recognised in OCI	As at 31st March 2021
Deferred tax liabilities				
Property, Plant & Equipment, Right-of-use of asset, Intangible Assets and Investment Properties	17,153,000	5,813,223	-	11,339,777
Fair Valuation of Investments	(405,473)	819,671	(1,802)	(1,223,341)
Capital Gains / (Loss)	83,418	752,514	-	(669,096)
Total deferred tax liabilities (A)	16,830,945	7,385,407	(1,802)	9,447,340
Deferred tax Assets				
Provision for Gratuity	295,648	13,199	-	282,450
Provision for expected credit losses & bad and	56,721,706	(139,791,931)	-	196,513,637
Business Losses & Unabsorbed Depreciation	109,535,162	(45,904,342)	-	155,439,503
Lease Liabilities & Others	6,810,599	(87,843,912)	-	94,654,511
Total deferred tax assets (B)	173,363,115	(273,526,986)	-	446,890,101
Net deferred tax (assets)/liabilities (A-B)	(156,532,170)	280,912,393	(1,802)	(437,442,761)

^^The Company has recognized Deferred Tax Assets on unabsorbed depreciation and business losses as the management is confident on its realisability.

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31 March 2021 (Continued)

All amount in Rupees, unless otherwise stated

22 Provisions	As at 31st March 2021	As at 31st March 2020
Non-current		
Provisions for employee benefits		
- Provision for gratuity	453,922	453,922
	453,922	453,922
Current		
Provisions for employee benefits		
- Provision for gratuity	392,141	392,141
Others		
- Provision for taxation	-	-
	392,141	392,141

^^Gratuity is not provided as per actuarial calculations as required to be done as per IND AS. However the same has been continued as per last year amounting to Rs. 8.46 Lakhs

23 Revenue from operations	As at 31st March 2021	Year ended 31 March 2020
Sale of Products	779,325,720	3,585,202,158
Total revenue from operations	779,325,720	3,585,202,158

^The Company has stopped its Trading and Manufacturing activity during the last quarter of the year. In order to keep the plant (Unit-2) running, the company has entered into an agreement with M/s Elegant Metals and Minerals Private Limited, to operate the plant on conversion basis at a cost of Rs. 3000 per metric ton. The total gross income earned from conversion is Rs. 184.63 Lakhs .

Details of sale of products (net of GST):

	As at 31st March 2021	Year ended 31 March 2020
TMT Bars, Rounds, Squares, Angles, Flats and Billets, Blooms and related items	700,723,659	1,657,156,853
Pig Iron, Scrap and related items	-	1,220,489,304
Coal & Coke	78,602,061	562,636,345
	-	144,919,656
	779,325,720	3,585,202,158

24 Other income	As at 31st March 2021	Year ended 31 March 2020
A. Interest income comprises interest:		
- On fixed deposits	-	15,233,448
- On other deposits	-	1,190,748
-On financial liabilities carried at amortised cost (Refer note: 16.1 for details)	-	17,662,659
-On financial assets carried at amortised cost - SD	122,405	169,550
Other non-operating income		
Rental Income	3,400,976	3,379,453
Sundry Balances Written Back (net)	(4,034,737)	-
Net gain / (loss) on fair valuation of equity instruments	-	(1,092,949)
Profit on sale of current investments	4,165,018	115,668
Profit on sale of investment properties	4,669,553	-
Commission income	-	819,087
lease liability written back	2,674,476	-
Profit on Sale of Land	36,554,096	-
Miscellaneous receipts	576,751	25,420
Amortisation of corporate guarantee obligation (Refer note: 18.1 for details)	975,000	922,603
	49,103,538	38,425,687

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31 March 2021 (Continued)

