

ANNUAL REPORT 2020-21



National Steel & Agro Industries Ltd

"Leadership Through Excellence in Technology, Quality & Exports"

CORPORATE INFORMATION

BOARD OF DIRECTORS

1. Mr. Santosh Shahra,
Executive Chairman
2. Mr. Manoj Khetan
Whole Time Director & CFO
3. Mr. Rajesh Nema, Director
4. Mr. Ashutosh Upadhyay, Director
5. Mrs. Ankita Sethi, Director
6. Mr. Sumit Mittal, Director
(Appointed w.e.f. 12.02.2021)

COMPANY SECRETARY

Ms. Anusha Chandwani
(Appointed w.e.f. 14.07.2021)
Mr. Anurag Gangrade
(Resigned w.e.f. 14.07.2021)

STATUTORY AUDITORS

M/s. Fadnis & Gupte
Chartered Accountants, Indore

COST AUDITORS

M/s. M. Goyal & Co.
Cost Accountants, Jaipur

SECRETARIAL AUDITOR

Mr. Ashish Garg
Company Secretary, Indore

LENDERS

1. Punjab National Bank
2. Bank of India
3. JM Financial Asset
Reconstruction Company
Limited

(IDBI Bank Ltd., State Bank of India, Central Bank of India, Bank of Maharashtra and Union Bank of India by joint assignment agreement, has assigned its loan extended to the Company to M/s. JM Financial Asset Reconstruction Company Limited (JMFARC) on 31.03.2021)

STOCK EXCHANGES WHERE THE COMPANY'S EQUITY SHARES ARE LISTED

BSE Limited
NSE Limited

REGISTRAR & SHARE TRANSFER AGENT

Sarthak Global Limited
170/10, R.N.T. Marg, Film Colony,
Indore - 452 001 (M.P.)
Phone : +91-731-2523545, 2526388
Fax : +91-731-2526388
E-mail : sgl@sarthakglobal.com

REGISTERED OFFICE

621, Tulsiani Chambers
Nariman Point,
Mumbai - 400 021 (MH.)
Phone : +91-22-22025098, 22886267
Fax : +91-22-22025084
E-mail : nsail_mumbai@nsail.com

ADMINISTRATIVE OFFICE

401, Mahakosh House,
7/5 South Tukoganj,
Nath Mandir Road,
Indore - 452 001 (M.P.)
Phone : +91-731-2518167-69
Fax : +91-731-2516714

WORKS

Village - Sejwaya
Tehsil - Dhar
District - Dhar (M.P.)
Phone - 07292-425300, 277277

WEBSITE

www.nsail.com
E-mail : nsail_indore@nsail.com
CIN - L27100MH1985PLC140379

CONTENTS

PAGE NO.

Board's Report	1
Management Discussion and Analysis	23
Report on Corporate Governance	28
Auditors' Report	45
Balance Sheet	58
Statement of Profit & Loss	59
Cash Flow Statement	60
Significant Accounting Policies	62
Notes on Financial Statements	78
Notice	106



National Steel & Agro Industries Ltd.

BOARD'S REPORT

Dear Members,

Your Directors hereby present the **Thirty Fifth Annual Report** on the business and operations of the Company along with the Audited Statement of Accounts for the Financial Year ended 31st March, 2021.

FINANCIAL RESULTS

(₹ in Lakhs)

PARTICULARS	Year ended 31.03.2021	Year ended 31.03.2020
Revenue from Operations	1,57,848	1,30,933
Earning Before Interest, Tax, Depreciation and Amortisation (EBITDA)	(644)	(621)
Finance Cost	19,758	18,242
Depreciation	4,870	4,864
Profit/(Loss) Before Tax (PBT)	(25,272)	(23,727)
Provision for :-		
Income Tax/Adjusted for earlier years (Net)	---	13
Deferred Tax (Assets)/Liabilities	(2,532)	5,343
Profit / (Loss) After Tax (PAT)	(22,740)	(29,083)
Networth	(1,25,558)	(1,01,873)

FINANCIAL PERFORMANCE OF THE COMPANY

During the year under review, the revenue from operations is ₹ 1,57,848 Lakhs [Previous Year ₹ 1,30,933]. The Earning Before Interest, Tax, Depreciation and Amortisation (EBITDA) is ₹ (644) Lakhs [Previous year ₹ (621) Lakhs]. The Loss Before Tax has been ₹ (25,272) Lakhs [Previous Year ₹ (23,727) Lakhs] and Loss After tax is ₹ (22,740) Lakhs [Previous Year ₹ (29,083) Lakhs].

OPERATIONAL PERFORMANCE OF THE COMPANY

The disastrous outbreak of Covid-19 pandemic resulted in lockdown/travel restrictions on the movement of people to contain the spread of the virus. However, the plant facilities (Steel Sector) were exempt from the lockdown measures, subject to adherence of hygiene standards and social distancing norms.

During the year under review, the Company has utilized 86% (approx) of its production capacity of its Colled Rolling Mill, Galvanized Plant and Color Coating Line.

The details of the product wise performance of the Company have been covered under the Management Discussion and Analysis section of the Annual Report.

RE-CLASSIFICATION OF PROMOTERS

During the year under review, requests received from four (4) members of promoters/promoter group of the Company have been approved by the Board of the Directors for re-classification of their shareholding from 'Promoter & Promoter Group' Category to 'Public' Category and Removal of names from Promoter and Promoter Group Category.

The resolution seeking shareholders approval to the above forms part of the Notice convening the Thirty Fifth (35th) Annual General Meeting.



National Steel & Agro Industries Ltd.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis, forming part of this report as required under Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015{here in after referred as SEBI (LODR) Regulations, 2015}, is attached separately to this Report.

TRANSFER TO RESERVE, IF ANY

In absence of the profits, the Company does not propose to transfer any amount to Reserves.

DIVIDEND

In absence of divisible profits, the Board has not recommended any dividend during the year under review.

SHARE CAPITAL

During the year under review, there was no change in the issued and paid-up share capital of the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, members of the Company at Thirty Fourth Annual General Meeting (34th AGM) have approved the re-appointment of Mr. Santosh Shahra as a Whole-Time Director of the Company, designated as 'Executive Chairman' w.e.f 17th December, 2019 and appointment of Mr. Manoj Khetan as a Whole-Time Director of the Company designated as 'Whole-Time Director & CFO' w.e.f. 30th December, 2019.

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors has appointed Mr. Sumit Mittal as an Independent Director of the Company w.e.f 12th February, 2021.

The Independent Directors have submitted the Declaration of Independence in accordance with Section 149(7) of the Companies Act, 2013 ('the Act') and Regulations 16(1)(b) and 25(8) of the SEBI (LODR) Regulations, 2015 that he/she meets the criteria of independence as laid out in the Act and SEBI (LODR) Regulations, 2015.

In the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Directors of the Company and the Board is satisfied of the integrity, expertise, and experience (including proficiency in terms of Section 150 (1) of the Act and applicable rules there under) of all Independent Directors on the Board. In terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have under taken requisite steps towards the inclusion of their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

RETIRE BY ROTATION

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Manoj Khetan, Whole-Time Director & CFO of the Company, retires by rotation and being eligible, offers himself for re-appointment.

BOARD EVALUATION

Pursuant to the applicable provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, its Committees and the Directors. The manner in which the evaluation has been carried out, explained in the Corporate Governance Report.



National Steel & Agro Industries Ltd.

AUDIT COMMITTEE

The Audit Committee comprises of below mentioned directors:

Name	Category	Designation
Mr. Rajesh Nema	Independent Director	Chairman
Mr. Ashutosh Upadhyay	Independent Director	Member
Mr. Santosh Shahra	Executive Director	Member

There are no recommendations of the audit committee which have not been accepted by the board during the year under review.

Details of terms of reference of Audit Committee and meetings of Audit Committee held during the year under review have been given in Corporate Governance Report.

NOMINATION AND REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Director(s), Senior Management Personnel and their remuneration. The salient features of the Policy are:

- It acts as a guideline for matters relating to appointment, remuneration, removal and evaluation of directors, Key Managerial Personnel and Senior Management Personnel.
- It contains guidelines for determining qualifications, positive attributes of directors, and independence of a Director.
- It lays down the criteria for Board Membership and the approach of the Company on board diversity.
- It lays down the criteria for determining independence of a director, in case of appointment of an Independent Director.
- It lays down the parameters based on which payment of remuneration (including sitting fees and remuneration) should be made to Independent Directors (IDs) and Non-Executive Directors (NEDs).
- It lays down the parameters based on which remuneration (including fixed salary, benefits and perquisites, bonus / performance linked incentive, commission, retirement benefits) should be given to whole-time directors, KMPs and Senior Management.

During the year under review there were no changes in the Policy and the same is available on the website of the Company at [http://nsail.com/downloads/Nomination % 20&%20 Remuneration %20 Policy.pdf](http://nsail.com/downloads/Nomination%20&%20Remuneration%20Policy.pdf). The composition of the Nomination & Remuneration Committee has complied with the requirements of the provisions of Section 178 of the Companies Act, 2013 and of Regulation 19 of the SEBI (LODR) Regulations, 2015.

Details of terms of reference of Nomination & Remuneration Committee and meetings of Nomination & Remuneration Committee held during the year under review have been given in Corporate Governance Report.

BOARD MEETINGS

During the year under review 5 (five) Board Meetings were held on 31st July, 2020, 2nd September, 2020, 15th September, 2020, 10th November, 2020 and 12th February, 2021. The details of the Board Meetings are given in the Corporate Governance Report.



National Steel & Agro Industries Ltd.

The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134 of the Companies Act, 2013, your Directors confirm that:

- a) in the preparation of the annual accounts for the financial year ended 31st March, 2021, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;
- b) the Accounting Policies had been selected and applied 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 financial year ended 31st March, 2021 and of the loss of the Company for that period;
- c) proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Annual Accounts had been prepared on a going concern basis;
- e) Internal Financial Controls were laid down to be followed and that these controls were adequate and operating effectively; and
- f) proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

RELATED PARTY TRANSACTIONS

Proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

All Related Party Transactions were placed before the Audit Committee and the Board of Directors, pursuant to applicable provisions of SEBI (LODR) Regulations, 2015 & Companies Act, 2013. Omnibus approval of the Audit Committee has been obtained for entering into related party transactions. The transaction entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors. The policy on Related Party Transactions as approved by the Board, is available at the Company's website at www.nsail.com.

Details of Related Party Transactions are given in "Annexure-A."

RISK MANAGEMENT

The Board has constituted a Risk Management Committee to assess risks in the operations of business of the Company, to mitigate and minimise risks assessed, periodic monitoring of risks and other matters to be delegated to the Committee by the Board from time to time.

Following are the members of the Committee :

1. Mr. Santosh Shahra : Chairman
2. Mr. Rajesh Nema : Member
3. Mr. Ashutosh Upadhyay : Member



National Steel & Agro Industries Ltd.

CORPORATE SOCIAL RESPONSIBILITY

During the period under review, the Company is not required to spend towards Corporate Social Responsibility (CSR).

The annual report on Corporate Social Responsibility ('CSR') containing, details of CSR Policy, composition of CSR Committee, CSR projects undertaken and web-link thereto on the website of the Company, as required under Companies (Corporate Social Responsibility Policy) Rules, 2014, is set out in "Annexure – B" forming part of this Report.

AUDITORS

(a) Statutory Auditors :

The Equity Shareholders of the Company in their Thirty Third Annual General Meeting held on 6th August, 2019 had accorded their approval pursuant to the provisions of Sections 139 and other applicable provisions of Companies Act, 2013 and Rules made there under to appoint M/s. Fadnis & Gupte, Chartered Accountants (FRN No. 006600C), as the Statutory Auditor of the Company for the period of five years commencing from the conclusion of Thirty Third Annual General Meeting until the conclusion of Thirty Eighth Annual General Meeting.

Any qualification, reservation, adverse remark or disclaimer in the Auditors' Report to the Members read alongwith notes to the accounts are self explanatory, needs no further clarification or explanation.

Further, no fraud has been reported by the Auditors under section 143(12) of the Companies Act, 2013 requiring disclosure in the Board's Report.

(b) Cost Auditors :

Pursuant to Section 148(1) of the Companies Act, 2013 your Company is required to maintain cost records as specified by the Central Government and accordingly such accounts and records are made and maintained.

Pursuant to the provisions of Section 148(2) read with the Companies (Cost Records and Audit) Amendment Rules, 2014, your Company is also required to get its cost accounting records audited by a Cost Auditor. Accordingly, the Board of your Company had appointed M. Goyal & Co., Cost Accountants (FRN No. 000051) as the Cost Auditor of the Company for the financial year 2020-21. The Cost Audit Report with Annexure shall be submitted alongwith full information and explanation on every reservation or qualification contained therein, if any, to the Central Government within stipulated time period.

The Cost Audit Report for the financial year ended 31st March, 2020 was filed with the Central Government (Ministry of Corporate Affairs) vide SRN R67438861 dated 16th October, 2020.

(c) Secretarial Auditor :

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Mr. Ashish Garg, Company Secretary in Practice (FCS5181/CP4423) to undertake the Secretarial Audit of the Company.

The Secretarial Audit Report is annexed herewith as "Annexure-C". The Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer except as under:



National Steel & Agro Industries Ltd.

- i. In respect of improper composition of Board of the Company; owing to falling under top 2000 listed entities determined on the basis of market capitalization as at the end of the immediate previous financial year, the Company was required to have atleast six directors on the Board. However, the Board of the Company comprises of five directors. The Company has appointed Mr. Sumit Mittal as Independent Director of the Company w.e.f. 12th February, 2021.
- ii. In respect of SEBI ex-parte ad-interim order; SEBI has passed final Order No. WTM/AB/IVD/ID11/8666/2020-2021 dated 12th August, 2020 revoking the directions of restraining the Company from buying, selling or dealing in the securities market either directly or indirectly with immediate effect.
- iii. In respect of case filed before Debt Recovery Tribunal (DRT) by the lender banks; The Company has adopted legal course of action to defend the same.
- iv. In respect of Applications/Petitions filed under the Insolvency and Bankruptcy Code, 2016; The Company is taking necessary legal recourse to defend the same.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith as "Annexure-D".

EXTRACT OF ANNUAL RETURN

The Annual Return as required under Section 92 and Section 134 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the Company's website at https://www.nsail.com/downloads/Draft_Annual_Return_%202020-21.pdf.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements and are within the limits.

PARTICULARS OF JOINT VENTURE, SUBSIDIARY & ASSOCIATE COMPANY

The Company does not have any joint venture, subsidiary or associate company during the year.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's Policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records and the timely preparation of financial disclosures.

The Company has an Internal Control System commensurate with the size, scale and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditor. Significant audit observations and corrective action are reported to the Audit Committee.

The concerned executives monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective



National Steel & Agro Industries Ltd.

action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon represented to the Audit Committee.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Your Company has formulated a mechanism called "Vigil Mechanism/ Whistle Blower Policy" 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 and provided a framework to protect employees wishing to raise a concern about serious irregularities within the Company.

The policy permits all the directors and employees to report their concerns to the Competent Authority, Executive Chairman/Executive Director of the Company and if the Whistle Blower believes that there is a conflict of interest between the Competent Authority and the Whistle Blower, he/she may send his/her protected disclosure directly to the Chairman of the Audit Committee.

The policy with the name and address of the Competent Authority, Executive Chairman/Executive Director of the Company and Chairman of the Audit Committee has been communicated to the employees by uploading the same on the website of the Company.

DEPOSITS

Your Company did not accept any deposit from the Public during the year under review.

INSURANCE

Your Company's Fixed Assets have been adequately insured.

CORPORATE GOVERNANCE

Your Company has been particular in implementing and complying with the norms of Corporate Governance and complying all the mandatory requirements as specified in Regulations 17 to 27, clause (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and paragraph C, D and E of Schedule V of the SEBI (LODR) Regulations, 2015. A detailed report on Corporate Governance along with Certificate from Practicing Company Secretary confirming the compliance of the conditions of Corporate Governance is attached separately to this Report.

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in "Annexure-E", forming part of this report.

DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance towards sexual harassment at the workplace and to this end, has adopted a policy in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has complied with the Constitution of Internal Compliant Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.



National Steel & Agro Industries Ltd.

Your Directors state that during the year under review, there was no complaint filed/pending pursuant to the provisions of "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013".

MATERIAL CHANGES AND COMMITMENTS

There is no material change and commitment has occurred, affecting the financial position of the Company, between the end of the financial year of the Company i.e. 31st March, 2021 and the date of this report except:

1. A review petition was filed by Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited (MPPKVVCL) for reviewing the order passed by the Hon'ble High Court, Madhya Pradesh (MP) in Writ Petition (WP) No. 22734 of 2017 wherein court had directed MPPKVVCL to issue fresh demand in connection with the demand raised by MPPKVVCL for the period from May 2009 to May 2016, without penalty but with interest calculated as per agreement rate. The review petition was allowed by the Hon'ble High Court of MP by its order dated 13th May, 2020 ("May 2020 Court Order"). There after, MPPKVVCL had issued a demand notice for ₹ 79.18 Crores, including interest calculated at the rate of 16% per annum compounded in every six months, for the period from 12th June, 2015 to 31st May, 2020 along with an amount of ₹ 31.46 Crores which was due to be paid. There after, Company has filed Special Leave Petition (SLP) before Hon'ble Supreme Court. The SLP was allowed and order passed in Writ Petition 22734 of 2017 and order passed in Review Petition 1765 of 2018 have been dismissed and MPPKVVCL has been instructed to consider the representations made by the Company to MPPKVVCL but MPPKVVCL has dismissed request made by the Company, therefore, a Writ Petition No. 7851 of 2021 has been filed which is pending for hearing with the Hon'ble High Court of MP, Indore Bench.

SIGNIFICANT AND MATERIAL ORDERS PASSED

Following are the significant and material orders passed during the year under review:

1. An application, under Section 9 of Insolvency and Bankruptcy Code, 2016, had been admitted against the Company on June 09, 2020. Thereafter, dues were settled by the company through a settlement deed with the applicant "Argrocorp International Pte. Ltd.". Upon settlement, an application for withdrawal of the insolvency proceeding was filed. NCLT has dismissed the insolvency proceeding by allowing the said application by its order dated June 23, 2020.
2. An award had been passed against the company in the matter of Arbitration at Hongkong initiated by Smart Timing Steel Ltd (STSL). STSL got the award confirmed from High Court of Mumbai and it has initiated execution against the company by attaching one of its properties and in process to put the said property on auction. Simultaneously, STSL filed a petition under Insolvency and Bankruptcy Code, 2016 (IBC) before National Company Law Tribunal (NCLT), Mumbai, which was dismissed by NCLT. STSL has preferred an appeal before National Company Law Appellant Tribunal, Delhi (NCLAT) against the order of NCLT and the same is dismissed. Further, STSL has filed a civil appeal to Supreme Court which is pending for hearing.
3. In August 2010, the Company has started obtaining electricity through open access (from outside the state). Government of Madhya Pradesh (MP) enacted Vidyut Shulk Adhiniyam, 2012 whereby electricity duty was imposed on the consumption of electricity through open access in the state.



National Steel & Agro Industries Ltd.

The Company had challenged the collection of electricity duty by filing writ petition in High Court of MP which was dismissed thereafter, the order was challenged in Supreme Court but same had been dismissed on December 19, 2019. Now, the Company has started making payment of amount of electricity duty and interest thereon in installments. The Company has paid an amount of ₹ 1.25 Crores against the total demand of 10.50 Crs. (including interest 24% p.a. on principal amount) till date.

ASSIGNMENT OF DEBT OF THE COMPANY

On 31st March, 2021, five (5) lender banks of the Company namely, IDBI Bank Limited, State Bank of India, Union Bank of India (earlier Andhra Bank), Central Bank of India and Bank of Maharashtra [collectively hereinafter referred as "Banks"] through a Joint Assignment Agreement, has assigned their debt extended to the Company to JM Financial Asset Reconstruction Company Limited ("JMFARC") along with all underlying securities, rights, title, and interest thereof.

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR 2020-21

The details of applications/petitions filed under the Insolvency and Bankruptcy Code, 2016 (IBC) by/ against the Company are as under:

A. Insolvency Proceedings to which Company is/was Respondent:

S. No.	Particulars	Type of Creditor	Case No. and Forum before which the matter is/was pending.	Amount involved	Status as at the end of the Financial Year
1.	Agrocorp International Pte. Ltd.	Operational Creditor	National Company Law Tribunal, Mumbai Bench. [C.P. (IB)-798(MB)/2019]	USD 978,508 equivalent to ₹ 7,16,75,711.	Withdrawn by NCLT Order CP(IB) No. 798/MB)C-IV /2019 dated June 9, 2020 pursuant to settlement agreement entered between the parties.
2.	Korea Trade Insurance Corporation	Operational Creditor	National Company Law Tribunal, Mumbai Bench. [C.P. (IB)- 4169(MB)/2019]	USD 3,500,960 equivalent to ₹ 24,58,37,439/-	Pending before the NCLT.
3.	Ripley & Co. Stevedoring & Handling Private Limited	Operational Creditor	National Company Law Tribunal, Mumbai Bench. [C.P. (IB)- 1869(MB)/2019]	₹ 77,85,271/-	Pending before the NCLT.
4.	Smart Timing Steel Limited	Operational Creditor	Supreme Court of India. (Civil Appeal No. 9435 of 2019)	USD 426,494 and HKD 769,654 equivalent to ₹ 3,76,69,550/-	Pending before Supreme Court
5.	Bank of India	Financial Creditor	National Company Law Tribunal, Mumbai Bench. [C.P. (IB)- 2067(MB)/2019]	₹ 127,80,95,977/-	Pending before the NCLT.



National Steel & Agro Industries Ltd.

B. Insolvency Proceedings to which Company is/was Plaintiff:

S. No.	Particulars	Type of Debtor	Case No. and Forum before which the matter is/was pending.	Amount involved (in ₹)	Status as at the end of the Financial Year
1.	Rite Bite Trading Private Limited	Operational Debtor	National Company Law Tribunal, Mumbai Bench. [C.P. (IB)-1459 (MB)/2020]	₹ 78,61,05,760/-	Pending before the NCLT
2.	Mitesh Trading Private Limited	Operational Debtor	National Company Law Tribunal, Mumbai Bench. [C.P. (IB)- 3231(MB)/2019]	₹ 40,39,41,054/-	Pending before the NCLT.
3.	Shimita Trading Private Limited	Operational Debtor	National Company Law Tribunal, Mumbai Bench. [C.P. (IB)- 2510(MB)/2019]	₹ 13,14,80,928/-	Pending before the NCLT.

DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:

The Company proposed One time Settlement (OTS) to its Lender Banks which was approved by 70% (approx) of its lenders. However, in the absence of arrangement of requisite funds, the proposal was withdrawn. Accordingly, the clause is not applicable to the Company during the year under review.

SECRETARIAL STANDARDS

The Company has in place proper systems to ensure compliance with the provisions of the applicable Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) and such systems are adequate and operating effectively.

ACKNOWLEDGEMENT

The Board of Directors take this opportunity to express their gratitude to the Central Government, State Government and Local Authorities, Lenders, Customers, Dealers, Vendors and all the stakeholders for their continued cooperation and support to your Company.

The Board of Directors wishes to express its appreciation to all the employees of the Company for their continuous contribution in the COVID-19 era towards successful operations of the Company. The Board also wishes for better health of its Stakeholders and hope for faster recovery from the current pandemic and look for prosperity, growth and constructive development of our country and world at large.

The Board specially thank to the shareholders for their continued confidence and faith in the Company.

For and on behalf of the Board of Directors

Place : Indore
Date : 30th June 2021

Santosh Shahra
Executive Chairman



National Steel & Agro Industries Ltd.

Annexure – A to Board's Report

FORM AOC-2

[Pursuant to clause (h) of sub – section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub - section(1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso.

1. Details of contracts or arrangements or transactions not at arm's length basis :-

There were no contracts or arrangements or transactions entered into during the Financial year ended 31st March, 2021, which were not at arm's length basis.

2. Details of material contracts or arrangements or transactions at arm's length basis:-

Name of Related Party	Nature of Relationship	Nature of Contract	Duration of Contract	Salient Terms	Value of Transactions (Amount in ₹)	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Shahra Brothers Private Limited	Executive Chairman is one of the Director	Rent	One year	On the basis of Rent agreement	2,87,115	N.A.	N.A.

For and on behalf of the Board of Directors

Place : Indore
Date : 30th June 2021

Santosh Shahra
Executive Chairman



National Steel & Agro Industries Ltd.

Annexure – B to Board's Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR policy:

The CSR Policy was approved by the Board of Directors at its meeting held on 28th June, 2014 and modified time to time in compliance with section 135 of the Act and the rules made there under.

The main objective of CSR policy of National Steel and Agro Industries Limited (NSAIL) is to positively impact the lives of people in its close surrounding, to build an inclusive & harmonious neighborhood. We acknowledge that as our organization has gained and grown from the resources and people in the vicinity, it is our responsibility to return to the society, as a responsible corporate citizen. NSAIL's CSR thrust areas have been education, essential services (viz. healthcare, sanitation, drinking water etc.), enhancement of livelihood and rural development.

Keeping in view of losses in last three financial years, the Company is not required to spend towards CSR activities during the year under review.

2. Composition of CSR Committee:

- (i) Mr. Santosh Shahra : Chairman-Executive Chairman
- (ii) Mr. Rajesh Nema : Member-Independent Director
- (iii) Mr. Ashutosh Upadhyay : Member-Independent Director

*The Committee has not met during the year under review.

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

Composition	http://nsail.com/downloads/Composition%20 of%20 Committee %20of%20Board.pdf
CSR Policy	http://nsail.com/downloads/CSR_Policy_N.pdf

- 4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable.: **Not Applicable**
- 5. Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: **NIL**
- 6. Average net profit/(loss) of the Company as per Section 135(5): ₹ (21,366.92) Lakhs



National Steel & Agro Industries Ltd.

7. a. Two percent of average net profit of the Company as per Section 135(5): **NIL**
 b. Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NIL**
 c. Amount required to be set off for the financial year, if any: **NIL**
 d. Total CSR obligation for the financial year (7a+7b- 7c): **NIL**
8. a. CSR amount spent or unspent for the financial year: **Not Applicable**
 b. Details of CSR amount spent against ongoing projects for the financial year: **Not Applicable**
 c. Details of CSR amount spent against other than ongoing projects for the financial year: **Not Applicable**
 d. Amount spent in Administrative Overheads: **Not Applicable**
 e. Amount spent on Impact Assessment, if applicable: **Not Applicable**
 f. Total amount spent for the Financial Year (8b+8c+8d+8e): **Not Applicable**
 g. Excess amount for set off, if any: **Not Applicable**
9. a. **Details of Unspent CSR amount for the preceding three financial years:**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2017-18	N A	N A	N A	N A	N A	N A

- b. Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not applicable.
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **NA**
11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5): **NA**

Santosh Shahra
 Chairman of the CSR Committee

Manoj Khetan
 Whole Tme Director & CFO



National Steel & Agro Industries Ltd.

Annexure – C to Board's Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 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,
National Steel and Agro Industries Limited
(L27100MH1985PLC140379)
621, Tulsiani Chambers,
Nariman Point, Mumbai - 400021

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by National Steel and Agro Industries Limited (hereinafter 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 my opinion thereon.

Based on my 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 authorised representatives during the conduct of secretarial audit, I hereby report that in my 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company 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;
- (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, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; which is not applicable to the Company during the Audit Period;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; which is not applicable to the Company during the Audit Period;



National Steel & Agro Industries Ltd.

- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; which is not applicable to the Company during the Audit Period;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; which is not applicable to the Company during the Audit Period and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; which is not applicable to the Company during the Audit Period
- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I have also examined compliance with the applicable clauses of the following:

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:-

- i) *The composition of Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors except during the period from 01st April, 2020 to 11th February, 2021, wherein the Company was required to have atleast six directors on the Board by virtue of falling under top 2000 listed entities determined on the basis of market capitalisation at NSE as at the end of the immediate previous financial year . However, the Board of Directors of the Company comprises only five directors.*
The other changes in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- ii) *With respect to SEBI ex-parte ad-interim order dated May 24, 2016 passed against the Company for the alleged violation of section 12A of SEBI Act, 1992 and regulation 3(a), 3(d), 4(1), 4(2)(a) and 4(2)(g) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003. Further SEBI has issued a notice dated 6th February, 2019, called upon to show cause as to why suitable directions as may be appropriate under Sections 11(1), 11(4) & 11B of SEBI Act, 1992 should not be passed against the Company. The Company has submitted detailed reply of abovementioned show cause on 22nd April, 2019 and further had a personal hearing on July 04, 2019 before the Ld. Whole Time Member of SEBI. The Company has further submitted a detailed written submission on September 06, 2019. Further SEBI has passed final order vide an Order No. WTM/AB/IVD/ID11/8666/2020-2021 dated 12th August, 2020 revoking the directions of restraining the Company from buying, selling or dealing in the securities market either directly or indirectly with immediate effect.*
- iii) *The case filed by the lender Banks before Debt Recovery Tribunal (DRT) after serving notice dated 04th July, 2019 u/s 13(2) of Securitisation and Reconstruction of financial Assets and Enforcement of Security Interest Act, 2002 is pending.*



National Steel & Agro Industries Ltd.

- iv) *The Applications/Petitions which were filed before the National Company Law Tribunal/ National Company Law Appellate Tribunal, under the Insolvency and Bankruptcy Code, 2016 by Operational Creditors/ Financial Creditors / parties are pending against the Company.*

Further, The Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench vide its Order No. CP(IB)/798/(MB)/2019 dated 09th June, 2020 ('NCLT Order') has admitted the application for initiation of Corporate Insolvency Resolution Process (CIRP) in respect of the Company filled by Agrocorp International Private (PTE) Limited ("Agrocorp") under section 9 of the Insolvency and Bankruptcy Code, 2016 ("Code"). Further, on submission by the Counsel of the Petitioner/Operational Creditor that the matter has been settled between the parties and the Operational Creditor has received the dues agreed upon. Therefore, NCLT Order was withdrawn under Regulation 30A (1) (a) read with Section 12A of the Code.

- v) *On 31st March, 2021, five (5) lender banks of the Company namely, IDBI Bank Limited, State Bank of India, Union Bank of India (earlier Andhra Bank), Central Bank of India and Bank of Maharashtra [collectively hereinafter referred as "Banks"] through a Joint Assignment Agreement, has assigned their debt extended to the Company to JM Financial Asset Reconstruction Company Limited ("JMFARC") along with all underlying securities, rights, title, and interest thereof.*

Adequate notice is given to all the directors to schedule the Board meeting, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee(s) Meetings are carried through unanimously as recorded in the meetings of the Board and Committee(s) of the Board, as the case may be.

There are adequate 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.

Place : Indore
Date : 30th June, 2021

Ashish Garg
Practicing Company Secretary
FCS No. : 5181
CP No. : 4423
PR : 568/2018
UDIN: F005181C000551331

This report is to be read with our letter of even date is annexed as "Annexure A" and forms an integral part of this report.



National Steel & Agro Industries Ltd.

Annexure A

To,

The Members

National Steel and Agro Industries Limited

(L27100MH1985PLC140379)

621, Tulsiani Chambers, Nariman Point,

Mumbai-400021

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

1. Maintenance of secretarial records 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 process 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 process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
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 procedure 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.

Place : Indore

Date : 30th June, 2021

Ashish Garg

Practicing Company Secretary

FCS No. : 5181

CP No. : 4423

PR : 568/2018

UDIN: F005181C000551331



National Steel & Agro Industries Ltd.

Annexure – D to Board's Report

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS
AND OUTGO**

*[Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies
(Accounts) Rules, 2014]*

(A) CONSERVATION OF ENERGY

The steps taken or impact on conservation of energy:

The Company has an Energy Conservation Cell which constantly monitors all the energy conservation efforts and ensures implementation of its Energy Management Policy. Efforts are put in continuously to conserve energy.

The Company has taken below mentioned steps at its plant for conservation of energy during the year under review: -

- Efforts were made to reduce Electrical Energy in various lines through:
 - (i) Software modification.
 - (ii) Converting conventional street light into Energy efficient light (LED).
 - (iii) Reduction of idle time to prevent the energy loss through proper coordination and modifications.
 - (iv) Switching fuels to get benefit of low fuel price.
- Efforts were also made to reduce the consumption of Re-liquefied Natural Gas (RLNG) effectively in our different process lines by multiple actions.

There was reduction in energy consumption on account of aforesaid steps taken by the Company.

During the year under review the Company saved:

- ₹ 29,62,500/- by use of Vapour Absorption Machine (VAM) system in Gas Generator Power Plant (GGPP) against hot water generator;
- ₹ 1,20,53,029/- saved in Color Coating Line (CCL) and aquatherm by modifying the burners and settings for using low cost fuel Propane in place of RLNG.

The steps taken by the Company for utilising alternate sources of energy :

During the year under review, the Company has not taken any step for utilizing alternate sources of energy.



National Steel & Agro Industries Ltd.

Capital Investment on energy conservation equipments

During the year under review, the Company has not made any major capital investment on energy conservation equipments.

B) TECHNOLOGY ABSORPTION

The efforts made towards technology absorption

The Company takes steps from time to time towards technology absorption. During the year under review, the Company has taken internally following steps:

- Developed new indigenous vendors to get applicator roll rubberizing indigenously.
- Modification done in CGL2 for processing 1350 mm width coils. (Its original capability was 1050 mm maximum width).

The benefits derived like product improvement, cost reduction, product development or import substitution

Through technology absorption, the quality of the Company's product improved and also there was reduction in the cost of the Company's products. There is a perennial effect of technology absorption in the quality and on the cost of the Company's products.

Imported Technology

The Company has not imported any technology during the year under review. The Company has developed all materials for inductor casting indigenously thus reducing dependability on Chinese material and saving ₹ 20 Lacs.

The expenditure incurred on Research and Development

During the year under review, the Company has not incurred any major expenditure on Research and Development.

C) FOREIGN CURRENCY EARNINGS AND OUTGO

During the year under review, your Company has not entered into foreign transactions.



National Steel & Agro Industries Ltd.

Annexure – E to Board's Report

PARTICULARS OF EMPLOYEES

(A) Particulars of Employees as per [Rule-5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

- (i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year.

S. No.	Name of Director	Ratio of remuneration of each Director/to median remuneration of employees
1	Mr. Santosh Shahra	-
2	Mr. Manoj Khetan	-
3	Mr. Ashutosh Upadhyay	0.40: 1
4	Mr. Rajesh Nema	0.41: 1
5	Mrs. Ankita Sethi Hasmukhdas	0.25: 1
6	Mr. Sumit Mittal (appointed w.e.f. 12/02/2021)	0.05: 1

- (ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2020-21:

(₹ in Lakhs)

S. No.	Name of Director	2020-21	2019-20	% increase in remuneration
1	Mr. Santosh Shahra Executive Chairman	-	-	-
2	Mr. Manoj Khetan, Whole Time Director & CFO ¹	-	19.26	-
3	Mr. Rajesh Nema, Independent Director ²	0.91	1.31	-
4	Mr. Ashutosh Upadhyay, Independent Director ³	0.89	1.19	-
5	Mrs. Ankita Sethi Hasmukhdas Independent Director ⁴	0.55	0.44	25%
6	Mr. Sumit Mittal, Independent Director ⁵	0.10	-	-
7	Mr. Shrikant Tirpude, Nominee Director ⁶	-	0.40	-
8	Mr. Anurag Gangrade, Company Secretary	33.70	31.00	8.71%



National Steel & Agro Industries Ltd.

Notes:

1. Mr. Manoj Khetan was appointed as 'Whole time Director & CFO' and was in receipt of remuneration upto 29th December, 2019 in the capacity of Chief Financial Officer.
2. Mr. Rajesh Nema appointed as an Independent Director of the Company w.e.f. 13th May, 2019.
3. Mr. Ashutosh Upadhyay appointed as an Independent Director of the Company w.e.f. 13th May, 2019.
4. Mrs. Ankita Sethi Hasmukhdas appointed as an Independent Woman Director of the Company w.e.f. 30th May, 2019. The increase in her remuneration is by the virtue of her attendance in meetings of Board as compared to the corresponding previous year.
5. Mr. Sumit Mittal appointed as an Additional Director in independent category of the Company w.e.f. 12th February, 2021.
6. Mr. Shrikant Tirpude ceased w.e.f. 16th September, 2019.

The Company pays only sitting fee to Independent Directors for attending Board and Committee Meetings.

(iii) The percentage increase in the median remuneration of employees in the financial year:

Median Remuneration (2020-21) (Amount in ₹)	Median Remuneration (2019-20) (Amount in ₹)	Increase in the Median Remuneration (in %)
2,23,831	3,43,776	-

* Please read this in conjunction with (A) (v).

(iv) There were 714 permanent employees on the rolls of the Company as on 31st March, 2021.

(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof :

1. Average percentile increase over the previous year in the salaries of employees other than the Managerial Personnel is 22%.
2. Average percentile of the remuneration of the Managerial Personnel is NIL and the same is not comparable.

The increase in the salary of KMPs for Financial Year 2020-21 has given in point no. (A) (ii) above.

The increment, in the salary of employees other than KMPs, was on the basis of the performance of the Company as well as employees' individual performance.

(vi) **Affirmation:** It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.



National Steel & Agro Industries Ltd.

(B) STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

S. No.	Name of the Employee	Designation	Remuneration Received (₹ in Lakhs)	Nature of employment	Qualification and Experience	Date of Commencement of Employment	Age (in Years)	Last Employment held before joining the Company	% of Equity Shares held by the employee of the Company within meaning of Clause (iii) of sub rule (2) of Rule 5 of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014	whether such employee is a relative of any Director or manager of Company
1	Mr. Nirmal Kumar Jain	Sr. Vice President	57.56	Contractual	B.E.(Mechanical) - 35 years.	16.05.1995	57.10	JINDAL STRIPS LTD.- VASIND, (MUMBAI)	-	-
2	Mr. M.K. Sudhir	Assistant Vice President	35.22	Contractual	B. E. (Metrology) - 34 years	25.05.1996	55	SAIL- ROURKELA	-	-
3	Mr. Anurag Gangrade	Company Secretary	33.70	Contractual	C.S. (ICSI) - 11 years	02.05.2018	33	PCS	-	-
4	Mr. Vishnudas Mane	Sr. General Manager	30.65	Contractual	B.Sc. (Science) - 36 years	21.09.1987	56	SIPTA COATED STEEL NANDED	-	-
5	Mr. Anukul Joshi	General Manager	27.21	Contractual	B.E.(Mechanical) - 30 years	26.06.1995	53	ATMA STEELS LTD.	-	-
6	Mr. Homiyar Wandkadia	General Manager	26.56	Contractual	B.com, Diploma In Marketing, Diploma in EXIM - 29 years.	16.09.2003	56	SREE RAYALASEEMA ALKALIES & CHEMICALS LTD.	-	-
7	Mr. Ajay Joshee	Sr. General Manager	24.15	Contractual	Diploma in Mechanical - 34 years.	16.11.1987	54	SUPER PACK INDUSTRY	-	-
8	Mr. Anoop Kanungo	Deputy General Manager	21.82	Contractual	B.Com., MCA - 32.3 years.	01.05.1989	52	KASTA PIPE PVT. LTD.	-	-
9	Mr. Arun Kumar Mahapatra	Sr. Deputy General Manager	21.54	Contractual	BSc (Chemistry), MSc (Chemistry), M.Tech (Corrosion Engineering & Surface Coating), PGDM (Marketing) - 31 years	16.07.2007	55	ISPAT INDUSTRIES LTD.	-	-
10	Mr. Shatrughna Prasad	Sr. Manager	17.04	Contractual	Diploma in Mechanical, BTech. - 26 years	13.02.1995	47	-	-	-



National Steel & Agro Industries Ltd.