All amount in Rupees, unless otherwise stated

25	Cost of Materials Consumed	As at 31st March 2021	Year ended 31 March 2020
	Iron and Steel Materials		
	Inventory at the beginning of the year	16,677,385	32,788,193
	Add : Purchases	383,489,674	579,332,057
		<u>400,167,059</u>	<u>612,120,249</u>
	Less: Sale of Raw materials	19,437,301	-
	Less : Inventory at the end of the year	-	16,677,385
	Cost of Materials Consumed	<u>380,729,758</u>	<u>595,442,865</u>
26	Purchase of Traded Goods	As at 31st March 2021	Year ended 31 March 2020
	TMT Bars, Rounds, Squares, Angles, Flats and Billets, Blooms and related items	175,940,972	989,037,838
	Pig Iron, Scrap and related items	-	1,190,338,690
	Coal & Coke	54,540,328	516,026,687
		<u>-</u>	<u>126,272,557</u>
		<u>230,481,300</u>	<u>2,821,675,772</u>
27	Changes in Inventories	As at 31st March 2021	Year ended 31 March 2020
	Opening Stock		
	-Finished Goods	35,022,236	59,385,769
	-Scrap and Miss Roll	3,352,446	3,968,610
	-Traded Goods	76,877,731	81,262,657
		<u>115,252,413</u>	<u>144,617,036</u>
	Closing Stock		
	-Finished Goods	15,086,400	35,022,236
	-Scrap and Miss Roll	-	3,352,446
	-Traded Goods	-	76,877,731
		<u>15,086,400</u>	<u>115,252,413</u>
		<u>100,166,013</u>	<u>29,364,623</u>
28	Impairment loss allowance	As at 31st March 2021	Year ended 31 March 2020
	On Non- current investments measured at		
	Impairment in the value of investment in associate	-	5,673,370
		<u>-</u>	<u>5,673,370</u>
29	Employee benefits expense	As at 31st March 2021	Year ended 31 March 2020
	Salaries, wages, bonus and allowances	46,568,280	42,453,206
	Contribution to provident and other funds	171,300	377,675
	Gratuity (Refer note: 35 for details)	-	161,615
	Director's Remuneration	4,825,000	5,706,668
	Staff welfare expenses	1,546,196	1,590,574
		<u>53,110,776</u>	<u>50,289,738</u>

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31 March 2021 (Continued)

All amount in Rupees, unless otherwise stated

30	Finance costs	As at 31st March 2021	Year ended 31 March 2020
	Interest expense		
	To Banks (including LC Charges)	254,308,156	188,101,445
	To Others	13,080,356	15,890,046
	On financial liabilities carried at amortised cost (Refer note: 16.1 for details)	-	17,662,659
	On financial liabilities carried at amortised cost SD	27,976	63,581
	On financial liabilities carried at amortised cost Lease liabilities	1,128,489	1,167,876
	Other borrowing costs	476,494	7,694,061
		269,021,471	230,579,669
31	Other expenses	As at 31st March 2021	Year ended 31 March 2020
	A. Manufacturing Expenses		
	Processing and Moulding Charges	1,065,228	1,974,896
	Power and Fuel	52,565,195	56,216,198
	Stores and Spares Consumed	10,047,762	6,704,420
	Repairs and Maintenance	2,599,309	2,982,475
		66,277,494	67,877,988
	B. Administrative and Other Expenses		
	Rent & Service Charges	(28,707)	549,550
	Port Rent on Coal	-	2,225,564
	Rates & Taxes	214,831	793,793
	Insurance	132,510	193,735
	Freight & Delivery Charges	10,282,620	104,447,049
	Telephone & Internet Expenses	87,656	197,381
	Travelling & Conveyance	954,614	1,626,035
	Repairs & Maintenance		
	- Building	133,671	885,703
	- Plant & Machinery	-	-
	- Others	495,329	1,686,470
	Safety & Security Charges	1,387,494	2,357,302
	Vehicle Running and Maintainance	1,413,282	513,609
	Legal & Professional Fees	3,026,350	7,927,419
	Sales Promotion Expenses	289,877	864,369
	Auditor's Remuneration [Refer Note (a) below]	540,000	906,000
	Directors' Sitting Fees	15,400	15,800
	Miscellaneous Expenses	821,870	3,008,853
	Amortisation of corporate guarantee obligation (Refer note: 18.1 for details)	975,000	975,000
	Provision for expected credit loss (net of reversals) (Refer note: 38(i) for details)	357,205,667	104,158,306
	Provision for bad and doubtful debts	69,118,769	50,000,000
	Fines & Penalties	-	46,000
	Commission	57,404	1,400,892
	VAT & CST paid on assessment	-	-
	Donation	-	370,936
	Loss on Sale of Property, Plant & Equipment	-	4,899
	Bad Debts written off	68,749,122	824,159
	Sundry Balances written off (net)	-	606,411
		515,872,758	286,585,236
31	Other expenses (A+B)	582,150,253	354,463,224

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31 March 2021 (Continued)

All amount in Rupees, unless otherwise stated

(a) Payment to auditors		As at 31st March 2021	Year ended 31 March 2020
Statutory audit		250,000	379,500
Tax audit		50,000	126,500
Other Services		240,000	400,000
		540,000	906,000
32 Income taxes			
A. Amount recognised in profit or loss		As at 31st March 2021	As at 31 March 2020
Current tax			
Current period	A	-	-
Earlier Year tax			
Earlier Year tax	B	-	459,996
Deferred tax			
Deferred Tax for the year	C	(280,912,393)	(167,833,697)
Tax expense reported in the statement of profit and loss [(A)+(B)+(C)]		(280,912,393)	(167,373,701)
B. Income tax recognised in other comprehensive income		As at 31st March 2021	As at 31 March 2020
Deferred tax			
On items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		-	295,648
Equity instruments through other comprehensive income		(1,802)	(405,473)
Income tax expense reported in the statement of profit and loss		(1,802)	(109,824)