MANAGEMENT DISCUSSION AND ANALYSIS

I) OVERVIEW

The objective of this report is to convey the Management's perspective on the external environment and steel industry, as well as strategy, operating and financial performance, material developments in human resources and industrial relations, risks and opportunities and internal control systems and their adequacy in the Company during the financial year 2020-21. This report should be read in conjunction with the Company's financial statements, the schedules, notes thereto and other information included elsewhere in the Annual Report.

II) Industry Structure and Developments

(Source: World Steel Association: 2021 world steel in figures)

♦ **World Steel Scenario**

Global steel sector has over the years saw a significant growth pattern, together with several challenges and shortcomings which are on the verge of becoming the strength of the industry in the near future.

- The **world crude steel production** has increased to around 1877.5 Million Tonnes (MT) in the year 2020 as per the data provided by World Steel Association, China being the top-most steel producing nation.
- The **world apparent steel use per capita** has decreased to around 227.5 kilograms for the CY 2020 as compared to 230.3 kilograms in the CY 2019.

Disruption on both demand and supply resulted in global steel demand in 2020 to fall by 0.2% against a growth of 3.7% in 2019. The total demand in 2020 was 1,772 MT against 1,775 MT in 2019.

♦ **Indian Steel Scenario**

India's steel industry has also suffered the production loss due to lockdown in the first half of CY 2020 and recovered gradually by recovery in domestic demand.

- As per the World Steel Association India gained second position among the **major steel producing countries** with a crude steel production of **100.3 MT** in the CY 2020 and based on the growth patterns in the industry over the years, it is expected to become the first largest producer of crude steel soon.
- The **apparent steel use per capita** has decreased to 64.52 kilograms for the CY 2020 as compared to 75.1 kilograms per the data provided by World Steel Association.
- The steel sector contributes to over 2% of the Country's GDP.



National Steel & Agro Industries Ltd.

III) Opportunities and Threats

♦ Opportunities

(Source: Ministry of Steel: Make in India)

- India is expected to become the largest producer of steel in the world.
- India's per capita consumption of steel fell to 64.52 kilograms, for the CY 2020 as compared to the 75.1 kilograms in the corresponding previous year. National Steel Policy 2017 aims to increase the per capita steel consumption to 160 kilograms by 2030-31.
- In line with Government's announcement of various schemes like Housing for all, Jal Shakti and the resulting investments they will drive into roads, railways and other infrastructure will be major drivers for the growth of the steel sector in India.
- Government's focus on strengthening the domestic manufacturing base under the flagship "Atmanirbhar Bharat" programme. The Production Linked Incentive scheme has been introduced to boost the manufacturing sector in industries like automobile & auto components, consumer durables, solar equipment, telecom, etc. These are expected to boost steel consumption.
- Government has announced an investment of over Rs. 1 trillion in infrastructure over the next 5 years. This would be a key growth driver not only for steel industry but will also be a multiplier of growth across the sectors, boosting steel demand from sectors such as transportation, real estate and infrastructure.

♦ Threats

- Demand-Supply imbalance.
- Political, legal and regulatory risks.
- Financial Risks.
- Depletion of high quality raw materials required for production of steel.
- Environmental concerns.
- Dumping of excess inventory in other countries by countries producing steel in abundance.

IV) Outlook – Steel Sector

(Source: World steel SRO April 2021)

Despite the disastrous impact of the pandemic, the global steel industry was fortunate enough to end 2020 with only a minor contraction in steel demand. The World Steel Association (WSA) forecasts that steel demand will grow by 5.8% in 2021 to reach 1,874 MT. It also expects that, in 2022, the steel demand will see further growth of 2.7% to reach 1,924.6 MT.



National Steel & Agro Industries Ltd.

The World Steel Association (WSA) also expects a shift in steel demand shape due to structural changes in a post-pandemic world. The steel industry will see exciting opportunities from rapid developments through digitisation and automation, infrastructure initiatives, re-organisation of urban centres, and energy transformation.

The current forecast is on the assumptions that the ongoing second or third waves of infections will stabilise in the second quarter and that steady progress on vaccinations will be made, allowing a gradual return to normality in major steel-using countries.

V) Risks and Concerns

The business environment in which the Company operates faces a variety of risks which may affect its operations, financial results. Many of risks are driven by the factors which are beyond the control of the Company.

Broadly, the risks are classified as under:

- Macroeconomic Risk;
- Operational Risk;
- Market Related Risk;
- Regulatory Risk; and
- Environmental Risks

Hence, adequate risk management system has been put in place by the management to ensure the success of the Company.

VI) SEGMENT WISE OR PRODUCT WISE PERFORMANCE

The Company operates only in one segment i.e. Manufacturing Segment.

The product wise performance in detail is given in Note No. 20 to the audited accounts of the Company.

VII) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Financial Controls ('IFC') framework, commensurate with the size, scale, and complexity of the Company's operations. The Board of Directors of the Company is responsible for ensuring that IFC have been laid down by the Company and that such controls are adequate and operating effectively. The internal control framework has been designed to provide assurance with respect to recording and providing reliable financial and operational information, complying with applicable laws, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance with corporate policies.



National Steel & Agro Industries Ltd.

The Company maintains an adequate and fair system of internal control based on well established policies and procedures designed for transparent operations. The management is regular in reviewing, on periodic basis, issues and concerns that have or could have an effect on the operations, functioning or performance of the Company.

VIII) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED

Human resource is considered as one of the key assets of an organisation as human resource is unique to a particular organisation and plays an active role in its growth.

The Company provides adequate opportunity for training and learning to the employees. The Company takes responsibility for effective management of careers of individuals to make them expert in their respective fields.

The team is strongly motivated to work on their abilities and deliver better results. Further, in order to retain the experienced employees, the Company has absorbed the employees of its labor contractors which have been providing services to the Company since many years. The absorption doesn't lead to have any additional financial burden on the Company. Accordingly, the total number of permanent employees on roll as on 31st March, 2021 was 714.

IX) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

A. FINANCIAL PERFORMANCE

During the year under review, the revenue from operations is ₹ 1,57,848 Lakhs [Previous Year ₹ 1,30,933]. The Earning Before Interest, Tax, Depreciation and Amortisation (EBITDA) is ₹ (644) Lakhs [Previous year ₹ (621) Lakhs]. The Loss Before Tax has been ₹ (25,272) Lakhs [Previous Year ₹ (23,727) Lakhs] and Loss After tax is ₹ (22,740) Lakhs [Previous Year ₹ (29,083) Lakhs].

B. OPERATIONAL PERFORMANCE OF THE COMPANY

The disastrous outbreak of Covid-19 pandemic resulted in lockdown/travel restrictions on the movement of people to contain the spread of the virus. However, the plant facilities (Steel Sector) were exempt from the lockdown measures, subject to adherence of hygiene standards and social distancing norms.

During the year under review, the Company has utilized 86% (approx) of its production capacity of its Colled Rolling Mill, Galvanized Plant and Color Coating Line in the following manner:

- The **Cold Rolling Mill** of the Company has given a production of 256,772 MT, which is 86% (approx) to the capacity utilization.



National Steel & Agro Industries Ltd.

- The **Galvanized Plant** has given a production of 263,721 MT, which is 80% (approx) to the capacity utilization.
- The **Colour Coating Line** has given a production of 154,756 MT, which is 91% (approx) to the capacity utilization.

X) HEALTH, SAFETY, SECURITY AND ENVIRONMENT

Health, safety, security and environment have always been an integral part of our value system. Our operations are driven by the value system so established and hence are in compliance with the norms of health, safety, security and environment.

Considering the present circumstances due to the outbreak of COVID-19 pandemic, the Company is taking all the requisite precautions for its staff and workforce like sanitisation, social distancing, mandatory mask wearing and thermal screening at the entrance of premises, maintaining proper hygiene.

The Company has been regularly putting efforts for conservation of energy and resources.

XI) CHANGES IN KEY FINANCIAL RATIOS:

The change in the key financial ratios as compared to previous year is stated below:

Sr.No.	Particulars	2021	2020	% Change	Explanations, if any
1.	Debtors Turnover	57.53	12.09	375.85	The Company w.e.f. 4 th Quarter of FY 2020-21 is utilising most of its capacity on Job work. Accordingly, the debtors has been reduced.
2.	Inventory Turnover	36.94	37.51	(1.52)	-
3.	Interest Coverage Ratio	(0.03)	(0.03)	0.00	-
4.	Current Ratio	0.08	0.12	(33.33)	Decreased due to reduction in debtors and increase in current liabilities on account of making interest provision on borrowings.
5.	Debt Equity Ratio	(1.20)	(1.31)	(8.40)	-
6.	Operating Profit Margin	(0.41)	(0.47)	(12.77)	-
7.	Net Profit Margin (%)	(14.66)	(21.97)	33.27	Improved as operational expenses has been reduced.

XII) CAUTIONARY STATEMENT

This Management Discussion and Analysis Report, giving a brief profile of the Company along with its vision, mission, objectives, performance and future prospects and also reflecting the scenario of the industry at domestic and global level, may consist of "forward looking statements" which involve a number of risks and uncertainties that could cause actual results to differ materially from those stated. Important factors that could make a difference to the Company's operations include external economic conditions affecting demand/supply or influencing price conditions in the market in which the Company operates, changes in regulatory regime and other incidental factors.



National Steel & Agro Industries Ltd.

REPORT ON CORPORATE GOVERNANCE

Report on Corporate Governance pursuant to Schedule V (C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 { hereinafter referred as SEBI (LODR) Regulations, 2015}.

1. Company's Philosophy on Corporate Governance

Corporate Governance is the mechanism by which the values, principles, policies and procedures of Companies are manifested. Effective Corporate Governance is indispensable to resilient and vibrant capital markets and investor protection rests on this foundation. The core value of Corporate Governance lies in the principles of integrity, fairness, quality, transparency and accountability.

The Company is committed to good Corporate Governance in order to enhance value of its all stakeholders. To achieve the objectives of good Corporate Governance, the Company follows the principles of transparency, disclosures, fairness, independent supervision, healthy competition, production of quality products and services, compliance with all relevant laws, rules and regulations and meeting social responsibility. It is believed that good Corporate Governance by the Company would protect and enhance the trust of shareholders, customers, suppliers, financiers, employees, government agencies and the society in the Company.

2. Board of Directors

The Board of Directors of the Company has combination of Executive and Non-Executive Directors. The Company has an Executive Chairman. As on 31st March, 2021, the board consists of 6 (Six) Directors, out of which 2 (Two) are Executive Directors and 4(Four) Non Executive, including a woman director. None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees, as specified in Regulation 26 of SEBI (LODR) Regulations, 2015, across all the Public Companies in which he/she is a Director.

Composition and Category of Directors along with changes during the year:

S. No.	Category	Name of Director
1	Promoter and Executive Director	Mr. Santosh Shahra
2	Executive Director	Mr. Manoj Khetan
3	Independent Directors	Mrs. Ankita Sethi Hansmukhdas Mr. Ashutosh Upadhyay Mr. Rajesh Nema Mr. Sumit Mittal*

* Mr. Sumit Mittal has been appointed as an Independent Director w.e.f 12th February, 2021.

The Board of Directors met 5 (five) times during the Financial Year 2020-21 on 31st July, 2020, 2nd September, 2020, 15th September, 2020, 10th November, 2020 and 12th February, 2021.



National Steel & Agro Industries Ltd.

The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. The Company placed before the Board most of the information specified in Part A of Schedule II to the SEBI (LODR) Regulations, 2015 from time to time. The Board periodically reviews compliance reports of all laws applicable to the Company. The Company takes effective steps to rectify instances of non-compliance, if any.

Attendance of Directors at the Meetings of Board of Directors held during the Financial Year 2020-21 and the last Annual General Meeting (AGM) held on 30th September, 2020, as also the number of Directorships and Committee positions held by them in other public limited companies as on 31st March, 2021 are given below:

Directorship/Committee Membership as on 31st March, 2021

Name of Director	No. of Board Meetings attended during 2020-21	Whether attended last AGM	No. of Directorships in other Public Companies	No. of Committee positions held in other Public Companies#		No. of shares held in NSAIL as on 31.03.21	List of Directorship held in other Listed Company and Category of Directorship
				as Chairman	as Member		
Mr. Santosh Shahra	4	Yes	1	-	1	1,00,55,257	Shreeyam Power and Steel Industries Limited, Non-Executive Director
Mr. Manoj Khetan	5	Yes	-	-	-	-	-
Mr. Rajesh Nema	5	Yes	1	-	-	-	-
Mr. Ashutosh Upadhyay	5	Yes	-	-	-	240	-
Mrs. Ankita Sethi Hasmukhdas	5	Yes	-	-	-	-	-
Mr. Sumit Mittal ¹	1	NA	-	-	-	-	-

Represents Chairmanships/Memberships of Audit Committee and Stakeholders Relationship Committee.

1. Mr. Sumit Mittal, has been appointed as an Independent Director w.e.f 12th February, 2021.

The Company has adopted the code of conduct for all Board Members and Senior Management Personnel. The Company has received confirmation from them regarding compliance of the Code during the year under review. The Code is posted on the website of the Company.

There are no relationships between the Directors of the Company, inter-se.

The details of familiarization programmes imparted to independent directors are available at the website of the Company.

(Web link: <http://www.nsail.com/Investor Zone / Disclosure / Familiarisation Programme>)



National Steel & Agro Industries Ltd.

Key Board Qualifications, Expertise and Attributes

The Board comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contribution to the Board and its committees.

In view of the objectives and activities of our Business, the Company requires skills/expertise/competencies in the areas of Leadership/Operational experience, Finance, Regulatory/Legal & Risk Management, Strategy, Technology, Sales & Marketing, Hospitality, Human Resources and Corporate Governance.

The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, diversity and independence required for it to function effectively. Further, their area of core expertise is given below:

S No.	Name of Director	Area of Expertise
1.	Mr. Santosh Shahra	<ul style="list-style-type: none"> Leadership/Operational experience Finance Regulatory/Legal Risk Management Strategy & Corporate Governance
2.	Mr. Manoj Khetan	<ul style="list-style-type: none"> Leadership/Operational experience Finance Regulatory/Legal Risk Management Strategy & Corporate Governance
3.	Mr. Rajesh Nema	<ul style="list-style-type: none"> Finance Leadership/Operational experience Risk Management Strategy & Corporate Governance
4.	Mr. Ashutosh Upadhyay	<ul style="list-style-type: none"> Finance Regulatory/Legal Risk Management Strategy & Corporate Governance
5.	Mrs. Ankita Sethi Hasmukhdas	<ul style="list-style-type: none"> Regulatory/Legal Risk Management Strategy & Corporate Governance
6.	Mr. Sumit Mittal	<ul style="list-style-type: none"> Legal Risk Management Strategy & Corporate Governance

Independent Directors

The Companies Act, 2013 and the Listing Regulations define an 'Independent Director' as a person who is not a promoter or employee or one of the key managerial personnel of the company or its



National Steel & Agro Industries Ltd.

subsidiaries. Further, the person should not have a material pecuniary relationship or transactions with the company or its subsidiaries, during the two immediate preceding financial years or during the current financial year, apart from receiving remuneration as an independent director

Every Independent Director, at the first meeting of the Board in which he / she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he / she meets the criteria of independence as provided under the law and that he / she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his / her ability to discharge his / her duties with an objective independent judgement and without any external influence.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the management.

3. Audit Committee

Your Company's Audit Committee has been constituted in accordance with the provisions of Regulation 18 of the SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013.

During the year under review, the Audit Committee met 4 (four) times on 31st July, 2020, 15th September, 2020, 10th November, 2020 and 12th February, 2021. The intervening gap between two meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

The Audit Committee comprises of below mentioned directors and their attendance was as under:

Name	Category	No. of Committee Meetings attended
Mr. Rajesh Nema, Chairman	Independent Director	4
Ms. Ashutosh Upadhyay	Independent Director	4
Mr. Santosh Shahra	Executive Director	3

The Audit Committee also invites such of the executives, as it considers appropriate, representatives of the Statutory Auditors and the representatives of the Internal Auditors.

The Company Secretary acts as the Secretary to all the Committees.

The terms of reference of the Audit Committee includes the matters specified in Part C Schedule II to the SEBI (LODR) Regulations 2015 and also as required under Section 177 of the Companies Act, 2013.

4. Nomination and Remuneration Committee

Your Company's Nomination and Remuneration Committee has been constituted in accordance with the provisions of Regulation 19 of the SEBI (LODR) Regulations, 2015 and Section 178 of the Companies Act, 2013.



National Steel & Agro Industries Ltd.

The Committee consists of 4 (Four) Directors. The Chairman of the Committee is an Independent Director. The Committee met 2 (Two) times during the year under review on 31st July, 2020 and 12th February, 2021. The attendance record of the members at the meeting is as under:

Name	Category	No. of Committee Meetings attended
Mr. Rajesh Nema, Chairman	Independent Director	2
Mr. Santosh Shahra	Executive Director	1
Mr. Ashutosh Upadhyay	Independent Director	2
Mrs. Ankita Sethi Hasmukhdas	Independent Director	2

Nomination and Remuneration Policy of the Company is available at the website www.nsail.com.

Performance Evaluation

Pursuant to the applicable provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, its Committees, the Chairman of the Company and the Directors on the basis of the feedback received from all the Directors of the Company.

Structured performance evaluation questionnaire were circulated to the Directors for:

- Directors' – Self & Peer Level Evaluation;
- Board's Evaluation;
- Board Committees' Evaluation; and
- Chairman's Evaluation.

The summary of rating given by all the directors on the structured performance evaluation was placed before the Board of Directors.

Details of Remuneration paid to Directors

During the Financial Year 2020-21, the Company paid to Non-executive Directors only sitting fee for attending Board and Committee Meetings.

Details of remuneration paid to Directors for the year ended 31st March, 2021 are as follows:



National Steel & Agro Industries Ltd.

(₹ in Lakhs)

Directors	Sitting Fees	Salary and perquisites	Total
Mr. Santosh Shahra	N.A.	Nil	Nil
Mr. Manoj Khetan	N.A.	Nil	Nil
Mr. Rajesh Nema	0.91	Nil	0.91
Mr. Ashutosh Upadhyay	0.89	Nil	0.89
Mrs. Ankita Sethi Hasmukhdas	0.55	Nil	0.55
Mr. Sumit Mittal	0.10	Nil	0.10

Service Contracts, Severance Fees and Notice Period

Period of Contract of Mr. Santosh Shahra – Executive Chairman and Mr. Manoj Khetan – Whole Time Director is three years w.e.f. 17th December, 2019 and 30th December, 2019 respectively, and the contract may be terminated by either party by giving six months' and three months' notice respectively. There is no separate provision for payment of severance fees.

Further, due to inadequate profit/loss in the company during the financial year 2020-21 the Company has not paid remuneration to directors as per their terms of appointment.

5. Stakeholders Relationship Committee

Your Company's Stakeholders Relationship Committee has been constituted in accordance with the provisions of Regulation 20 of the SEBI (LODR) Regulations, 2015 and Section 178 of Companies Act, 2013. The Committee consists of 3 (Three) Directors. The Chairman of the Committee is an Independent Director. The Committee met 2 (Two) times during the year under review on 31st July, 2020 and 12th February, 2021. The attendance record of the members at the meeting is as under:

Name	Category	No. of Committee Meetings attended
Mr. Rajesh Nema, Chairman	Independent Director	2
Mrs. Ankita Sethi Hasumukhdas	Independent Director	2
Mr. Santosh Shahra	Executive Director	1

The Committee looks into the redressal of stakeholders' grievances related to share transfer, transmission, issue of duplicate share certificates, non-receipt of annual report, etc.

Total numbers of complaints received during the year under review were three (3) as per details given in table below and all were solved to the satisfaction of the shareholders.



National Steel & Agro Industries Ltd.

Nature of Complaints	Complaints received from			Total No. of Complaints
	Shareholders	SEBI	Stock Exchange	
Non-receipt of Annual Report	-	-	-	-
Non-receipt of Share Certificates	-	-	-	-
Non-receipt of Dividend	2	-	-	2
Dematerialisation & Rematerialisation	-	-	-	-
Others	1	-	-	1
Total	3	-	-	3

Mr. Anurag Gangrade, Company Secretary of the Company is Compliance Officer.

6. Corporate Social Responsibility Committee

Your Company's Corporate Social Responsibility (CSR) Committee has been constituted in accordance with the provisions of Section 135 of Companies Act, 2013. The Terms of Reference and its composition are as under:

Brief description of Terms of Reference :

To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to Companies Act, 2013, recommend the amount of expenditure to be incurred on the activities referred to in CSR Policy of the Company, institute a transparent monitoring mechanism for implementation of the CSR projects or programmes or activities undertaken by the Company and monitor the CSR Policy of the Company from time to time.

The Committee consists of 3 (Three) Directors as under:

Name	Category
Mr. Santosh Shahra, Chairman	Executive Director
Mr. Rajesh Nema	Independent Director
Mr. Ashutosh Upadhyay	Independent Director

The Committee has not met during the year 2020-21.

7. Independent Directors' Meeting

During the year under review, the Independent Directors met on 31st July, 2020 inter alia, to:

- ♦ Review the performance of Non Independent Directors and the Board of Directors as a whole;



National Steel & Agro Industries Ltd.

- ◆ Review the performance of Chairperson of the Company, taking into account the views of the Executive and Non Executive Directors;
- ◆ Assess the quality, quantity and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

8. General Body Meetings

- (i) The venue and time of Annual General Meetings (AGM) held during the last three years were as follows:

Date	Time	Venue	Whether any Special Resolution(s) passed
28.09.2018 (32 nd AGM)	9:00 A.M.	Sai Palace Banquets, 2-3 Anand Nagar, Gtb Nagar Flank Road, Opposite Karmashetra Tower, Near Shanumukhanand Hall, Mumbai – 400037 (Maharashtra)	Yes
06.08.2019 (33 rd AGM)	9:30 A.M.	Sai Palace Banquets, 2-3 Anand Nagar, Gtb Nagar Flank Road, Opposite Karmashetra Tower, Near Shanumukhanand Hall, Mumbai – 400037 (Maharashtra)	No
30.09.2020 (34 th AGM)	5:00 P.M.	Video conferencing (VC)/Other Audio Visual Means (OAVM)	Yes

- (ii) Postal Ballot :

No special resolution was passed through Postal Ballot during the Financial Year 2020-21.

9. Disclosures

- a) **Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large:**

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (LODR) Regulations, 2015 during the financial year were in the ordinary course of business and on arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the year under review which were in conflict with the interest of the Company. The Board has approved a policy for related party transactions which has been uploaded on the Company's website.



National Steel & Agro Industries Ltd.

- b) **Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years**

S. No.	Particulars	Action taken by the Company
Details of Non-Compliances during the year review		
1.	Non- Compliance under Regulation 17 of SEBI (LODR), Regulations, 2015.	The Company has duly complied with the provisions of the Regulation 17 w.e.f 12 th February, 2021.
Details of Non-Compliances and penalties levied during F.Y. 2019-20		
1.	Non- Compliance under Regulation 17, Regulation 19 and Regulation 21 of SEBI (LODR), Regulations, 2015.	The Company has duly complied with the provisions of the Regulation 17, Regulation 19 and Regulation 21 w.e.f 30 th May, 2019
2.	Non- Compliance under Regulation 18 and Regulation 20 of SEBI (LODR), Regulations, 2015.	The Company has duly complied with the provisions of the Regulations 18 and Regulation 20 w.e.f 13 th May, 2019.
3.	Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015.	The Company has adopted Code at its Board Meeting held on 30 th May, 2019.
Details of Penalties		
1.	Penalty of ₹ 2,54,880/- imposed by BSE limited and National Stock Exchange of India Limited (NSE) respectively for non- compliance of Regulation 17, Regulation 18, Regulation 19 , Regulation 20 and Regulation 21 SEBI (LODR), Regulations, 2015.	The Company made the payment of total penalties of ₹ 2,54,880/- to BSE and NSE respectively on 27 th August, 2019.
Details of Non-compliance and penalties levied during F.Y. 2018-19		
1.	Non- Compliance under Regulation 17, Regulation 18, Regulation 19, Regulation 20 of SEBI (LODR), Regulations, 2015.	Due to resignation of all the independent Directors, the Composition of Board, Audit Committee, Nomination & Remuneration Committee, Stakeholder Relationship Committee. However, the Composition was duly met after the appointments.
Details of Penalties/strictures imposed by Stock Exchanges		
1.	Penalties imposed by BSE limited and National Stock Exchange of India Limited respectively for non- compliance of Regulation 33 of SEBI (LODR), Regulations, 2015. Further, the BSE Limited and NSE had shifted the script of the Company to Z group.	The Company has made the payment of penalties to BSE Limited and NSE respectively. Further, after acknowledgment of the payment of penalties, the script of the Company was again shifted to B Group.



National Steel & Agro Industries Ltd.

- c) **Whistle Blower policy and affirmation that no personnel has been denied access to the audit committee:**

The Company has Whistle Blower Policy and the same has been uploaded at the website of the Company. No personnel of the Company have been denied access to the audit committee.

- d) **Details of compliance with mandatory requirements and adoption of the non- mandatory requirements:**

The Company has complied with the mandatory requirements expect as mentioned in the Directors Report and has also adopted some of the non- mandatory requirements as stipulated under the SEBI (LODR) Regulations, 2015.

- e) **Web link where policy for determining 'material' subsidiaries is disclosed:**

The Company does not have any subsidiary.

- f) **Web link where policy on dealing with related party transactions is disclosed:**

<http://www.nsail.com/Investor Zone / Policies / Related Party Policy>

- g) **Disclosure of commodity price risks and commodity hedging activities:**

The Company is engaged in imports and exports commodities. However due to NPA, the Company could not hedge the import and export contracts. Accordingly, the risks of adverse rate movement exist.

- h) **Disclosures of relationships between Directors inter-se:**

None of the Directors have any relation inter-se.

- i) **Details of utilization of funds raised through preferential allotment or qualified institutions placement :** Not Applicable

- j) **Remuneration to Statutory Auditors**

Details relating to fees paid to the Statutory Auditors are given in Note No. 27 to the Financial Statements.

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

The details of number of complaints filed and disposed of during the year and pending as on March 31, 2021 is given in the Directors' report.

- l) **Regulations for Prevention of Insider Trading:**

In terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted the Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insider for its Directors, Officers and Specified Employees.

Mr. Anurag Gangrade, Company Secretary is the Compliance Officer under the said Code.

- m) **The disclosures of the compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (LODR) Regulations, 2015 :**

The Company has complied with the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 except as mentioned in the Director report.



National Steel & Agro Industries Ltd.

n) **Reconciliation of Share Capital Audit**

A qualified Practicing Company Secretary carries out Share Capital Audit to reconcile the total admitted Capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total Issued and listed equity share capital. The audit 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.

10. **Means of Communication**

♦ **Quarterly Results**

The Company's Quarterly Results are submitted to the Stock Exchanges, published in newspapers and also displayed on the Company's website.

♦ **Newspaper wherein Results normally published in**

Active Times and Mumbai Lakshdweep (Mumbai)

♦ **Any website, where displayed**

www.nsail.com

♦ **Whether it also displays official news release**

No

♦ **The presentations made to institutional investors or to the analysts**

No such occasion arose during the year under review.

11. **General Shareholder Information**

a) **Financial Year** : 1st April to 31st March.

b) **Listing of Equity Shares on Stock Exchanges and Stock Codes :**

The equity shares of the Company are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

<u>STOCK EXCHANGE</u>	<u>STOCK CODE</u>
National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra East, Mumbai - 400051	NATNLSTEEL
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	513179
The Listing Fee for the financial year 2020-21 has been paid to NSE and BSE.	

c) **Corporate Identification Number (CIN) the Company** : L27100MH1985PLC140379.



National Steel & Agro Industries Ltd.

d) Market Price Data :

The High & Low price of the Company's share during each month is as under :

Month	SHARE PRICE (BSE)		BSE SENSEX	
	High (₹)	Low (₹)	High	Low
April, 2020	1.74	1.27	33887.25	27500.79
May, 2020	2.10	1.48	32845.48	29968.45
June, 2020	4.24	2.20	35706.55	32348.10
July, 2020	4.45	2.07	38617.03	34927.20
August, 2020	3.81	2.06	40010.17	36911.23
September, 2020	4.53	3.53	39359.51	36495.98
October, 2020	4.20	2.79	41048.05	38410.20
November, 2020	4.61	2.52	44825.37	39334.92
December, 2020	5.15	2.90	47896.97	44118.10
January, 2021	4.50	3.05	50184.01	46160.46
February, 2021	5.56	3.25	52516.76	46433.65
March, 2021	5.46	3.80	51821.84	48236.35

Month	SHARE PRICE (NSE)		NSE NIFTY	
	High (₹)	Low (₹)	High	Low
April, 2020	1.55	1.10	9889.05	8055.80
May, 2020	2.60	1.60	9598.85	8855.30
June, 2020	4.10	2.50	10553.15	9706.95
July, 2020	4.30	2.20	11341.40	10299.60
August, 2020	3.60	2.00	11794.25	10882.25
September, 2020	4.65	2.95	11618.10	10790.20
October, 2020	3.35	2.30	12025.45	11347.05
November, 2020	4.40	2.45	13145.85	11557.40
December, 2020	5.10	2.95	14024.85	12962.80
January, 2021	4.60	3.00	14753.55	13817.55
February, 2021	5.55	3.35	15431.75	13661.75
March, 2021	5.35	3.65	15336.30	14414.25



National Steel & Agro Industries Ltd.

e) Share Price Performance in comparison to broad based indices - BSE Sensex and NSE Nifty :

	1 st April, 2020	31 st March, 2021	% Change
Company Share Price (BSE) (₹)	1.33	4.28	221.80
Company Share Price (NSE) (₹)	1.15	3.65	217.40
BSE Sensex	28,265.31	49,509.15	75.16
NSE Nifty	8,253.80	14,690.17	77.99

f) Registrar and Transfer Agent :

Sarthak Global Limited, 170/10 R.N.T. Marg, Film Colony, Indore –452 001 (M.P.)

Phone No. : +91-731-2523545, 2526388, Fax No. : +91-731-2526388

Email ID : sgl@sarthakglobal.com

g) Share Transfer System :

As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from, April 1, 2019, except in case of request received for transmission or transposition and relogged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. 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 dematerialised form.

Share transactions in electronic form can be effected in a much simpler and faster manner. After a confirmation of a sale / purchase transaction from the broker, shareholders should approach the Depository Participant ('DP') with a request to debit or credit the account for the transaction. The DP will immediately arrange to complete the transaction by updating the account.

Shareholders should communicate with Sarthak Global Limited, the Company's Registrars and Transfer Agent ('RTA') quoting their folio number or Depository Participant ID ('DP ID') and Client ID number, for any queries relating to their securities.

h) Distribution of Shareholding as on 31st March, 2021

Slab of Shareholding	Shareholders	%	in Lakhs	%
1 - 250	17,670	64.90	207.80	4.67
251 - 500	5,030	18.50	195.75	4.40
501 - 1,000	2,300	8.45	190.53	4.28
1,001 - 2,000	1,079	3.96	170.05	3.82
2,001 - 3,000	383	1.40	99.79	2.24
3,001 - 4,000	160	0.59	57.45	1.29
4,001 - 5,000	163	0.60	77.27	1.74
5,001 - 10,000	242	0.89	177.11	3.98
10,001 and above	209	0.77	3,274.24	73.58
Total	27,236	100.00	4,450.00	100.00



National Steel & Agro Industries Ltd.

Categories of Shareholders as on 31st March, 2021

	Category	No. of Shares held	% of Shareholding
A.	Promoters' holding		
1	Promoters	2,21,84,963	49.85
	Sub Total (1)	2,21,84,963	49.85
B.	Non Promoters' holding		
1	Institutional Investors		
a.	Mutual Funds and UTI	49,200	0.11
b.	Banks, Financial Institutions, Insurance Companies (Central/State Govt. / Non-Govt. Institutions)	400	0.00
	Sub Total (2)	49,600	0.11
C	Others		
a.	Private Corporate Bodies	30,28,639	6.81
b.	Indian Public	1,79,62,645	40.36
c.	NRIs	5,57,614	1.25
d.	Clearing Members	18,912	0.04
e.	Hindu Undivided Family	6,97,627	1.57
	Sub Total (3)	2,22,65,437	50.04
	Grand Total (1+2+3)	4,45,00,000	100.00

i) Dematerialisation of shares and liquidity :

4,10,16,592 Equity Shares of the Company representing 92.17% of the Company's Share Capital are dematerialised as on 31st March, 2021 as compared to 4,10,08,942 Equity Shares 92.15% as on 31st March, 2020 with NSDL and CDSL (ISIN Code : INE 088B01015).

The Company's equity shares are regularly traded on the National Stock Exchange of India Ltd. and BSE Limited, in dematerialised form.

j) Outstanding GDRs/ADRs/Warrant or any convertible instruments conversion date and likely impact on equity : Nil

k) Plant Location : Village Sejwaya, Tehsil Dhar, District Dhar (M.P.)

l) Registered Office : 621, Tulsiani Chambers, Nariman Point, Mumbai - 400 021 (MH)

m) Address for Correspondence

(i) Investor Correspondence

For Shares held in Physical and Demat Form

Sarthak Global Limited

Unit : National Steel and Agro Industries Limited

170/10 R.N.T. Marg, Film Colony, Indore - 452 001 (M.P.)

Phone No. : +91-731-2523545, 2526388, Fax No. : +91-731-2526388



National Steel & Agro Industries Ltd.

Investors may lodge complaint at

Email ID: investor_relations@nsail.com

(ii) Administrative Office

National Steel and Agro Industries Limited

401, Mahakosh House, 7/5 South Tukoganj, Nath Mandir Road, Indore – 452 001 (M.P.)

Phone No. : +91-731-4017409, 4017410, Fax No. : +91-731-2516714

Email ID : nsail_indore@nsail.com

- n) **list of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year:** The Company has obtained credit rating in respect of its bank borrowing. The rating is IND-D. Further, there has been no revisions in the rating during the year.

13. Executive Director and CFO Certification

The Executive Director and CFO of the Company give quarterly/annual certification on financial reporting and internal controls to the Board in terms of Regulation 17 of SEBI (LODR) Regulations, 2015.

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND
SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT**

This is to confirm that the Company has adopted Code of Conduct for its Directors and Senior Management Personnel and the same has been posted on the Company's website.

I confirm that the Company has in respect of the Financial Year ended 31st March, 2021, received from the members of the Board and Senior Management Personnel a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Personnel means those who are of the rank of General Manager and above including all functional heads.

Santosh Shahra
Executive Chairman

Place : Indore
Date : 30th June, 2021



National Steel & Agro Industries Ltd.

CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

To

The Members,

National Steel and Agro Industries Limited

(L27100MH1985PLC140379)

621, Tulsiani Chambers,

Nariman Point,

Mumbai-400021

I have examined the compliance of conditions of Corporate Governance by **National Steel and Agro Industries Limited** (hereinafter called the Company), for the year ended on 31st March, 2021 as specified in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraph C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended for the period from 1st April 2020 to 31st March, 2021.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. My examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring 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 my opinion and to the best of my information and according to the explanations given to me, I report that the Company has complied with the conditions of Corporate Governance *except*:

- i. The Company came under Top 2000 listed entity determined on the basis of market capitalization at NSE as at the end of the immediate previous financial year, which required Company to have atleast six directors on the Board of the Company. However the board of director of the Company comprises of five directors from the period 01st April, 2020 to 11th February, 2021. Further, the Company appointed Mr. Sumit Mittal as an Additional Director in Independent Category on 12th February, 2021. Hence the composition of Board of Directors of the Company was duly met after such appointment.

I further 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.

Place : Indore

Dated : 30th June, 2021

Ashish Garg
Practicing Company Secretary
FCS No. : 5181
C.P. No. : 4423
PR : 568/2018
UDIN : F005181C000551353



National Steel & Agro Industries Ltd.

CERTIFICATE

[Pursuant to Regulation 34(3) and sub-clause (i) of clause (10) of Paragraph C of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
National Steel and Agro Industries Limited
(L27100MH1985PLC140379)
621, Tulsiani Chambers,
Nariman Point,
Mumbai-400021

I have examined the relevant registers, returns and records maintained by National Steel and Agro Industries Limited ("the Company") having CIN L27100MH1985PLC140379 and registered office at 621, Tulsiani Chambers, Nariman Point, Mumbai-400021, forms and disclosures received from the Directors of the Company, produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with sub-clause (i) of clause (10) of Paragraph C of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications {including Directors' Identification Number (DIN) status at the portal www.mca.gov.in} as considered necessary and explanations furnished to me by the Company and its Officers, I certify that none of the Directors on the Board of the Company for the Financial year ended on 31st March 2021, has been debarred or disqualified from being appointed or continuing as Director of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory Authority. Ensuring eligibility for appointment / continuity of every director on the Board is the responsibility of the management of the Company.

My responsibility is to express an opinion on these based on my 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.

Place : Indore
Dated : 30th June, 2021

Ashish Garg
Practicing Company Secretary
FCS No. : 5181
C.P. No. : 4423
PR : 568/2018
UDIN: F005181C000551386



National Steel & Agro Industries Ltd.

INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF NATIONAL STEEL AND AGRO INDUSTRIES LIMITED
REPORT ON THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS**

OPINION

We have audited the standalone financial statements of **National Steel and Agro Industries Limited**, ("the company"), which comprise the balance sheet as at 31st March 2021, the statement of profit and loss, including statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 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 March 31, 2021, its loss, changes in equity and in cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as 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 Standalone Ind AS 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 audit opinion on the Standalone Ind AS financial statements.