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31 March 2021 (Continued)

All amount in Rupees, unless otherwise stated

33 Basic and diluted earnings per share (Ind AS 33)

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic earnings per share calculation are as follows:

	Year ended 31 March 2021	Year ended 31 March 2020
(a) Profit attributable to equity shareholders	(519,677,138)	(313,152,152)
(b) Adjusted profit for dilutive earnings	(519,677,138)	(313,152,152)
(c) Weighted average number of ordinary shares outstanding for the purpose of basic earnings per share	10,909,000	10,909,000
(d) Weighted average number of ordinary shares in computing diluted earnings per share [(d) + (e)]	10,909,000	10,909,000
(e) Earnings per share on profit for the year (Face Value Rs. 10/- per share)		
Basic [(a)/(c)]	(47.64)	(28.71)
Diluted [(b)/(d)]	(47.64)	(28.71)

34 Contingent Liabilities

(to the extent not provided for)

Claims against the company not acknowledged as debts^

Disputed Income Tax Demands under appeal

Corporate guarantee for credit facilities to Hari Equipments Private Limited

Other Corporate guarantee for credit facilities

Disputed Sales Tax/ VAT under appeal for the year 2010 - 11*

Disputed Penalty on VAT under appeal for the period 04/2011 to 12/2012*

State Tax Vizianagaram

	Year ended 31 March 2021	Year ended 31 March 2020
	In lakhs	In lakhs
	401	401
	250	250
	3,524	3,000
	3,198	1,525
	5	5
	21	21
	3,569	-
	10,968	5,202

^ represents the claims made by Rashtriya Ispat Nigam Limited (RINL) for the alleged loss to them arising out of excess delivery which happened due to mismatch of tare weightment of the vehicles placed by Narayani Steels Limited for lifting of Pig Iron. The Company has denied the claim and the matter is still pending to be resolved. The management is of the opinion that the claim by RINL is arbitrary and is unlikely to be materialised.

* Amount paid under protest Rs. 4.69 lakhs and Rs. 21.47 lakhs against VAT and penalty demand respectively.

A) The Company has given Corporate Guarantees and given collaterals on behalf of its Associate / group Companies to the Lending Institutions. On default by those associate companies, the Banks have issued possession Notices to the Company for liquidating the Assets. The claims as admitted by the Resolution Professional after the company went into CIRP is Rs.67.23 Crores on account of corporate guarantees given by this company to its associates/group companies.

B) RINL has claimed an amount of Rs. 4.01 Cr. for shortages of quantities in their books. The company is totally denying any claim in this regard. After grant High Court stay for mutual settlement, the correspondence with RINL is going on. The CBI has also collected information in this regard and the matter is under their verification.

C) Thus, the total contingent liability including above as per the disclosures is amounting to Rs. 109.68 Crores.

D) During the year, Karur Vysya Bank and Canara Bank have sold two properties mortgaged to them and appropriated the sale proceeds amounting to Rs. 9.45 Cr. towards the liability on account of corporate guarantee given on behalf of its associate company M/s. Kedarnath Commotrade Private Limited discharging about Rs. 15.25 Crores of liability. The total amount of Rs. 9.45 Cr. adjusted by banks has been claimed from the M/s Kedarnath Commotrade Private Limited as receivable to the company.

35 Employee Benefits

(a) Defined contribution plans:

Contribution to defined contribution plans, recognised as an expense for the year are as under:

Particulars

Employer's contribution to provident fund & other funds

Total

	Year ended 31 March 2021	Year ended 31 March 2020
	171,300	377,675
	171,300	377,675

(b) Defined benefit plans:

Contribution to defined benefit plans, recognised as an expense in profit and loss statement for the year are as under:

Particulars

Gratuity - Net defined benefit obligation

Total

	Year ended 31 March 2021	Year ended 31 March 2020
	-	161,615
	-	161,615

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31 March 2021 (Continued)

All amount in Rupees, unless otherwise stated

Defined benefit plan

The present value of obligation is determined based on the actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(i) **Movement of defined benefit obligation**

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	Year ended 31 March 2021	Year ended 31 March 2020
Defined benefit obligation at beginning of the year	846,063	441,195
Current service cost	-	131,967
Past service cost	-	-
Interest cost	-	29,648
Benefits paid	-	-
Actuarial (gain)/loss	-	243,253
Defined benefit obligation at end of the year	846,063	846,063

(ii) **Liability recognised in the balance sheet**

Present value of defined benefit obligation
Amount recognised as liability in balance sheet