Emphasis Of Matter

1. We draw attention to Note 29 to the Ind AS financial statements. The Company has accumulated secured debts (inclusive of interest & net of payment) amounting to ₹ 1,456.43 crores which was classified as Non-Performing Assets (NPA) by the banks.
2. One of the lenders has declared Company and its Directors as Willful Defaulter. Two lender banks have issued notices to the Company and its Directors with intent to classify them as "Willful Defaulter". The Company and its Directors have respectively replied to the said notices.
3. One of the financial creditors had filed petition before National Company Law Board (NCLT) under Insolvency and Bankruptcy Code (IBC), for which Company has adopted legal recourse. Some of the Operational Creditors has filed petition before National Company Law Board (NCLT) / Supreme Court under Insolvency and Bankruptcy Code (IBC), for which Company has adopted legal recourse.
4. IDBI Bank Limited, State Bank of India, Union Bank of India (Earlier Andhra Bank), Central Bank of India and Bank of Maharashtra (collectively hereinafter referred as "Banks") through joint assignment agreement, assigned its debts extended to the Company to JM Financial Asset Reconstruction Company Limited ("JMFARC") along with all underlying securities, rights, title and interest thereof on 31st March, 2021.

Our opinion is not qualified on these matters.



National Steel & Agro Industries Ltd.

Material Uncertainty Related to Going Concern

We draw attention to Note 30 of the financial statement, regarding preparation of financial statements on going concern basis, which states that the Company has incurred losses during the year, its liabilities exceeded total assets and its net worth has been fully eroded as on 31st March 2021. As stated, these events and conditions, along with other matters, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Our opinion is not modified in this regard.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the Standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Ind AS financial statements.

Key Audit Matters	How our audit addressed the Key Audit Matters
Expected Credit Loss <i>(As described in Point No. VI e of note 1 of the standalone Ind AS financial statements)</i>	
<p>The Company determines expected credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions.</p> <p>The Company considered current and anticipated future economic conditions and effect from the pandemic relating to COVID - 19. We identified expected credit losses as a key audit matter because the Company exercises significant judgment in calculating the same.</p>	<p>Our audit procedures related to verification of expected credit losses for trade receivables included the following, among others:</p> <p>We tested the effectiveness of controls over the</p> <ol style="list-style-type: none"> (1) development of the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions (2) completeness and accuracy of information used in the estimation of probability of default and



National Steel & Agro Industries Ltd.

Key Audit Matters	How our audit addressed the Key Audit Matters
	<p>(3) Computation of the allowance for credit losses based on the age wise details of trade receivables provided to us.</p> <p>(4) We tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company.</p>
<p>Provisions and contingent liabilities relating to taxation, litigations and claims</p> <p>The provisions and contingent liabilities relate to ongoing litigations and claims with various authorities and third parties. These relate to direct tax, indirect tax, claims, general legal proceedings, and other eventualities arising in the regular course of business.</p> <p>As at the year ended 31 March 2021, the amounts involved are significant. The computation of a provision or contingent liability requires significant judgment by the Company because of the inherent complexity in estimating future costs. The amount recognised as a provision is the best estimate of the expenditure. The provisions and contingent liabilities are subject to changes in the outcomes of litigations and claims and the positions taken by the Company. It involves significant judgment and estimation to determine the likelihood and timing of the cash outflows and interpretations of the legal aspects, tax legislations and judgments previously made by authorities.</p>	<p>Our audit procedures included:</p> <p>(1) Understanding the process followed by the Company for assessment and determination of the amount of provisions and contingent liabilities relating to taxation, litigations and claims.</p> <p>(2) Evaluating the design and implementation and testing operating effectiveness of key internal controls around the recognition and measurement of provisions and reassessment of contingent liabilities.</p> <p>(3) Involving our tax professionals with specialised skills and knowledge to assist in the assessment of the value of significant provisions and contingent liabilities relating to taxation matter, on sample basis, in light of the nature of the exposures, applicable regulations and related correspondence with the authorities.</p> <p>(4) Inquiring the status in respect of significant provisions and contingent liabilities with the Company's internal tax and legal team, including challenging the assumptions and critical judgments made by the Company which impacted the computation of the provisions and inspecting the computation.</p>



National Steel & Agro Industries Ltd.

Key Audit Matters	How our audit addressed the Key Audit Matters
	<p>(5) Assessing the assumptions used and estimates of outcome and financial effect, including considering judgment of the Company, supplemented by experience of similar decisions previously made by the authorities and, in some cases, relevant opinions given by the Company's advisors.</p> <p>(6) Testing data used to develop the estimate for completeness and accuracy.</p> <p>(7) Evaluating judgments made by the Company by comparing the estimates of prior year to the actual outcome.</p> <p>Assessing the Company's disclosures in the standalone financial statements in respect of provisions and contingent liabilities.</p>

We have determined that there are no other key audit matters to communicate in our report.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREUPON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report 2020-21, but does not include the Standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the Standalone Ind AS 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 standalone Ind AS financial statements, our responsibility is to read the other information and in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS 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.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate



National Steel & Agro Industries Ltd.

accounting records in accordance with the provisions of the Act for safeguarding of 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF STANDALONE IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS 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 Standards on Auditing (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 Standalone Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the Standalone Ind AS 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 with reference to Standalone Ind AS financial statements of the Company 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



National Steel & Agro Industries Ltd.

to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS 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 Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS 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 Standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e. On the basis of the written representation received from the directors as on March 31, 2021 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 Companies Act, 2013.



National Steel & Agro Industries Ltd.

-
- f. With respect to the adequacy of the internal financial controls with reference to Standalone Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-B" to this report.
- g. In our opinion, no managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors. Therefore, the provisions of Section 197 read with Schedule V to the Act are not applicable.
- g. 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 financial statements – Refer Note 31 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no amount that is required to be transferred to the Investor Education and Protection Fund by the Company.
-

For **Fadnis & Gupte**
Chartered Accountants
FRN-006600C

CA Vikram Gupte
(Partner)

Membership No. 074814
UDIN: 21074814AAAAEG4591

Place : Indore
Dated : 30th June, 2021



National Steel & Agro Industries Ltd.

ANNEXURE A TO THE AUDITORS' REPORT

As referred to in our Independent Auditor's Report of even date to the members of National Steel and Agro Industries Limited for the year ended March 31, 2021

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment.
- (b) As informed and explained to us, the management, during the year, has physically verified the items of the property, plant and equipment of the company at reasonable interval and no significant discrepancies were noticed on such physical verification.
- (c) 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 are held in the name of the Company.
- (ii) As informed and explained to us the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification needs to be strengthened in view of the nature & size of the business. No material discrepancies were noticed on such physical verification.
- (iii) As explained to us, the Company has 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 Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) According to the information and explanations given to us, the company has not accepted any deposits under sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (vii) (a) According to the books of accounts and records examined by us as per the generally accepted auditing practices in India, in our opinion, the company has been regular in depositing undisputed statutory dues. According to the information and explanations given to us, there were no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income tax, Sales Tax, Customs Duty, Excise Duty, Service Tax, Cess and other material statutory dues which have remained outstanding 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, there are no dues of income-tax, service-tax and goods and service tax, which have not been deposited on account of any dispute except as mentioned below: -



National Steel & Agro Industries Ltd.

Statement of Disputed Dues

Name of Statute	Period to which Dispute Relates	Amount Disputed (₹)	Forum where the dispute is pending
Differential Excise Duty	2018-19	4,63,09,420/-	Customs Excise and Service Tax Appellate Tribunal, New Delhi
Central Excise Duty	2020-21	3,02,81,875/-	Principal Commissioner, Ujjain
Export Shipping Bill	2016-17	1,02,50,000/-	Customs Excise and Service Tax Appellate Tribunal, Mumbai
Import Duty	2016-17	1,92,99,130/-	Customs Excise and Service Tax Appellate Tribunal, Ahmedbad
SDA Refund	2013-14	6,48,119/-	Customs Excise and Service Tax Appellate Tribunal, Mumbai
Import Duty	2012-13	47,48,458/-	Customs Excise and Service Tax Appellate Tribunal, Mumbai
SDA Refund	2009-10	1,38,07,709/-	Customs Excise and Service Tax Appellate Tribunal, Mumbai
Commercial Tax	2004-05	5,19,604/-	M.P. Commercial Tax Appellate Board, Bhopal
Commercial Tax	2005-06	18,68,541/-	M.P. Commercial Tax Appellate Board, Bhopal
Entry Tax	2004-05	50,47,197/-	M.P. High Court Jabalpur, Indore bench
Income Tax (Ground of Appeal)	2010-11	42,32,291/-	Commissioner of Income Tax Appeal, Mumbai
Income Tax (Ground of Appeal)	2011-12	1,18,30,313/-	Commissioner of Income Tax Appeal, Mumbai



National Steel & Agro Industries Ltd.

- (viii) The Company has defaulted in repayment of loans or borrowings to banks/ financial institution as at balance sheet date as mentioned below;

Name of the Bank	Amount of Default as at Balance Sheet Date (Including Interest) (in Crores)	Period of Default
Oriental Bank of Commerce	119.39	Since 25.06.2018
Bank of India	158.81	Since 02.07.2018
United Bank of India	48.82	Since 21.05.2018
Punjab National Bank	113.26	Since 13.07.2018
M/s. JM Financial AR Company Limited	1,016.14	(Refer Clause 3 of EOM)

- (ix) Paragraph 3(ix) of the Order is not applicable to the Company in respect of initial public offer or further public offer.
- (x) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year under audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, owing to continuous losses the Company has not paid/provided for managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion, the company is not a chit fund or a Nidhi mutual benefit fund/ society. Therefore, the provisions of clause (xii) of Para 3 of the said order are not applicable to the company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.



National Steel & Agro Industries Ltd.

-
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.
-

For **Fadnis & Gupte**
Chartered Accountants
FRN-006600C

Place : Indore
Dated : 30th June, 2021

CA Vikram Gupte
(Partner)
Membership No. 074814
UDIN: 21074814AAAAEG4591



National Steel & Agro Industries Ltd.

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 2(f) of the Independent Auditors' Report of even date to the members of National Steel & Agro Industries Limited on the Standalone Financial Statements as of and for the year ended 31st March, 2021

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

We have audited the internal financial controls with reference to Standalone Financial Statements of **National Steel and Agro Industries Limited**, ("the Company"), as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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 over financial reporting 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 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 standalone 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 standalone 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 control system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone 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 standalone financial statements, whether due to fraud or error.



National Steel & Agro Industries Ltd.

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 standalone financial statements.

Meaning of Internal Financial Controls over Financial Reporting with reference to financial statements

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 standalone 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 the transactions are recorded as necessary to permit preparation of Ind AS 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 with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to **standalone financial statements were operating effectively as at 31st March 2021**, based on the internal control over financial reporting 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.

For **Fadnis & Gupte**
Chartered Accountants
FRN-006600C

Place : Indore
Dated : 30th June, 2021

CA Vikram Gupte
(Partner)
Membership No. 074814
UDIN: 21074814AAAAEG4591



National Steel & Agro Industries Ltd.

BALANCE SHEET AS AT 31ST MARCH, 2021

	Note No.	As at 31.03.2021 (₹ in Lakhs)	As at 31.03.2020 (₹ in Lakhs)
1 ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	2	45,619.63	50,282.03
(b) Other Intangible Assets	2	51.96	60.47
(c) Financial Assets			
(i) Investments	3	96.06	46.37
(ii) Other Financial Assets	3(a)	369.03	445.55
(d) Other Non-Current Assets	4	597.35	420.49
Total Non-Current Assets		46,734.03	51,254.90
2 CURRENT ASSETS			
(a) Inventories	5	6,968.18	8,316.10
(b) Financial Assets			
(i) Trade Receivables	6	263.01	5,224.53
(ii) Cash and Cash Equivalents	7	632.21	645.57
(iii) Bank Balance Other than (ii) above	8	273.53	86.45
(c) Other Current Assets	9	6,164.03	5,678.76
Total Current Assets		14,300.96	19,951.41
Total Assets		61,034.99	71,206.32
1 EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	10	4,450.00	4,450.00
(b) Other Equity	11	(1,30,008.20)	(1,06,322.70)
Total Equity		(1,25,558.20)	(1,01,872.70)
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	4,546.30	4,133.00
(b) Provisions	13	612.50	124.24
(c) Deferred Tax Liabilities (Net)	14	2,908.25	5,013.33
Total Non-Current Liabilities		8,067.05	9,270.57
2 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	1,45,642.64	1,29,748.27
(ii) Trade Payables	16		
(A) Total outstanding dues of Micro & Small Enterprises		409.74	632.50
(B) Total outstanding dues Other than Micro & Small Enterprises		18,493.17	20,142.20
(iii) Other Financial Liabilities	17	12.54	12.55
(b) Other Current Liabilities	18	13,735.66	13,172.17
(c) Provisions	19	232.39	100.76
Total Current Liabilities		1,78,526.14	1,63,808.45
Total Equity and Liabilities		61,034.99	71,206.32

Summary of Significant Accounting Policies and notes to account

1 to 46

The accompanying notes are integral part of the Financial Statements

As per our report of even date attached

For and on behalf of the Board of Directors

For Fadnis & Gupte
Chartered Accountants
FRN-006600C

Manoj Khetan
Whole Time Director and CFO
DIN - 06395265

Santosh Shahra
Executive Chairman
DIN - 00305846

CA Vikram Gupte
Partner
Membership No. 074814

Anurag Gangrade
Company Secretary
Membership No. FCS 9187

Rajesh Nema
Independent Director
DIN - 00275815

Place : Indore
Dated : 30th June, 2021

Place : Indore
Dated : 30th June, 2021



National Steel & Agro Industries Ltd.

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

		Year ended 31.03.2021 (₹ in Lakhs)	Year ended 31.03.2020 (₹ in Lakhs)
	Note No.		
REVENUE			
I Revenue from Operations	20	1,57,847.94	1,30,932.95
II Other Income	21	827.12	1,594.51
III Total Income		1,58,675.06	1,32,527.46
IV EXPENSES			
Cost of Materials Consumed	22	1,35,787.09	1,16,112.94
Change in Inventories of Finished Goods, WIP and Stock in Trade	23	903.93	(2,505.02)
Employee Benefits Expense	24	3,292.87	3,163.28
Finance Costs	25	19,757.84	18,241.83
Depreciation and Amortisation Expense	26	4,870.49	4,864.46
Other Expenses	27	19,334.82	16,377.20
Total Expenses (IV)		1,83,947.04	1,56,254.69
V Profit Before Tax		(25,271.98)	(23,727.23)
VI Tax Expenses			
(1) Income Tax		---	12.79
(2) Deferred Tax		(2,531.90)	5,343.19
VII Profit/(Loss) for the period from Operations (V-VI)		(22,740.09)	(29,083.21)
VIII Other Comprehensive Income			
(A) Items that will not be reclassified to profit or loss			
(i) Re-measurement gains/(loss) on defined benefit plans (net of taxes)	28	(518.59)	(37.65)
IX Total Comprehensive Income for the Year		(23,258.68)	(29,120.86)
X Earning per Equity Share of Face Value ₹ 10 each			
Basic and Diluted (in ₹)	45	(51.10)	(65.36)
Summary of Significant Accounting Policies and notes to account	1 to 46		

The accompanying notes are integral part of the Financial Statements

As per our report of even date attached

For and on behalf of the Board of Directors

For **Fadnis & Gupte**
Chartered Accountants
FRN-006600C

Manoj Khetan
Whole Time Director and CFO
DIN - 06395265

Santosh Shahra
Executive Chairman
DIN - 00305846

CA Vikram Gupte
Partner
Membership No. 074814

Anurag Gangrade
Company Secretary
Membership No. FCS 9187

Rajesh Nema
Independent Director
DIN - 00275815

Place : Indore
Dated : 30th June, 2021

Place : Indore
Dated : 30th June, 2021



National Steel & Agro Industries Ltd.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021
(Indirect Method set out in Ind As -7 Statement of Cash Flows)

	Year ended 31.03.2021 (₹ in Lakhs)	Year ended 31.03.2020 (₹ in Lakhs)
A. Cash Flow Operating Activities :		
a) Net Profit/(Loss) before Tax & Extra Ordinary Items	(25,271.98)	(23,727.24)
Adjustment for :		
Depreciation	4,870.49	4,864.46
Interest Expenses	19,757.84	18,241.83
Fair Value (gain)/loss on Investment	(49.71)	47.39
Interest & Dividend Income	(14.38)	(33.11)
Loss/(Profit) on Sale of Property, Plant and Equipment	(1.06)	(50.97)
	(708.79)	(657.64)
b) Operating Profit before Working Capital Changes		
Adjustment for :		
Trade and other Receivables	4,961.52	4,199.98
Inventories	1,347.92	(558.45)
Other Current Assets	(485.27)	272.66
Other Bank Balances	(187.08)	(59.43)
Other Financial Assets	76.52	(101.56)
Other Non Current Assets	(176.86)	(5.66)
Trade Payable	(1,871.80)	694.76
Other Current Liability	563.49	(183.45)
Provisions	101.31	24.78
Other Financial Liabilities	(0.02)	(0.04)
	4,329.74	4,283.59
	3,620.95	3,625.96
c) Cash Generated from Operations		
Income Tax	---	(12.79)
d) Cash Flow before Extra Ordinary Items	3,620.95	3,613.16
Net Cash Flow from Operating Activities	3,620.95	3,613.16
B. Cash Flow from Investing Activities :		
Interest received	14.38	33.11
Purchase of Tangible Assets	(182.21)	(48.64)
Purchase of Intangible Assets	(25.50)	(58.08)
Sale of Tangible Assets	9.19	120.50
Net Cash Flow Used in Investing Activities	(184.14)	46.89
C. Cash Flow from Financing Activities :		
Interest on Debt Component of CFI	413.30	1,310.11
Repayment of Long Term Borrowings	---	---
Net proceeds from Other Borrowings	---	---
Borrowings	15,894.37	13,143.63
Adjustment for unpaid interest	(19,757.84)	(18,241.83)
Net Cash Flow Used in Financing Activities	(3,450.17)	(3,788.09)
D. Net increase/ (decrease) in Cash and Cash equivalent (A+B+C)	(13.37)	(128.03)
Cash and Cash equivalent at the beginning of the year	645.57	773.61
Cash and Cash equivalent at the end of the year	632.21	645.57
	(13.37)	(128.03)

As per our report of even date attached

For and on behalf of the Board of Directors

For Fadnis & Gupte
Chartered Accountants
FRN-006600C

Manoj Khetan
Whole Time Director and CFO
DIN - 06395265

Santosh Shahra
Executive Chairman
DIN - 00305846

CA Vikram Gupte
Partner
Membership No. 074814

Anurag Gangrade
Company Secretary
Membership No. FCS 9187

Rajesh Nema
Independent Director
DIN - 00275815

Place : Indore
Dated : 30th June, 2021

Place : Indore
Dated : 30th June, 2021



National Steel & Agro Industries Ltd.

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

(a) Equity Share Capital

(₹ in Lakhs)

Balance as at 01.04.2019	Change during the FY 2019-20	Balance as at 31.03.2020	Change during the FY 2020-21	Balance as at 31.03.2021
4,450.00	-	4,450.00	-	4,450.00

(b) Other Equity

Reserve & Surplus

(₹ in Lakhs)

	Capital Reserve	Securities premium	Equity Component of Compound Financial Instrument	General Reserve	Surplus/ (deficit) in the statement of profit and loss	Total
Balance as at March 31, 2019	32.67	5,957.34	-	1,099.58	(86,969.55)	(79,879.96)
Add: Profit/(Loss) for the year	-	-	-	-	(29,083.22)	(29,083.22)
Add: Actuarial gain on Defined benefit	-	-	-	-	(37.65)	(37.65)
Add: Amount transferred Compound Financial Instruments	-	-	2,678.13	-	-	2,678.13
Balance as at March 31, 2020	32.67	5,957.34	2,678.13	1,099.58	(1,16,090.41)	(1,06,322.70)
Add: Addition during the year	-	-	-	-	-	-
Add: Profit/(Loss) for the year	-	-	-	-	(22,740.09)	(22,740.09)
Add: Actuarial gain on Defined benefit	-	-	-	-	(518.59)	(518.59)
Less: Deferred Tax Liability	-	-	(426.82)	-	-	(426.82)
Balance as at March 31, 2021	32.67	5,957.34	2,251.30	1,099.58	(1,39,349.09)	(1,30,008.20)

As per our report of even date attached

For and on behalf of the Board of Directors

For Fadnis & Gupte
Chartered Accountants
FRN-006600C

Manoj Khetan
Whole Time Director and CFO
DIN - 06395265

Santosh Shahra
Executive Chairman
DIN - 00305846

CA Vikram Gupte
Partner
Membership No. 074814

Anurag Gangrade
Company Secretary
Membership No. FCS 9187

Rajesh Nema
Independent Director
DIN - 00275815

Place : Indore
Dated : 30th June, 2021

Place : Indore
Dated : 30th June, 2021



National Steel & Agro Industries Ltd.

SIGNIFICANT ACCOUNTING POLICIES

I. Corporate Information :

National Steel and Agro Industries Limited is a public limited company and has steadily grown to become a Goliath during this time, it has built an installed capacity of around 3,30,000 TPA galvanised steel. Having registered office at Mumbai, it holds a pioneering position in the steel industry. It manufactures steel from central India. An ISO 9001: 2008 & 14001: 2004 certified company, NSAIL is primarily known for its flat steel products (Cold Rolled Coil, Galvanised Corrugated Sheets, Colour Coil & Pre-painted Profile sheets etc.).

II. Statement of Compliance of Indian Accounting Standards (Ind AS)

The Company has prepared and presented the financial statements for the year ended 31st March 2021, together with the comparative period information as at and for the year ended March 31, 2020, in accordance with Indian Accounting Standards (Ind AS) as per Companies (Indian Accounting Standards) Rules, 2015, and Companies (Indian Accounting Standards) Amendment Rules, 2016, notified, under Section 133 of Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

III. Functional and Presentation Currency

These financial statements are presented in Indian Rupees (INR.), which is also the Company's functional currency.

IV. Basis of Preparation and Presentation

The financial statements have been prepared on the basis of going concern under the historical cost basis convention using the accrual method of accounting except for certain financial assets and liabilities and defined benefit plan assets measured at fair value.

The company has consistently applied the accounting policies to all periods presented in these financial statements.

Historical cost measures provide monetary information about assets, liabilities and related income and expenses, using information derived, at least in part, from the price of the transaction or other event that gave rise to them. Unlike current value, historical cost does not reflect changes in values, except to the extent that those changes relate to impairment of an asset or a liability becoming onerous.

Fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and



National Steel & Agro Industries Ltd.

- Level 3 inputs are unobservable inputs for the asset or liability.

V. Summary of Significant Accounting Policies

A) Property, Plant and Equipment (PPE)

(i) Recognition and Measurement

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Machinery spares that meet the recognition criteria of PPE are capitalized and depreciated over the useful life of the principal item of the asset.

Spare parts procured along with the Plant & Machinery or subsequently which meet the recognition criteria, are capitalised and added in the carrying amount of the asset of such item. The carrying amount of those spare parts that are replaced is derecognised when no future economic benefit are expected from their use or upon disposal. Other machinery spares are treated as stores & spares forming part of inventories.

(ii) Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred.

(iii) De-recognition

An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the item. Any gain or loss arising on disposal or retirement of item of PPE is determined as the difference between the sale proceeds and the carrying amount of the item and is recognized in the statement of profit and loss in the period in which the PPE is derecognized.

(iv) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment on estimated residual values over their estimated useful lives of PPE. The management has evaluated that the useful life is in conformity with the useful life as prescribed in Schedule II of the Companies Act, 2013, and therefore such prescribed useful life has been considered by applying the straight-line method. Each part of an item of Property, Plant & Equipment with a cost that is significant in relation to the total cost of the item is depreciated separately based on its' useful life.

The depreciation for each year is recognised in the Statement of Profit & Loss unless it is included in the carrying amount of another asset.

- (v)** The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and, if expectations differ from previous estimates, the changes are accounted for as change in an accounting estimate.



National Steel & Agro Industries Ltd.

B) Intangible Assets

(i) Acquired intangible

Intangible Assets that are acquired by the company are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortization /depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, and adjustments arising from exchange rate variations attributable to the intangible assets.

(ii) Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

(iii) Derecognition

Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

(iv) Amortisation

Intangible assets which are finite are amortized on a straight-line basis over their estimated useful lives. The residual value of such intangible assets is assumed to be zero. An intangible asset with an indefinite useful life is tested for impairment by comparing its recoverable amount with its carrying amount (a) annually and (b) whenever there is an indication that the intangible asset may be impaired. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

(v) The management has assessed the useful life of software's classified as other intangible assets as three years.

(vi) The amortisation period and the amortisation method for intangible asset with a finite useful life are reviewed at each financial year end. If the expected useful of such asset is different from the previous estimates, the changes are accounted for as change in an accounting estimate.

C) Capital Work-in-Progress

(i) Expenditure incurred on assets under construction (including a project) is carried at cost under Capital Work-in Progress. Such costs comprise purchase price of asset including import duties and non-refundable taxes after deducting trade discounts and rebates and costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(ii) Cost directly attributable to projects under construction, net of income earned during such period, include costs of employee benefits, expenditure in relation to survey and investigation



National Steel & Agro Industries Ltd.

activities of the projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, professional fees, expenditure on maintenance and upgradation, among others of common public facilities, depreciation on assets used in construction of project, interest during construction and other costs if attributable to construction of projects. Such costs are accumulated under 'Capital Work-in-Progress' and subsequently allocated on systematic basis over major assets, other than land and infrastructure facilities, on commissioning of projects.

- (iii) Capital Expenditure incurred for creation of facilities, over which the Company does not have control but the creation of which is essential principally for construction of the projects is capitalised and carried under 'Capital work –in- Progress' and subsequently allocated on systematic basis over major assets, other than land and infrastructure facilities, on commissioning of projects, keeping in view the 'attributability' and the 'Unit of Measure' concepts in Ind-AS16- 'Property, Plant & Equipment'. Expenditure of such nature incurred after completion of the project, is charged to Statement of Profit & Loss.

D) Research and Development Expenditure

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are charged to the Statement of Profit and Loss unless the following characteristics are demonstrated;

- i. The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- ii. Its intention to complete the intangible asset and use or sell it.
- iii. Its ability to use or sell the intangible asset.
- iv. The intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset.
- v. The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- vi. Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

E) Finance Cost

- i. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.
- ii. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.
- iii. All other borrowing costs are expensed in the period in which they occur.



National Steel & Agro Industries Ltd.

F) Investment Property

Investment property is the property either to earn rental income or for capital appreciation or for both but not for sale in ordinary course of business, use in production or supply of goods or services or for administrative purpose. Investment properties are measured initially at cost, including transaction costs.

Investment properties are derecognized either upon disposal or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in statement of profit and loss in the period in which the property is derecognized.

G) Foreign Currency Transactions

- i. Transactions denominated in foreign currencies; are normally recorded at the exchange rate prevailing on the date of transaction. Monetary items denominated in foreign currencies at the year-end are re-measured at the exchange rate prevailing on the reporting date.
- ii. Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income (OCI) or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).
- iii. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalised as cost of assets.

H) Derivatives

The company holds derivative financial instruments in the form of Forward Contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparties for these contracts are banks.

Although these derivatives constitute hedges from an economic perspective, they do not qualify for hedge accounting under Ind AS 109 and consequently are categorized as financial assets or liabilities at fair value through profit or loss. The resulting exchange gain or loss are included in other income and attributable transaction costs are recognized in Statement of profit or Loss when incurred.

I) Inventories

- i. Items of Inventories are measured at lower of cost and net realizable value after providing for obsolescence and damage, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs incidental to purchase in bringing them to their respective present location and condition.



National Steel & Agro Industries Ltd.

- ii. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The scrap is valued at Net Realisable Value (NRV).
- iii. The cost formulas used is First in First Out (FIFO) in case of raw material, ancillary raw material, stores and spares, packing materials, trading and other products.

J) Revenue Recognition

i). Sale of goods

The Company derives revenues primarily from sales of Cold Rolled Coil, Galvanised Coil and Colour Coated Coils and Sheets.

As per the provisions of Ind AS 115 Revenue from Contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods.

Revenue is recognised when control of the goods has been transferred at a point in time i.e. when goods have been delivered to the specific location (delivery). Following delivery, the customer has full discretion over the responsibility, manner of distribution, price to sell the goods and bears the risk of obsolescence and loss in relation to the goods.

A receivable is recognised by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The Company considers the effects of variable consideration the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Revenue from operations includes sale of goods and services adjusted for discounts (net). Revenue from exports benefits measured at the fair value of consideration received or receivable net of returns and allowances, cash discounts, trade discounts and volume rebates.

Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed.

ii). Interest Income

Interest income from a financial asset is recognised using effective interest method.

iii). Dividend income

Dividend income is recognised when the Company's right to receive the payment has been established, which is generally when shareholders approve the dividend.

iv). Insurance Income

Insurance claims are accounted for on the basis of claims admitted /expected to be admitted to the extent there is no uncertainty in receiving the claims.

v). Other Operating Income

Export incentives receivable are accounted for when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection of export proceeds.



National Steel & Agro Industries Ltd.

vi). Transmission Line Sales

The project division of Company execute the EPC (Engineering, Procurement & Construction) projects with Government PSU's Company like IOCL, OIL, RITES & State Electricity Board etc. The revenue is recognised in two stages :

- a. On supply of equipments :-Percentage of total contract revenue.
- b. On erection and commissioning:- Total revenue as per contract.

vii). Job Work Sales The Income from job work sales are recognised in the Statement of Profit and Loss upon transfer of control of the goods to the customer.

viii). Trade Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (o) Financial instruments – initial recognition and subsequent measurement.

ix). Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Costs to fulfil a contract i.e. freight, insurance and other selling expenses are recognised as an expense in the period in which related revenue is recognised.

K) Leases

- i. The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets are 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.
- ii. The Company measures the lease liability 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.
- iii. For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.



National Steel & Agro Industries Ltd.

L) Employee Benefit Expenses

(i) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and are recognized in the statement of Profit and Loss as an expense at the undiscounted amount on an accrual basis.

These benefits include compensated absences such as paid annual leave and performance incentives which are expected to occur within twelve months after the end of the period in which the employee renders the related services.

The cost of compensated absences is accounted as under:

- a) In case of accumulated compensated absences, when employees render service that increase their entitlement of future compensated absences, and
- b) In case of non-accumulating compensated absences, when the absences occur.

(ii) Post employment benefits

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined benefits Plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligations are determined using actuarial valuations. 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, mortality rates and future pension increases. 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.

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees. The gratuity fund has been approved by respective Indian Income Tax authorities.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.



National Steel & Agro Industries Ltd.

M) Income Taxes

Income tax expense comprises of current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognized in statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

(i) Current Taxes

Current tax is measured at the amount expected to be paid/recoverable to/from the tax authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance Sheet date. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(ii) Deferred Tax

Deferred Income tax assets are the amounts of income taxes recoverable in future periods in respect of: (a) deductible temporary differences; (b) the carry forward of unused tax losses; and (c) the carry forward of unused tax credits.

Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognized if there is virtual certainty that sufficient future taxable income will be available to realize the same.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized.

Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

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.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable Company, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.



National Steel & Agro Industries Ltd.

(iii) Uncertain Tax Position

Accruals for uncertain tax positions require management to make judgments of potential exposures. Accruals for uncertain tax positions are measured using either the most likely amount or the expected value amount depending on which method the entity expects to better predict the resolution of the uncertainty. Tax benefits are not recognised unless the management based upon its interpretation of applicable laws and regulations and the expectation of how the tax authority will resolve the matter concludes that such benefits will be accepted by the authorities. Once considered probable of not being accepted, management review each material tax benefit and reflects the effect of the uncertainty in determining the related taxable amounts.

N) Provisions, Contingent Liabilities and Contingent Assets

- (i) Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, if 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. Such provisions are determined based on management estimate of the amount required to settle the obligation at the Balance Sheet date. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset only when the reimbursement is certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement, if any.
- (ii) 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.
- (iii) Contingent liabilities are disclosed on the basis of judgment of management. These are reviewed at each Balance Sheet date and are adjusted to reflect the current management estimate.
- (iv) Contingent assets are not recognised in the financial statements. A contingent asset is disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually and, if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

O) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjusting for the effects of all potential dilutive ordinary shares.

P) Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to revenue, it



National Steel & Agro Industries Ltd.

is recognized in the statement of profit and loss on a systematic basis over the periods to which they relate. When the grant relates to an asset, it is treated as deferred income and recognized in the statement of profit and loss on a systematic basis over the useful life of the asset.

Q) Statement of Cash flow

Cash flows are reported using the indirect method, whereby profit/loss for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows.

The cash flows from operating, investing and financing activities of the Company are segregated. The company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

R) Financial Instruments

A contract is recognised as a financial instrument that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

(i) Financial Assets

Initial Recognition and Measurement

All financial assets are recognized initially at fair value, transaction costs that are attributable to the acquisition or issue of the financial asset which are not at fair value through profit or loss adjusted to fair value on initial recognition.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

Subsequent Measurement

For the purpose of subsequent measurement financial assets are classified into three broad categories:

Financial assets carried 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.

Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI 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 at fair value through profit or loss (FVTPL)

A financial asset not classified as either amortised cost or FVTOCI, is classified as FVTPL. Investment in Equity shares & Mutual Funds etc., are classified at fair value through the Statement of Profit and Loss.



National Steel & Agro Industries Ltd.

(ii) Investment in Subsidiaries, Associates and Joint Ventures

The Company has elected to measure investment in subsidiaries, joint venture and associate at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

(iii) Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

(iv) Impairment of financial assets

In accordance with Ind AS 109, the Company applies 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

The twelve months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within twelve months after the reporting date);

or

Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed.

For other assets, the Company uses twelve-month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

(b) Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognised at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

Subsequent measurement

Financial liabilities are carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.



National Steel & Agro Industries Ltd.

(c) Derecognition of financial instruments

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. A financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

(d) Compound Financial Instruments:- Instruments that have the features of both a Financial Liability as well as Equity instrument are recognised as a Compound Financial Instrument and are accounted based on split method of accounting.

(e) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

S) Impairment of Non – Financial Assets

- (i) The carrying amounts of the Company's tangible and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.
- (ii) The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit for which the estimates of future cash flows have not been adjusted. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").
- (iii) An impairment loss is recognised in the profit or loss if the estimated recoverable amount of an asset or its cash generating unit is lower than its carrying amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the other assets in the unit on a pro-rata basis.
- (iv) In respect of other asset, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.



National Steel & Agro Industries Ltd.

T) Operating cycle

The Company presents assets and liabilities in the Balance Sheet based on current / non-current classification based on its operating cycle. The Company has identified twelve months as its operating cycle.

A. An asset is treated as current when it is:

- a. Expected to be realised or intended to be sold or consumed in normal operating cycle;
- b. Held primarily for the purpose of trading;
- c. Expected to be realised within twelve months after the reporting period, **or**
- d. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

B. A liability is current when:

- a. It is expected to be settled in normal operating cycle;
- b. It is held primarily for the purpose of trading;
- c. It is due to be settled within twelve months after the reporting period, **Or**
- d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

VI. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

The preparation of the financial statements in conformity with the Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and the accompanying disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The Management has considered the possible effects of global pandemic Covid-19 while preparing the Financial Statements (Ref. Note 33)

a. Revenue Recognition

The Company's contracts with customers include promises to transfer goods to the customers. Judgement is required to determine the transaction price for the contract.

The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as schemes, incentives and cash discounts, among others. Estimates of rebates and discounts are sensitive to changes in circumstances and the



National Steel & Agro Industries Ltd.

Company's past experience regarding returns and rebate entitlements may not be representative of customers' actual returns and rebate entitlements in the future.

b. Depreciation / amortisation and useful lives of property plant and equipment / intangible assets

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded at each year end. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods are revised if there are significant changes from previous estimates.

c. Impairment of Financial Assets

The impairment provision of financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgments in making assumptions and selecting the inputs to the impairment calculation, based on the Companies past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

d. Impairment of non-financial assets

The Company assesses the chances of an asset getting impaired on each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

e. Recoverability of Trade Receivable

Judgments are required in the assessing the recoverability of trade receivables and determining provision against those receivables. The management assesses the credibility of the counterparty, the amount and timing for the future payments and provides for the provision based on the expected credit loss model as defined under IndAs-109.



National Steel & Agro Industries Ltd.

f. Measurement of Fair Values

The Company's accounting policies and disclosures require the measurement of fair values for both financial assets and liabilities.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ♦ In the principal market for the asset or liability, or
- ♦ In the absence of a principal market, in the most advantageous market for the assets or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels described below. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and lowest priority to unobservable inputs (Level 3 inputs).

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

g. Provisions

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.



National Steel & Agro Industries Ltd.

Notes on financial statement for the year ended 31st March, 2021

NOTE 2. Property, Plant & Equipment and Other Intangible Assets As at 31st March'2021 (₹ in Lakhs)

S. No.	Particulars	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
		Op. Balance As at 01.04.2020	Addition during the year	Deduction during the year	Total Gross Block As at 31.03.2021	Up to 31.03.2020	For the year	Deduction	Up to 31.03.2021	As on 31.03.2021	As on 31.03.2020
2.1	Property, Plant & Equipment										
2.1.1	Own Assets										
	Free Hold Land	3,025.68	-	-	3,025.68	-	-	-	-	3,025.68	3,025.68
	Building	15,854.37	-	-	15,854.37	4,490.80	543.56	-	5,034.36	10,820.01	11,363.57
	Plant & Machinery	76,365.78	120.09	2.60	76,483.27	40,589.89	4,277.29	2.47	44,864.71	31,618.56	35,775.88
	Furniture & Fixtures	355.86	-	-	355.86	345.79	0.25	-	346.04	9.81	10.06
	Vehicles	214.10	45.53	36.47	223.15	126.62	4.20	28.47	102.35	120.81	87.48
	Office Equipments	190.51	12.09	-	202.60	180.18	6.75	-	186.94	15.66	10.32
	Computer	441.99	4.51	-	446.50	432.96	4.43	-	437.39	9.11	9.03
2.1.2	Right of the Assets										
	Land	-	-	-	-	-	-	-	-	-	-
	Total (A)	96,448.28	182.21	39.07	96,591.42	46,166.24	4,836.48	30.94	50,971.79	45,619.63	50,282.03
2.2	Other Intangible Assets										
	Computer Software	429.25	25.50	-	454.75	368.78	34.01	-	402.79	51.96	60.47
	Total (B)	429.25	25.50	-	454.75	368.78	34.01	-	402.79	51.96	60.47
	Grand Total (A+B)	96,877.53	207.71	39.07	97,046.17	46,535.03	4,870.49	30.94	51,374.58	45,671.59	50,342.50

Note :

- Term loans from financial institutions are secured by way of first mortgage of all immovable properties and hypothecation of all the company's movables (save and except book debts and stock) including movable machinery, spares and tools both present and future ranking pari-passu inter-se subject to prior charge created/to be created in favour of the Banks/Financial Institutions on specified movable assets for securing borrowing for working capital requirements and personal guarantee of the Executive Chairman.
- The entire Property, Plant & equipment of the Company are having second charge for the working capital loan availed by the Company.