	Year ended 31 March 2021	Year ended 31 March 2020
Present value of defined benefit obligation	846,063	846,063
Amount recognised as liability in balance sheet	846,063	846,063

(iii) **Expenses recognised during the year (Under the head "Employee Benefit expenses" – refer note no. 29)**

Expense recognised in profit and loss statement

Current service cost
Past Service Cost (vested)
Net interest cost
Total amount
Total amount recognised in profit and loss (note no. 28)
Total amount recognised in cost of construction (note no. XX)

	Year ended 31 March 2021	Year ended 31 March 2020
Current service cost	-	131,967
Past Service Cost (vested)	-	-
Net interest cost	-	29,648
Total amount	-	161,615
Total amount recognised in profit and loss (note no. 28)	-	161,615
Total amount recognised in cost of construction (note no. XX)	-	-

Remeasurements recognised in other comprehensive income

Actuarial (Gain)/Loss on obligations due to change in demographic assumption
Actuarial (Gain)/Loss on obligations due to change in financial assumption
Actuarial (Gain)/Loss on obligations due to unexpected experience
Total amount recognised in other comprehensive income
Net Cost

	Year ended 31 March 2021	Year ended 31 March 2020
Actuarial (Gain)/Loss on obligations due to change in demographic assumption	-	-
Actuarial (Gain)/Loss on obligations due to change in financial assumption	-	103,305
Actuarial (Gain)/Loss on obligations due to unexpected experience	-	139,948
Total amount recognised in other comprehensive income	-	243,253
Net Cost	-	404,868

(iv) **Actuarial assumptions**

Discount rate (per annum)
Rate of escalation in salary (per annum)
Retirement age
Assumptions regarding future mortality experience are set in accordance with the published rates under Indian Assured Lives Mortality (2006-08).

	Year ended 31 March 2021	Year ended 31 March 2020
Discount rate (per annum)	0	6.72
Rate of escalation in salary (per annum)	0	6
Retirement age	70	70

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31 March 2021 (Continued)

All amount in Rupees, unless otherwise stated

(v) **Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is:

Sensitivity analysis	Increase by		Decrease by	
	As at March 2021	31 31 March 2020	As at 31 March 2021	As at March 2020
Sensitivity analysis	-	-	-	31
Discount Rate (-/+ 0.5%)	-	738,000	-	973,000
Salary Growth (-/+ 0.5%)	-	973,000	-	737,000
Attrition Rate (-/+ 0.5%)	-	846,000	-	846,000
Mortality Rate (-/+ 10%)	-	847,000	-	845,000

(vii) **Maturity profile**

Year

	As at 31 March 2021	As at 31 March 2020
1	-	405,103
2	-	1,311
3	-	1,512
4	-	1,746
5	-	2,019
6 to 10	-	15,800
More than 10 years	-	2,517,270

36 Segment information

The Company is mainly engaged in a single business segment of Manufacturing and Trading of Iron & Steel Products, accordingly there is no separate reportable segment as per Ind AS 108- "Operating Segment"

The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed as below:

(a) Revenue from operations

All revenue from operations of the company are generated within India.

(b) Non-current assets

All Non-current assets of the company are located in India.

(c) Customer contributing more than 5% of Revenue

Revenue from **three** (31st March 2020: two) external customers contributed to **91.98 %** (31st March 2020: 30.52%) of Company's total revenue amounting approximately to Rs. **6984.82 lakhs** & Rs. **10,941.83 lakhs** for the year ended 31st March 2021 & 31st March 2020 respectively. Other than these customers, there is no other customer whose revenue contributed to more than 5% of the Company's revenue.

37 Related Party Disclosures^

Key Management Personnel (KMP)

Sunil Choudhary
Ankit Gupta
Ankit Gupta
Arun Kumar Meher
Krishnamacharyulu Eunny
Jaya Padmavathi Bandi
Rabi Kumar Gupta
Prakash Kumar Thakur
Swarnalath Mandaleeka

Associates

Hari Equipments Private Limited

Nature of Relationship

Managing Director
Chief Financial Officer (CFO) (w.e.f 30.03.2019)
Whole Time Director (w.e.f 06.04.2019)
Company Secretary & Compliance Officer
Non Executive Independent Director
Non Executive Director (upto 28.01.2021)
Additional Director (w.e.f 28.07.2020)
Additional Director (w.e.f 28.07.2020)
Additional Director (w.e.f 28.01.2021)

Enterprises owned or significantly influenced by key management personnel or their relatives

Nippon Alloys Ltd. (Formerly, Narayani Ispat Ltd.)
Kedarnath Commotrade Private Limited (upto 29.03.2019)
Balajee Roadways
Agrimony Tradex Vyaappar Private Limited (upto 29.03.2019)
Hemang Steel Traders

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31 March 2021 (Continued)

All amount in Rupees, unless otherwise stated

The following transactions were carried out with related parties in the ordinary course of business:

Nature of Transactions	As at 31 March 2021	As at 31 March 2020
(Rupees in lakhs)		
Purchases (exclusive of GST)		
Nippon Alloys Ltd. (Formerly, Narayani Ispat Ltd.)	-	1,192
Hari Equipments Private Limited	-	105
Kedarnath Commotrade Private Limited	-	-
Agrimony Tradex Vyaappar Private Limited	-	-
Sales (exclusive of GST)		
Nippon Alloys Ltd. (Formerly, Narayani Ispat Ltd.)	-	32
Hari Equipments Private Limited	-	1
Kedarnath Commotrade Private Limited	-	-
Agrimony Tradex Vyaappar Private Limited	-	-
Rental Income		
Agrimony Tradex Vyaappar Private Limited	0.27	-
Balajee Roadways	-	0.30
Nippon Alloys Ltd. (Formerly, Narayani Ispat Ltd.)	0.14	1.21
Hari Equipments Private Limited	0.40	0.50
Kedarnath Commotrade Private Limited	0.40	-
Rent Deposit Paid		
Hari Equipments Private Limited	26.26	40.00
Rent Paid		
Bina Choudhary	5.25	6.00
Nippon Alloys Ltd. (Formerly, Narayani Ispat Ltd.)	-	3.00
Hari Equipments Private Limited	5.00	6.00
Balajee Roadways	13.75	-
Freight Expense		
Balajee Roadways	0.59	820.65
Director's Remuneration		
Sunil Choudhary	27.25	36.00
Ankit Gupta	21.00	21.07
Director's Sitting Fees		
Bina Choudhary (upto 10.09.2019)	-	0.02
Krishnamacharyulu Eunny	0.070	0.05
Prakash Kumar Thakur	0.022	-
Rabi Kumar Gupta	0.042	-
Jaya Padmavathi Bandi	0.012	0.02
Bhaskara Rao Puvvala	-	0.02
Atul Kumar Saxena	-	0.05
Swarnalath Mandaleeka	0.008	-
Salary		
Arun Kumar Meher	4.20	3.74

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31 March 2021 (Continued)

All amount in Rupees, unless otherwise stated

Outstanding Balances

Nature of Transactions	As at 31 March 2021	As at 31 March 2020
Trade Receivables		
Nippon Alloys Ltd. (Formerly, Narayani Ispat Ltd.)	-	378,038
Agrimony Tradex Vyaappar Private Limited	-	-
Trade Payables		
Hari Equipments Private Limited	1,318,000	590,266
Balajee Road ways	167,000	-
Liabilities For Expenses		
Sunil Choudhary	112,500	
Bina Choudhary	161,875	45,000
Investments in Shares		
Hari Equipments Private Limited	-	-
Advances Given		
Kedarnath Commotrade Private Limited	94,500,000	-
Advances Received		
Hemang Steel Traders	-	722,216

^ In case of transactions with Vendors / Customers, the total of purchases / sales are reported. Payments / receipts there against (including inter-party transfers) are not stated.

38 Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

Risk management framework

The Company's principal financial liabilities comprise of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company operations. The Company's principal financial assets include trade and other receivables, investments, cash and cash equivalents, other bank balances and other financial assets that derive directly from its operations.

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in debt securities and mutual fund schemes of debt categories only and restricts the exposure in equity markets.

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31 March 2021 (Continued)

All amount in Rupees, unless otherwise stated

(i) **Credit risk**

Credit risk is the risk of financial loss of the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company receivables from customers and loans. Credit risk arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing/ investing activities, including deposits with bank and mutual fund investments. The Company has no significant concentration of credit risk with any counterparty. The carrying amount of financial assets represent the maximum credit risk exposure.

Trade receivables

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are an institution, dealer or end-user customer, their geographic location, industry, trade history with the Company and existence of previous financial difficulties.

With respect to trade receivables, based on internal assessment which is driven by the historical experience/current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Company estimates its allowance for trade receivable using lifetime expected credit loss.