Property, Plant & Equipment and Other Intangible Assets As at 31st March'2020

(₹ in Lakhs)

S. No.	Particulars	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
		Op. Balance As at 01.04.2019	Addition during the year	Deduction during the year	Total Gross Block As at 31.03.2020	Up to 31.03.2019	For the year	Deduction	Up to 31.03.2020	As on 31.03.2020	As on 31.03.2019
2.1	Property, Plant & Equipment										
2.1.1	Own Assets										
	Free Hold Land	3,025.68	-	-	3,025.68	-	-	-	-	3,025.68	3,025.68
	Building	15,854.37	-	-	15,854.37	3,947.19	543.61	-	4,490.80	11,363.57	11,907.18
	Plant & Machinery	76,341.12	34.56	9.90	76,365.78	36,323.27	4,276.03	9.41	40,589.89	35,775.88	40,017.85
	Furniture & Fixtures	355.74	0.12	-	355.86	345.55	0.24	-	345.79	10.06	10.18
	Vehicles	239.40	-	25.30	214.10	137.22	5.27	15.87	126.62	87.48	102.18
	Office Equipments	183.12	7.38	-	190.51	175.33	4.86	-	180.18	10.32	7.80
	Computer	439.70	6.58	4.29	441.99	417.45	19.58	4.08	432.96	9.03	22.25
2.1.2	Right of the Assets										
	Land	122.39	-	122.39	-	55.80	7.20	62.99	-	-	66.59
	Total (A)	96,561.52	48.64	161.88	96,448.28	41,401.80	4,856.79	92.35	46,166.24	50,282.03	55,159.72
2.2	Other Intangible Assets										
	Computer Software	371.17	58.08	-	429.25	361.12	7.67	-	368.78	60.47	10.06
	Total (B)	371.17	58.08	-	429.25	361.12	7.67	-	368.78	60.47	10.06
	Grand Total (A+B)	96,932.69	106.72	161.88	96,877.53	41,762.92	4,864.46	92.35	46,535.03	50,342.50	55,169.78



National Steel & Agro Industries Ltd.

	(₹ in Lakhs)	
	As at	As at
	31.03.2021	31.03.2020
NOTE 3. INVESTMENTS		
(3.1) Investment in Equity Shares Measured at FVTPL QUOTED		
In other entities (full paid up)		
a. 2,075 Equity Shares of Ruchi Soya Industries Ltd. of ₹ 2/- each (Previous year 2,075 Equity Shares of ₹ 2/- each)	13.31	3.54
b. 1,00,000 Equity Shares of Anik Industries Limited of ₹ 10/- each (Previous year 1,00,000 Equity Shares of ₹ 10/- each)	14.40	6.35
c. 31,360 Equity Shares of IDBI Bank Limited of ₹ 10/- each (Previous year 31,360 Equity Shares of ₹ 10/- each)	12.09	6.05
d. 15,444 Equity Share of State Bank of India of ₹ 1/- each (Previous year 15,144 Equity Shares of ₹ 1/- each)	56.27	30.42
TOTAL	96.07	46.36
(3.2) Aggregate amount of quoted investment	96.07	46.36
(3.2.1) Market value of quoted investment	96.07	46.36
(3.2.2) Aggregate amount of unquoted investment	Nil	Nil
(3.2.3) Aggregate amount of impairment in value of investment	Nil	Nil
NOTE 3(a). OTHER FINANCIAL ASSETS		
(i) Security Deposits (Unsecured considered goods)	369.03	445.55
TOTAL	369.03	445.55
NOTE 4. OTHER NON-CURRENT ASSETS		
(4.1) Capital Advance (Unsecured considered goods)	86.25	110.83
(4.2) Advances other than capital advances		
(i) Security Deposits (Unsecured considered good)	76.23	76.45
(ii) TDS Receivable	434.87	233.21
TOTAL	597.35	420.49
NOTE 5. INVENTORIES		
(5.1) Inventories		
Raw Materials	2,707.94	3,066.83
Finished Goods	2,825.04	3,608.92
Work in Progress	377.62	541.09
Stores and Spares and Consumables	480.92	526.42
Store and Spares Consumable (Goods in Transit)	-	39.60
Scrap	576.66	533.24
TOTAL	6,968.18	8,316.10



National Steel & Agro Industries Ltd.

(₹ in Lakhs)

	As at 31.03.2021	As at 31.03.2020
--	---------------------	---------------------

(5.2) Inventories are valued at cost or net realisable value whichever is lower. The cost formulas used are First -in-First Out ('FIFO') for Raw Material, Ancillary Raw Material and Stores & Spares. The cost of inventories comprises all cost of purchase including duties and taxes (other than those subsequently recoverable from the taxing authorities), conversion cost and other costs incurred in bringing the inventories to their present location and condition.

(5.3) The carrying amount of inventory hypothecated for working capital facilities is ₹ 6,968.18 lakhs (Previous year ₹ 8,316.10 lakhs) refer note no.15.

NOTE 6. TRADE RECEIVABLES

(6.1) Unsecured Considered Good	14,872.62	14,423.68
(6.2) Doubtful having significant increase in credit risk	4,905.42	5,373.37
(Includes ₹ 18.22 Crores (Previous year ₹ 18.22 Crores) due from Shreeyam Power & Steel Industries Ltd.) (Refer Note no.37)		
TOTAL	19,778.04	19,797.05
Less: Impairment Provision	19,515.03	14,572.52
(Includes ₹ 18.22 Crores (Previous year ₹ 18.22 Crores) due from Shreeyam Power & Steel Industries Ltd.)(Refer Note no.37)		
TOTAL	263.01	5,224.53

The provision for impairment of trade receivable has been made on the basis of Expected Credit Loss Method and other cases based judgement made by the management. To the extent of impairment provision, the trade receivables have been classified as doubtful and the remaining have been considered as good.

NOTE 7. CASH AND CASH EQUIVALENTS

(7.1) Cash and Cash Equivalents

Cash in hand	4.21	7.01
--------------	-------------	------

(7.2) Balances with Banks

In Current accounts	628.00	638.56
TOTAL	632.21	645.57

NOTE 8. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Balances held as Margin Money with Banks	50.00	-
Balance in lien/earmarked accounts	223.53	86.45
TOTAL	273.53	86.45

NOTE 9. OTHER CURRENT ASSETS

(9.1) (Unsecured, considered goods)

Advances other than capital advances		
Advance to Suppliers	1,393.17	701.18
Doubtful having significant increase in credit risk	440.86	440.86
TOTAL	1,834.03	1,142.04



National Steel & Agro Industries Ltd.

	(₹ in Lakhs)	
	As at 31.03.2021	As at 31.03.2020
Less: Impairment of Advances	4.40.86	440.86
Net Advances to Suppliers	1,393.17	701.18
(9.2) Advances to Employee	15.39	6.36
(9.3) Prepaid Expenses	80.86	37.32
(9.4) Balances with Govt. Authorities	4,674.62	4,933.90
TOTAL	6,164.04	5,678.76

NOTE 10. EQUITY SHARE CAPITAL

Authorised :

5,95,00,000 Equity Shares of ₹ 10 each with voting rights	5,950.00	5,950.00
(Previous Year 5,95,00,000 Equity Shares of ₹ 10 each)	5,950.00	5,950.00

Issued :

4,45,00,000 Equity Shares of ₹ 10 each with voting rights	4,450.00	4,450.00
(Previous Year 4,45,00,000 Equity Shares of ₹ 10 each)	4,450.00	4,450.00

Subscribed and fully Paid up :

4,45,00,000 Equity Shares of ₹ 10 each with voting rights	4,450.00	4,450.00
(Previous Year 4,45,00,000 Equity Shares of ₹ 10 each)	4,450.00	4,450.00
TOTAL	4,450.00	4,450.00

Note (10.1) The details of Shareholders holding more than 5% Shares :

Class of Shares / Name of Shareholder	As at 31.03.2021		As at 31.03.2020	
	No. of Shares	%	No. of Shares	%
		held		held
Equity Shares				
Mr. Santosh Shahra	1,00,55,257	22.60	1,00,55,257	22.60
APL International Private Limited	29,57,700	6.65	29,57,700	6.65
NSIL Infotech Limited	41,35,900	9.30	41,35,900	2.33

(10.2) Reconciliation of Number of Shares :

Particulars	As at 31.03.2021	As at 31.03.2020
	No. of Shares	No. of Shares
Equity Shares		
Shares at the beginning of the year	4,45,00,000	4,45,00,000
Add - Shares issued during the year	---	---
Shares at the end of the year	4,45,00,000	4,45,00,000



National Steel & Agro Industries Ltd.

(₹ in Lakhs)

As at
31.03.2021 As at
31.03.2020

(10.3) Terms/rights to shareholder

1. The Company has issued Equity shares with voting rights only of face value of Rs. 10 each and each share carries right to one vote.
2. Liquidation : In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion of shareholding
3. In the view of accumulated, losses no dividend is proposed during the year.

NOTE 11. OTHER EQUITY

(11.1) Capital Reserve(Capital Subsidy)

Balance as per last Financial statement	32.67	32.67
Add: Addition during the year	-	-
Less:deduction during the year	-	-
Balance at End of the Year	32.67	32.67

(11.2) Securities Premium

Balance as per last Financial Statement	5,957.34	5,957.34
Add: issued during the year	-	-
Less:Redeemed during the year	-	-
Balance at End of the Year	5,957.34	5,957.34

(11.3) Equity Component of Compound Financial Instrument

Balance as per last Financial Statement	2,678.13	-
Add: Addition during the year	-	2,678.13
Less:Deferred Tax Liability Recognised of Compound Financial Instrument	426.82	-
Balance at End of the Year	2,251.30	2,678.13

(11.4) General Reserve

Balance as per last Financial Statement	1,099.58	1,099.58
Add: Addition during the year	-	-
Less:Deduction during the year	-	-
Balance at End of the Year	1,099.58	1,099.58

(11.5) Surplus/(Deficit) as per Statement of Profit and Loss

Balance as per last Financial Statement	(1,16,090.41)	(86,969.55)
Add: Net Profit/(Net Loss) For the current year	(22,740.09)	(29,083.22)
Add: Other Comprehensive Income /(Loss) during the Year.		
-Re-measurement gains/ (loss) on defined benefit plans (net of taxes)	(518.59)	(37.65)
	(1,39,349.09)	(1,16,090.41)
TOTAL (11.1+11.2+11.3+11.4+11.5)	(1,30,008.20)	(1,06,322.70)



National Steel & Agro Industries Ltd.

(₹ in Lakhs)

As at
31.03.2021 As at
31.03.2020

(11.6) Purpose of each reserve within Equity

Capital Reserve: The Capital Reserve represents the Capital Subsidy in the nature of promoters contribution. At the time of transition to Ind AS, it has not been considered as a part of retained earnings and has been considered as a separate category of equity under the head Capital Reserve.

Securities Premium : Securities premium is used to record premium received on issue of shares. The reserve will be used in accordance with the provisions of Companies Act, 2013.

General Reserve: The General reserve has been created out of retained earnings of the Company and is available for any purpose.

NOTE 12. BORROWINGS - NON CURRENT

Unsecured

Debt Component of Compound Financial Instrument	2,822.89	2,822.89
Interest on Debt Component of Compound financial Instrument	1,723.41	1,310.11
TOTAL	4,546.30	4,133.00

NOTE 13. PROVISIONS

(13.1) Provision for compensated absences Long Term (Refer current Portion of provision in note no. 19)	112.20	72.39
(13.2) Provision for Gratuity	500.31	51.85
TOTAL	612.50	124.24

NOTE 14. DEFERRED TAX LIABILITY (NET)

The Movement of Deferred Tax account is as follows

Deferred Tax Liabilities	26,199.39	25,901.51
MAT Credit Entitlement	(329.87)	(329.87)
Deferred Tax Assets	(22,961.27)	(20,558.32)
(For movement refer Note No. 41)		
Net Deferred Tax (Assets)/Liability	TOTAL 2,908.25	5,013.33

NOTE 15. BORROWINGS - CURRENT

Loan from Banks

(15.1) Loan repayable on demand - Secured

(15.1.1) From Banks

- Working Capital Loan	39,034.13	1,10,297.53
- Term Loan	-	587.93
- Interest accrued and due	31,266.41	18,862.81

(15.1.2) From Others

	<u>75,342.09</u>	<u>-</u>
TOTAL	1,45,642.64	1,29,748.27



National Steel & Agro Industries Ltd.

(₹ in Lakhs)

As at
31.03.2021 As at
31.03.2020

(15.2) Loans from bank for working capital are secured by hypothecation of company's entire stocks of raw materials, stock in process, finished goods, stores & spares, stock in transit, other current assets and second charge over entire fixed assets of the company ranking pari-passu inter-se and personal guarantee of the Executive Chairman.

Nature of security : Term loans from /Bank are secured by way of first mortgage of all immovable properties and hypothecation of all the company's movables (save and except book debts and stock) including movable machinery, spares and tools both present and future ranking pari-passu inter-se subject to prior charge created/to be created in favour of the Banks/Financial Institutions on specified movable assets for securing borrowing for working capital requirements and personal guarantee of the Executive Chairman.

Personal guarantee of Promoters/Executive Chairman has been given for borrowings of the Company for which no compensations is paid.

The Term Loans and Working Capital Loans sanctioned by Banks/Financial Institutions have been recalled on account of default in repayment of loans and interest. The same have been classified under Short Term Borrowings.

(15.3) Period and amount of default alongwith interest: (₹ in Crores)

Particular/ Period Outstanding	Default Amount	Interest
Oriental Bank of Commerce - Since 25.06.2018	92.29	27.10
Bank of India - Since 02.07.2018	114.34	44.47
United Bank of India - Since 21.05.2018	36.15	12.67
Punjab National Bank - Since - 13.07.2018	77.02	36.24
M/s JM Financial AR Company Limited	753.42	262.72

(15.4) (IDBI Bank, State Bank of India (SBI), Central Bank of India, Bank of Maharashtra and Union Bank of India by joint assignment agreement, has assigned its loan extended to the Company to M/S JM Financial Asset Reconstruction Company Limited (JMFARC) on 31st March'2021) along with all underlying securities, rights, title, and interest thereof {Refer note 29(d)}.

NOTE 16. TRADE PAYABLES

(16.1) Total Outstanding dues of micro & small enterprises	409.74	632.51
(16.2) Total Outstanding dues of creditors other than micro & small enterprises	18,493.17	20,142.20
TOTAL	18,902.91	20,774.71

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2021 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.



National Steel & Agro Industries Ltd.

(₹ in Lakhs)

	As at 31.03.2021	As at 31.03.2020
i) Principal amount and interest due there on remaining unpaid to any supplier covered under MSMED Act		
Principal	409.74	632.51
Interest	110.69	27.94
ii) The amount of interest credit by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	---	---
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	110.69	27.94
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	110.69	27.94
v) The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance expenditure under section 23 of MSMED Act, 2006	---	---

NOTE 17. OTHER FINANCIAL LIABILITIES

Unpaid Interim Equity Dividend	12.54	12.56
TOTAL	12.54	12.56

NOTE 18. OTHER CURRENT LIABILITIES

(18.1) Advances from customers	10,109.55	9,952.19
(18.2) Sundry Creditors for Capital Goods	58.96	112.36
(18.3) Others		
(i) Statutory Dues Payable	3,140.23	3,062.24
(ii) Interest Payable to MSME Suppliers	110.69	27.94
(iii) Other Payable	11.73	17.43
(iv) Other Interest Payable	304.50	---
TOTAL	13,735.66	13,172.17



National Steel & Agro Industries Ltd.

(₹ in Lakhs)

	As at 31.03.2021	As at 31.03.2020
--	---------------------	---------------------

NOTE 19. PROVISIONS

Provision for employee benefits

(19.1)	Provision for compensated absences	181.51	86.16
(19.2)	Provision for other employee benefits	50.89	14.60
	TOTAL	232.39	100.76

(₹ in Lakhs)

	Year ended 31.03.2021	Year ended 31.03.2020
--	--------------------------	--------------------------

NOTE 20. REVENUE FROM OPERATIONS

	1,44,826.63	1,25,999.47
Sale of Products		
	7,913.21	784.69
Sale of Services		
	5,108.10	4,148.79
Other operating revenues		
TOTAL	1,57,847.94	1,30,932.95

Detail of revenue from operations

(20.1) Sale of Products

(a)	Manufactured Goods	1,44,617.88	1,25,309.37
(b)	Sale of Power	11.68	95.17
(c)	Transmission Line-Sales	197.08	594.93
	TOTAL (a+b+c)	1,44,826.63	1,25,999.47

(20.2) Sale of Services:

Job Work Charges Received	7,913.21	784.69
---------------------------	----------	--------

(20.3) Other Operating Revenues

Miscellaneous Sales	183.31	71.42
Duty drawback and other export incentives	-	2.92
Sale of Scrap	4,924.79	4,074.75
TOTAL	5,108.10	4,148.79



National Steel & Agro Industries Ltd.

	(₹ in Lakhs)	
	Year ended 31.03.2021	Year ended 31.03.2020
NOTE 21. OTHER INCOME		
Other non-operating Income	63.76	36.45
Creditors write back	113.19	813.85
Dividend on 4% Cumulative Preference Shares Written Back	---	660.12
Interest Received	14.38	33.11
Net Gain on Fair Value of Investment	49.71	---
Net Gain on Foreign Currency transactions and translation	585.02	---
Profit/(Loss) on sale of fixed assets	1.06	50.97
TOTAL	827.12	1,594.51
NOTE 22. COST OF MATERIALS CONSUMED		
Opening Stock	3,066.83	5,108.21
Add: Purchases	1,35,428.20	1,14,071.56
	1,38,495.03	1,19,179.77
Less: Closing Stock	2,707.94	3,066.83
Cost of Materials Consumed	1,35,787.09	1,16,112.94
TOTAL	1,35,787.09	1,16,112.94
NOTE 23. CHANGE IN INVENTORIES OF FINISHED GOODS, WIP AND TRADED GOODS		
Closing Stock		
Finished Goods	2,825.04	3,608.92
Work in Progress	377.62	541.09
Scrap and Waste	576.66	533.24
TOTAL	3,779.32	4,683.26
Opening Stock		
Finished Goods	3,608.92	1,817.75
Work in Progress	541.09	222.87
Scrap and Waste	533.24	137.62
TOTAL	4,683.26	2,178.24
Net Increase/(Decrease)	(903.93)	(2,505.02)



National Steel & Agro Industries Ltd.

	(₹ in Lakhs)	
	Year ended 31.03.2021	Year ended 31.03.2020
NOTE 24. EMPLOYEE BENEFITS EXPENSES		
Salaries and wages	3,012.43	2,969.51
Contributions to provident fund	166.24	95.76
Contributions to Gratuity fund	30.68	24.94
Employers State Insurance (ESIC)	16.63	7.52
Staff welfare expenses	66.90	65.66
TOTAL	3,292.87	3,163.28

Diclosure required by Ind As 19- Employee Benefit

Defined Contribution Plan :

Contribution to Defined Contribution Plan is recognised as expense for the year as under:

	(₹ in Lakhs)	
	2020-21	2019-20
Employer's Contribution to Provident Fund & F.P.F.	140.66	85.97
Employee's Insurance	16.62	7.51

Defined Benefit Plan :

(a) A General description of the Employees Benefit Plan:

The Company has an obligation towards gratuity, a funded defined benefit retirement plan covering eligible employees. the plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

(b) Details of Defined Benefit Plan : As per Actuarial valuation are as follows : **(₹ in Lakhs)**

	Gratuity (Funded) 2020-21	Gratuity (Funded) 2019-20
I. Reconciliation of opening and closing balances of Defined Benefit Obligations		
Defined Benefit Obligations at beginning of the year	525.11	476.66
Current Service Cost	27.49	26.08
Interest Cost	35.46	36.05
Actuarial (gain)/loss	452.74	32.14
Benefits paid	(31.92)	(45.82)
Past Service Cost (Non Vested Benefits)	---	---
Past Service Cost (Vested Benefits)	---	---
Defined Benefit Obligations at end of the year	1,008.88	525.11



National Steel & Agro Industries Ltd.