However, out of abundant caution, over and above the provisions required as per IND-AS, on account of doubtful debts due to continued disruptions in supply throughout the year and also due to the possible repercussions arising out of the global pandemic COVID-19, an additional provision of Rs.500 lakhs has

Movement in the expected credit loss allowance of trade receivables are as follows:

	As at 31 March 2021	As at 31st March 2020
Balance at the beginning of the year	112,321,733	8,163,427
Add: Provision during the year (net of reversals)	357,205,667	104,158,306
Balance at the end of the year	469,527,400	112,321,733
% of Expected Credit Loss:		
More than 1 year	10.00%	10.00%
More than 2 years	25.00%	25.00%
More than 3 years	75.00%	75.00%

Exposure to credit risks

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. Details of concentration percentage of revenue generated from top customer and top five customers are stated below:

Particulars	Year ended 31st March 2021		Year ended 31st March 2020	
	%	Amount	%	Amount
Revenue from a top customer	42.73%	325,775,211	24.85%	890,973,297
Revenue from top five customers	98.82%	753,362,357	43.84%	1,571,613,900

Other credit risk is managed through credit approvals, establishing credit limits and by continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. As per simplified approach, the Company makes provision of expected credit losses on

(ii) **Liquidity risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's finance team is responsible for liquidity, funding as well as settlement management. In addition, Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31 March 2021 (Continued)

All amount in Rupees, unless otherwise stated

Exposure to liquidity risk

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

Particulars	Less than 1 year	1-5 years	> 5 years	Total
As at 31 March 2021				
Borrowings	2,236,671,240	11,528,955	-	2,248,200,194
Trade payables	12,920,543	-	-	12,920,543
Other financial liabilities	975,000	-	-	975,000
	2,250,566,782	11,528,955	-	2,262,095,737
As at 31 March 2020				
Borrowings	2,222,064,298	184,866,069	-	2,406,930,367
Trade payables	36,728,386	-	-	36,728,386
Other financial liabilities	975,000	-	-	975,000
	2,259,767,684	184,866,069	-	2,444,633,753

(iii) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, payables and borrowings.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates related primarily to the Company's short term borrowings with floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Exposure to interest rate risk

The interest rate profile of the Company's interest bearing financial instruments at the end of the reporting period are as follows:

Particulars	31 March 2021	31 March 2020
Fixed rate instruments		
Financial assets	-	-
Financial liabilities	(12,533,853)	(167,926,295)
Variable rate instruments		
Financial assets	-	-
Financial liabilities	(2,013,628,107)	(2,204,454,005)

Sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

A reasonably possible change of 50 basis points in variable rate instruments at the reporting dates would have increased or decreased profit or loss by the amounts shown below:

Particulars	Profit/ (loss)		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2021				
Variable rate instruments	(10,068,141)	10,068,141	(6,706,993)	6,706,993
Cash flow sensitivity (net)	(10,068,141)	10,068,141	(6,706,993)	6,706,993
31 March 2020				
Variable rate instruments	(11,022,270)	11,022,270	(7,342,595)	7,342,595
Cash flow sensitivity (net)	(11,022,270)	11,022,270	(7,342,595)	7,342,595

(b) Equity price risks

The Company is not exposed to equity risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

(c) Currency risk

The Company does not have currency risks since it is not exposed to any foreign currency transaction.

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31 March 2021 (Continued)

All amount in Rupees, unless otherwise stated

39 Capital management (Ind AS 1)

The Company's management objective are :

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products commensurately with the level of risk.

The Company monitors capital on the basis of carrying amount of equity including retained earnings as presented on the face of Balance Sheet. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. There is no change in the overall capital risk management strategy as compared to the last year.

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Company's objective when managing capital are to: (a) to maximise shareholders value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Company's capital management, capital includes issued equity share capital and other equity reserves attributable to the equity holders.

The Company monitors capital using debt-equity ratio, which is total debt less investments divided by total equity.

Particulars							31 March 2021	31 March 2020
Total debt (Bank and other borrowings)			A				2,027,084,899	2,383,327,106
Equity			B				(411,196,578)	108,476,964
Liquid investments including bank deposits			C				503,250	185,053,479
Debt to Equity (A / B)							(5)	22
Debt to Equity (net) [(A-C) / B]							(5)	20

40 The Company has been facing various disruptions, in addition to the pandemic situation, since last year such as stoppage of supply of materials by its largest Vendor i.e., RINL, fall in demand and volatility in iron & steel industry and stress over Channel finance and other borrowing accounts. 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 realize the entire outstanding amounts alleged to be Rs. 174.17 Cr. owing to them by the Company. There are 5 Channel Finance Lenders who are unsecured creditors whose liability after adjustment of Margin available with them is approx. Rs.34 Cr. in the Company Books before providing the provision for interest. The balance in the Books after providing interest is Rs. 37 Cr. One of the 5 Lenders, namely Andhra Bank, got merged with Union Bank. The default can be attributed to non-realization of Debtors, substantial decrease in volume of business and sales on account of major disruption of supply.

The Union Bank has stopped all the recovery proceedings consequential upon the submission of Action plan at the FGM office dt. 04.01.2021. Given the liquidity strain, the company has offered the bank that it would be in a position to attract some liquidity by sale of certain collaterals given to the bank as security. By liquidation of the same, the company would be able to redeem part of the debt. The company has deposited an amount of Rs.4.01 Cr. to the loan account of Union Bank of India and requested the bank to revalue the properties and to liquidate the properties.

Finally, One of the Unsecured creditor Namely, ICICI Bank has approached NCLT, and got an order to initiate the Corporate Insolvency Resolution Process (CIRP).

The ICICI Bank, one of the financial creditor who is unsecured, has filed an application CP(IB) No. 986/KB/2020 before NCLT u/s 7 of the Insolvency & Bankruptcy Code, 2016 (The Code) for initiating Corporate Insolvency Resolution Process(CIRP) against the Company and the same has been admitted by NCLT at its hearing dated 16.03.2021 and pronounced order on 24.03.2021 to initiate CIRP in Narayani Steels Limited. There by, the order prohibits action under SARFAESI Act, 2002 and declares Moratorium as per sec 14 of the Code-2016.

Further, Mr. Krishna Komaravolu, registered with Insolvency and Bankruptcy Board of India, having Registration No. IBBI/IPA-002/IP-N00562/2017-2018/11699 has been appointed as Interim Resolution Professional, for ascertaining the particulars of creditors and to convening a meeting of Committee of Creditors for evolving a resolution plan. The IRP has been confirmed and made as Resolution Professional (RP).

41 The Resolution Professional has received the claims and subsequently convened the first meeting of COC on 24-4-21. He has examined and admitted the claims from Financial Creditors amounting to Rs. 296.13 Cr. The variations between balances as per books and amount claimed by the financial creditors amounting to Rs. 5.32 Cr. may be due to charging of penal interest and other charges claimed by the Financial creditors. A claim from State GST, Operational Creditor, amounting to Rs. 35.68 Crores is still under the examination of the RP.

The RP has invited Expression of Interest (EOI) from prospective resolution applicants as per 2nd COC conducted by RP on 18-06-2021. The accounts are presented based on the assumption of the Going Concern Concept as plant is working and the CIRP is at its preliminary stage.

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31 March 2021 (Continued)

All amount in Rupees, unless otherwise stated

COVID-19 Pandemic has substantially impacted. Consequently, Company's manufacturing plants and offices had to be closed down for a considerable period of time up to the Quarter ended 31st March, 2021. As a result of the lockdown, the revenue from the month of February 2020 to March 2021 has also been impacted. Consequently, the results of this Year are not comparable with the results of the previous financial year. Over and above the impact of COVID-19 and other disruptions such as issues with RINL etc., Presently, Only One plant(Unit-ii) is running out of Company's two plants and the production is stopped from December 2020 at the other plant (Unit-i)and is vacated from its leased premises while equipment therein is shifted to Unit-2.The Company has stopped its Trading and Manufacturing activity during the last quarter of the year.In order tokeep the plant (Unit-2) running, the company has entered into an agreement with M/s Elegant Metals and Minerals Private Limited, to operate the plant on conversion basis at a cost of Rs. 3000 per metric ton. The total gross income earned from conversion is Rs. 184.63 Lakhs .

42 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 groups liquidity and going concern, recoverable values of its property, plant and equipment , intangible assets and the realizable values of other assets. However, given the effect of this lockdown 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.

43 The Company has recognized an impairment loss of Rs. 56.73 lakhs on its investment in Hari Equipments Private Limited, an associate of the Company, as the associate company has suspended its trading activities incurring significant losses with complete erosion of its net worth as of the end of financial year 31.03.2020

44 The Financial year 2020-21 had been very challenging with various adverse factors affecting the operations of the company resulting in substantial losses during the year. However, the management is hopeful that the company will rebound in the coming years with the revival of the steel industry, the company is also taking all possible steps for resumption of full volume operations with a view to generate revenue. In view of the same, the company has recognised the deferred tax assets on carry forward losses and unabsorbed depreciation as the management believes that the company shall have sufficient taxable profits in the future to realise the deferred tax assets.

45 The Company has taken premises under operating lease. The escalation clause is applicable on renewal. There is no restriction imposed by lease agreements. These lease agreements are normally renewed on expiry. Expense charged to profit and loss account is **Rs.13.75 lakhs** (31st March 2020: Rs. 17.18 lakhs). However, one of the lease property contract is terminated in the beginning of the year.

46 **Foreign Exchange Earnings and Outgo**

	As at 31st March 2021	As at 31st March 2020
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Expenditure in Foreign Currency:

Travel & Miscellaneous matters

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47 Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever considered necessary to conform to this year's classification. Accordingly, amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to amounts and other disclosures relating to the current year.

48 The company had sent the letters on seeking Confirmation of the Balances as on 31.03.2021 have not reached the office of Statutory auditors as at the end of the audit. This may be due to partial lockdown in the state of Andhra Pradesh. The total Sundry Debtors as on 31.03.2021 available in books is Rs. 169.22 Cr. As per the earlier confirmations available at the company, the Company has obtained Confirmation of Balances from its major Trade Receivables of approx. Rs. 98.93 Cr. (58.47%) as on 31.03.2021. This includes Rs. 87.15 crores (Net confirmation given by Vizag Profiles Private Limited and available on record is Rs. 74.15 Cr.) transferred from M/s. Steel Exchange India Limited to its associate company m/s. Vizag Profiles Private Limited by virtue of Joint understanding agreed in this regard. For this purpose, Mail Confirmation from SEIL and Balance Confirmation from VFPL are obtained. The Company has agreed for transfer in order to improvise the early recovery of the dues from the major Trade Debtor. Company has provided for the Expected Credit Risk amounting to Rs.46.95 Cr. in addition to the Provision for Doubtful Debts amounting to Rs.11.91 Cr as on 31/03/2021 as per Prudence, general practice and IND AS.

49 The Union Bank has appointed an Agency for Specialized Monitoring (ASM) for conducting the Audit on behalf of the Lending Institution after the account has become NPA. The Company did not conduct the Internal Audit during the year 2020-21 as the major operations of trading is stopped and production is reduced substantially.

50 **Financial instruments and related disclosures**

50.1 **Fair value measurement**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

The Company has established the following fair value hierarchy that categorises the value into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are as stated in Note 2:Basis of Preparation

The management assessed that trade receivables, cash and cash equivalent, trade payable and other financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments, except that an additional provision of Rs.13.78 Crores has been created, out of abundant caution, over and above the provisions required as per IND-AS, on account of doubtful debts due to continued disruptions in supply throughout the year and also due to the possible repercussions arising out of the global pandemic COVID-19.

The company uses the discounted cash flow techniques (in relation to interest-bearing borrowings and loans) which involves determination of present value of expected receipt/payment discounted using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The fair value so determined is classified as Level 2.

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)
Notes to the Consolidated financial statements for the year ended 31 March 2021 (Continued)

All amount in Rupees, unless otherwise stated

50.2 Financial Instrument by category

The following table shows fair values of financial assets and liabilities, including their levels in financial hierarchy, together with the carrying amounts shown in the statement of financial position.

Particulars	Note No	As at 31st March 2021 carrying amount	fair value Level 1/2	As at 31st March 200 carrying amount	fair value Level 1/2
A FINANCIAL ASSETS:					
a) Measured at Amortised Cost					
Investments	6	-	-	-	-
Trade receivables	8	1,103,546,216		1,750,014,239	
Cash and Cash equivalents	9	503,250		1,657,600	
Other Bank Balances	10	-		183,395,877	
Other financial assets	11	10,016,620		10,906,218	
b) Measured at fair value through profit and loss					
Investments	6	-	3,911,543	9,346,358	9,346,358
c) Measured at fair value through other comprehensive income					
Investments	6	34,356	34,356	28,958	28,958
B Financial liabilities:					
a) Measured at amortised cost					
Borrowings	16	2,025,157,061	2,025,157,061	2,371,371,558	2,371,371,558
Trade payables	19	12,920,543		36,728,386	
Other financial liabilities	18	224,018,133		18,585,292	

51 The accounts are presented based on the assumption of the Going Concern Concept as plant Unit-II is working on conversion basis continuously. The Company is able to manage its Cash Flows. Resolution Professional (RP) is appointed on 24.03.2021 for 180days and the period can be extended to complete the Resolution Plan. The Resolution Professional has invited Expression of Interest (EOI) from prospective resolution applicants as per 2nd COC conducted by RP on 18-06-2021. Hence, the Going Concern basis is adopted by the Company.

52 The Financials for the year ended as on 31.03.2021 were finalised and adopted in the board meeting dated 29.06.2021. Those Accounts were audited by the auditors as on that date. The Loss as per those financials is Rs. 54.35 Cr. Subsequently, It has come to the Notice of the Management that Investment in Mutual Funds of Union Bank of India has been got liquidated amounting to Rs. 35.80 Lakhs by the Union Bank as on 31.03.2021 and the same is not shown in the Books of Accounts as on 31.03.2021. Hence, the revision of Accounts is made to give effect to the appropriation of Investment against the Loan A/c., made by the Bank. The effect of change is Investment is reduced by Rs. 35.75 Lakhs and Loan Component of Union Bank reduced by the same amount. This resulted in a net loss of Rs. 0.05 Lakhs in P&L A/c., The Loss after revision of Accounts is Rs. 54.26 lakhs. The Total effect together with Deferred Tax Liability on the P&L A/c., is Rs. 9.66 Lakhs. These revised accounts are adopted by the Management at its meeting dt. 02.09.2021. These modified accounts are presented to the Auditors for their Audit and to issue the Revised Audit Report.