(₹ in Lakhs)

	Gratuity (Funded) 2020-21	Gratuity (Funded) 2019-20
II. Reconciliation of opening and closing balances of Fair value of Plan Assets		
Fair value of Plan Assets at beginning of the year	464.59	478.72
Interest Income	32.28	37.20
Return on Plan Assets excluding interest income	(1.32)	(5.51)
Adjustment to Opening Balance	---	---
Employer contribution	---	---
Benefits paid	(31.92)	(45.82)
Fair value of Plan Assets at end of the year	463.63	464.59
Total Actuarial Gain/(Loss) recognised during the year	(454.06)	(37.65)
III. Reconciliation of Fair Value of Assets and Obligations		
Fair value of Plan Assets	463.63	464.59
Present value of Obligation	1,008.88	525.11
Amount recognised in Balance Sheet	(545.25)	(60.52)
IV. a) Expenses required to be recognised during the year as per actuarial certificate		
Current Service Cost	27.49	26.08
Interest Cost	35.46	36.05
Expected Return on Plan Assets	(32.28)	(37.20)
Actuarial (Gain)/Loss	454.06	37.65
Net Cost	484.73	62.58
b) Expenses recognised during the year under the head "Employees Remuneration and Benefits"		

In case of gratuity as per the actuarial certificate net cost/income required to be recognised in the Profit and Loss Account is ₹ (454.06) Lakhs (previous year ₹ (37.65) Lakhs).



National Steel & Agro Industries Ltd.

(₹ in Lakhs)

	Gratuity (Funded) 2020-21	Gratuity (Funded) 2019-20
--	--	---------------------------------

V. Other Comprehensive Income (OCI)

Actuarial (Gain)/ Loss recognized for the period	452.74	32.13
Return on Plan Assets excluding net interest	1.32	5.51
Total actuarial (Gain)/ Loss recognized in OCI	454.06	37.65

Sensitivity Analysis

DR. Discount Rate		ER Salary Escalation Rate	
PVO DR+1%	PVO DR-1%	PVO ER+1%	PVO ER-1%
939.93	1,093.87	1,090.57	934.11

VI. Actuarial Assumptions

Mortality Table	2012-14 (Ultimate)	2012-14 (Ultimate)
Interest/Discount Rate	6.68%	6.81%
Rate of increase in compensation	6.00%	6.00%
Attrition Rate	0.074%	0.074%
Expected average remaining service	12.33%	11.48%

VII. The major categories of plan assets as a percentage of the total plan assets

Insurer Managed Funds	100%	100%
-----------------------	------	------

Note: the details of investment made by the insurer is not readily available with the co.

The estimates of Rate of Escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

As the investment is with the insurance company list of investment is not available so expected return is assumed to be taken from benchmark rate available on government securities for the tenure of 15 years i.e. the average future service calculated individually.



National Steel & Agro Industries Ltd.

	(₹ in Lakhs)	
	Year ended 31.03.2021	Year ended 31.03.2020
NOTE 25. FINANCE COST		
Interest Expense on :		
Term Loan	107.35	97.25
Interest on Debt Component of Compound Financial Instrument	413.30	1,310.11
Working Capital Loan	19,237.19	16,834.47
TOTAL	19,757.84	18,241.83
NOTE 26. DEPRECIATION AND AMORTISATION EXPENSES		
(i) Depreciation on Property Plant and Equipment	4,836.48	4,856.79
(ii) Amortisation on Intangible Assets	34.01	7.67
TOTAL	4,870.49	4,864.46
NOTE 27. OTHER EXPENSES		
Consumption of Stores and Spare Parts	1,798.64	944.95
Consumption of Packing Materials	1,640.74	1,382.17
Power and Fuel	7,622.27	6,250.73
Rent including Lease Rentals	15.17	31.95
Repairs and Maintenance - Buildings	68.06	28.52
Repairs and Maintenance - Plant & Machinery	317.31	157.00
Repairs and Maintenance - Others	8.19	48.90
Insurance	71.51	53.25
Rates and Taxes	102.03	77.32
Water and Electricity	28.24	33.74
Travelling and Conveyance Expenses	119.37	139.85
Postage, Telegram & Telephone Expenses	16.44	24.86
Selling & Distribution Expenses	466.28	331.29
Legal & Professional Charges	875.51	315.95
Remuneration to Auditors		
- Statutory	7.00	7.00
- Tax Audit Fees	1.00	1.00
Expected Credit Loss	4,942.51	3,732.85
Net Loss on Foreign Currency transactions and translation	---	2,138.35
Loss on Equity Investments	---	47.39
Corporate Social Responsibility (CSR) Activity	---	1.00
Miscellaneous Expenses (below 1% of Revenue from operation)	1,234.56	629.13
TOTAL	19,334.82	16,377.20



National Steel & Agro Industries Ltd.

(₹ in Lakhs)

Year ended	Year ended
31.03.2021	31.03.2020

NOTE 28. OTHER COMPREHENSIVE INCOME

(A)- Items that will not be reclassified into profit or loss

(i) Re-measurement gains/ (loss) on defined benefit plans (net of taxes)	<u>(518.59)</u>	<u>(37.65)</u>
Total Comprehensive Income for the Year	<u>(518.59)</u>	<u>(37.65)</u>

Note 29. Classified as Non Performing Assets

- Company has accumulated secured debts (inclusive of interest and net payment) of ₹ 1,456.43 Crores as of 31st March' 2021 (Previous year ₹ 1,297.48 Crores), which has been classified as Non Performance Assets (NPA) by the lenders.
- One of the lender has declared Company & its Executive Chairman and the then Managing Director as Willful Defaulter without following the due procedure. The Company has represented to the lender to remove its name from Willful Defaulter list.
- Two lender banks have issued notices to the Company & its' directors with intent to classify them as "Willful Defaulter". The Company and its Directors have given replies, respectively, to the said notices.
- IDBI Bank Limited, State Bank of India, Union Bank of India (earlier Andhra Bank), Central Bank of India and Bank of Maharashtra [collectively hereinafter referred as "Banks"] through Joint Assignment Agreement, has assigned its debt extended to the Company to JM Financial Asset Reconstruction Company Limited ("JMFARC") along with all underlying securities, rights, title, and interest thereof on 31st March'2021.
- One of the financial creditor had filed petition before National Company Law Board (NCLT) under Insolvency and Bankruptcy Code (IBC), for which Company has adopted legal recourse.

Note 30. Going Concern

- As on 31st March, 2021, company's net worth has been fully eroded and stand at ₹ (1,255.58) Crores and its' current liability exceeds its' current assets by ₹ (1,642.25) Crores. Also company has incurred net loss of ₹ (232.59) Crores for the period April, 2020 to March, 2021. However, company has taken appropriate steps to tide over the issue by improving operation/performance by ramping up the capacity utilization, rationalization of operation. In view of these, result has been prepared on the basis of "going concern".
- With effect from 13th January, 2021, It has been decided to utilize majority of its capacity of the plant and machinery for manufacturing of various products under job-work.



National Steel & Agro Industries Ltd.

31. a) Capital Commitment (₹ in Lakhs)

2020-21 2019-20

Estimated amount of contracts remaining to be
executed on Capital Account

--- ---

b) Contingent Liabilities not provided for

S.No.	Particulars	2020-21	2019-20
i)	Outstanding Bank Guarantees	50.00	50.00
ii)	Claims against the Company/disputed liabilities not acknowledged as debts	114.00	380.00
iii)	MPPKVVCL (refer note)*	8,005.34	7,919.00

iv) Other Money for which Company is contingently liable:

Particulars	Forum where dispute is pending	Amount	Financial Year
Differential Excise Duty	Customs Excise and Service Tax Appellate Tribunal, New Delhi	463.09	2018-19
Central Excise duty	Principal Commissioner, Ujjain	302.81	2020-21
Export Shipping Bill	Customs Excise and Service Tax Appellate Tribunal, Mumbai	102.50	2016-17
Import Duty	Customs Excise and Service Tax Appellate Tribunal, Ahmedabad	192.99	2016-17
SAD Refund	Customs Excise and Service Tax Appellate Tribunal, Mumbai	6.48	2013-14
Import Duty	Customs Excise and Service Tax Appellate Tribunal, Mumbai	47.48	2012-13
SAD Refund	Customs Excise and Service Tax Appellate Tribunal, Mumbai	138.07	2009-10
Commercial Tax	M.P. Commercial Tax Appellate Board, Bhopal	5.19	2004-05
Commercial Tax	M.P. Commercial Tax Appellate Board, Bhopal	18.68	2005-06
Entry Tax	M.P. High Court Jabalpur, Indore Bench	50.47	2004-05
Income Tax (Ground of Appeal)	Commissioner of Income Tax Appeal, Mumbai	42.32	2010-11
Income Tax (Ground of Appeal)	Commissioner of Income Tax Appeal, Mumbai	118.30	2011-12



National Steel & Agro Industries Ltd.

*In the matter of alleged unauthorised use of electricity, the supplier MPPKVVCL has raised demand of ₹ 63.90 crores (Principal amount ₹ 26.63 crores and penalty amount ₹ 37.28 crores). The alleged demand was not accepted by the Company and accordingly a WP was filed before Hon'ble MP High Court, Indore Bench. The High Court has granted relief for charging of penalty/ penal interest. MPPKVVCL had filed a review petition for the same and relief granted by the High Court was set aside. Against the relief order the Company has filed SLP before Hon'ble Supreme Court. The Hon'ble Supreme Court vide order dated 16th December'2020 set aside the order of High Court and asked MPPKVVCL to recalculate the liability in accordance with the law within three months from the date of the order. The supplier MPPKVVCL has raised demand for interest for ₹ 57.94 crores. The Company has paid ₹ 40.54 crores against pending settlement. The management is of the opinion that present obligation that arises from past events is not required to be recognised as it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. The amount deposited has been charged to Statement of Profit & Loss on prudent basis.

32. Some of Operational Creditors has filed petition before National Company Law Board (NCLT)/ Supreme Court under Insolvency and Bankruptcy Code (IBC), for which, Company has adopted legal recourse.
33. The company is successfully navigating through the situation arising out of COVID-19 pandemic with all resources at its disposal. Company is managing it all activities in according with the guidelines issued by various Governments agencies/disaster management committee/local bodies with 100% sanitization, social distancing norms and utmost precautions at its various locations. The Company has taken into account possible impact of COVID-19 in preparation of the Audited financial results based on internal and external information up to the date of approval of these audited financial results and current indicators of future economic conditions. The management does not foresee any material impact on its business due to non fulfilment of obligation by any party.
34. Electrical Turnkey projects has contributed to total Contract Revenue of ₹ 197.07 Lakhs (Previous year ₹ 594.93 Lakhs).
35. Exchange rate difference recognised in the statement of profit and loss, at net gain of ₹ 5.85 Crores (previous year, net loss of ₹ 21.38 Crore).
36. Disclosure required under Ind AS 108 – Operating Segment:

a) The Company operates in only one segment i.e. Manufacturing of steel coils and sheets.

b) **Geographical Segments** (₹ in Lakhs)

Particulars	31.03.2021	31.03.2020
Domestic Revenue	1,57,847.94	1,30,775.25
Export Revenue	---	157.70
Total Revenue	157847.94	130932.95



National Steel & Agro Industries Ltd.

b) Details of revenue from single customer more than 10% : (₹ in Lakhs)

Revenue from 2 customers each exceeding 10% of the total revenue of the Company :

Customer	31.03.2021	31.03.2020
1	99,421.90	66,921.68
2	21,386.41	43,962.10

37. Disclosure of Related Parties and Key Management Personnel with whom transactions entered as per Ind AS-24:

A. Relationships

S.No.	Key Management Personnel	Particulars
(i)	Mr. Santosh Shahra	Executive Chairman
(ii)	Mr. Manoj Khetan	Chief Financial Officer & Whole Time Director (w.e.f. 30.12.2019)
(iii)	Mr. Ashutosh Upadhyay	Independent Director (w.e.f. 13.05.2019)
(iv)	Mr. Rajesh Nema	Independent Director (w.e.f. 13.05.2019)
(v)	Mrs. Ankita Sethi	Independent Director (w.e.f. 30.05.2019)
(vi)	Mr. Sumit Mittal	Independent Director (w.e.f. 12.02.2021)
(vii)	Mr. Shrikant Tirpude	Independent Director (resigned w.e.f. 16.09.2019)
(viii)	Mr. Anurag Gangrade	Company Secretary
S.No.	Relatives of Key Management Personnel	Particulars
(i)	Mrs. Usha Devi Shahra	Wife of Executive Chairman
(ii)	Mr. Vishesh Shahra	Son of Executive Chairman
S.No.	Other Entities	Particulars
(i)	Kailash Chandra Shahra HUF	Karta of HUF is brother of Executive Chairman
(ii)	Santosh Shahra HUF	Karta of HUF is Executive Chairman
(iii)	Shri Mahadeo Shahra Sukrat Trust	Enterprise over which Key Managerial personnel are able to exercise significant influence.
(iv)	Shahra Brothers Private Limited	Enterprise over which Key Managerial personnel are able to exercise significant influence.
(v)	NSIL Exports Private Limited	Enterprise over which relative of KMP are able to exercise significant influence.
(vi)	Samidha Foods Private Limited	Enterprise over which relatives of KMP are able to exercise significant influence.
(vii)	NSIL Infotech Private Limited	Enterprise over which relatives of KMP are able to exercise significant influence & having penuniary interest in the Company.
(viii)	Shreeyam Power & Steel Industries Limited	Enterprise over which KMP & relative of KMP are able to exercise significant influence.
(ix)	Ruchi Infrastructure Limited	Enterprise over which relatives of KMP are able to exercise significant influence.



National Steel & Agro Industries Ltd.

B. Transactions carried out with related parties in the ordinary course of business :

(₹ in Lakhs)

31.03.2021				31.03.2020		
Nature of Transactions	Key Managerial Personnel	Relative of KMP	Other Entities owned and/ or controlled by KMP and/ or their Relatives	Key Managerial Personnel	Relative of KMP	Other Entities owned and/ or controlled by KMP and/ or their Relatives
Sitting Fees	2.45	---	---	3.34	---	---
Remuneration	32.14	---	---	48.86	---	---
Expenses	---	---	2.87	---	---	6.80
Debit Balance	---	---	2,183.27	---	---	2,183.27
Credit Balance*	---	0.12	2,041.25	---	0.12	2,038.52
Provision for Doubtful Debtors	---	---	2,183.27	---	---	2,183.27

1. Personal guarantee of Promoters/Executive Chairman has been given for borrowings of the Company for which no compensations is paid.
2. The transactions with related parties are carried at arm's length price.

38. Managerial Remuneration

(₹ in Lakhs)

Particulars	2020-21	2019-20
Salary	---	---
Allowances & Others	---	---
TOTAL	---	---

39. Payment to Statutory Auditors

Particulars	2020-21	2019-20
(i) Statutory Auditors Fees	7.00	7.00
(ii) Tax Audit Fees	1.00	1.00
TOTAL	8.00	8.00

Note 40. Capital management

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure, the Company monitors the return on capital, as well as the level of dividends to equity shareholders. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves and debt includes maturities of finance lease obligations and bank overdraft.



National Steel & Agro Industries Ltd.

The Company monitors capital on the basis of the following gearing ratio.

(₹ in Lakhs)

Particulars	31-Mar-2021	31-Mar-2020
Borrowings	1,50,188.94	1,33,881.27
Less : Cash and Cash equivalents & other Bank balances	905.74	732.02
Total Debt	1,49,283.20	1,33,149.24
Equity	(1,25,558.20)	(1,01,872.70)
Total Capital	(1,25,558.20)	(1,01,872.70)
Capital and Total debt	23725.00	31,276.55
Gearing ratio	(1.19)	(1.31)

Note 41. Income Tax

a Income Tax Expense

(₹ in Lakhs)

Particulars	31-Mar-2021	31-Mar-2020
<u>Current Tax</u>		
Current Tax expense	---	---
Income tax for earlier years	---	12.79
<u>Deferred Tax</u>		
Total Deferred Tax Expense	(2,531.90)	5,343.19
MAT Credit	(329.87)	(329.87)
Total Income Tax Expenses	(2,861.76)	5,026.12

b Reconciliation of tax expense and accounting profit multiplied by India's tax rate

Particulars	31-Mar-2021	31-Mar-2020
Profit Before Tax	(25,271.98)	(23,727.24)
Applicable Tax Rate	---	---
Computed Tax Expenses	---	---
<u>Tax Effect of :</u>		
Expenses disallowed debited to statement of Profit and Loss	---	---
Expenses allowed not debited to statement of Profit and Loss	---	---
On Account of Ind As adjustments	---	---
Current Tax Provision	---	---
Deferred Tax Provision	(2,531.90)	5,343.19
Tax for earlier years	---	12.79
MAT Credit	(329.87)	(329.87)
Tax Expenses Recognised in the Statement of Profit and Loss	(2,861.76)	5,026.12



National Steel & Agro Industries Ltd.

c Movement in Deferred Tax asset/ Deferred Tax Liability

Significant Component of deferred tax assets and liabilities for the year ended March 31, 2021 are as follows:

	Opening Balance	Recognised in profit & loss/Equity	Closing Balance
Business Loss carry forwards	(5,799.75)	3,927.75	(1,872.00)
Expenses deductible in future years:	---	---	---
Provisions allowances for doubtful receivables and others	(1,164.65)	(4,924.04)	(6,088.69)
Compensated absences and retirement benefits	(73.89)	(203.75)	(277.65)
Others	---	3.57	3.57
Total deferred tax assets	---	---	---
Deferred tax liabilities	---	---	---
Property plant and equipment	12,381.49	(1,180.66)	11,200.83
Others	---	(25.82)	(25.82)
Total deferred tax (assets)/ Liabilities	5,343.19	(2,402.95)	(2,940.24)
MAT	(329.87)	---	(329.87)
DTL on equity component of CFI	---	297.87	297.87
Total deferred tax (assets)/ Liabilities	5,013.33	(2,105.07)	2,908.25

Note 42. Financial Instrument - Accounting classifications and fair values measurements

The fair value of the 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 following methods and assumptions were used to estimate the fair value:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rate and individual credit worthiness of the counterparty. Based on this evaluation, allowance are taken to the account for the expected losses of these receivables.

The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.



National Steel & Agro Industries Ltd.

Level 3 : techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels of in the fair value hierarchy :

As at 31 March 2021

(₹ in Lakhs)

	Carrying amount				Fair value			
	FVOCI - equity instruments	Financial assets amortised cost	Financial liabilities amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total Fair Value
FVTOCI								
Financial assets measured at fair value								
Investments	---	---	---	---	96.07	---	---	96.07
Financial assets not measured at fair value								
Trade receivables	---	263.01	---	263.01	---	---	---	---
Cash and cash equivalents	---	632.21	---	632.21	---	---	---	---
Other bank balances	---	273.53	---	273.53	---	---	---	---
Other financial assets	---	369.03	---	369.03	---	---	---	---
	---	1,537.77	---	1,537.77	96.07	---	---	96.07
Financial liabilities not measured at fair value								
Borrowings	---	---	1,50,188.94	---	---	---	---	---
Trade payables	---	---	18,902.91	---	---	---	---	---
Other financial liabilities	---	---	12.54	---	---	---	---	---
	---	---	1,69,104.38	---	---	---	---	---
Financial liabilities measured at fair value								
Borrowings	---	---	4,546.30	---	---	---	---	---
Trade payables	---	---	---	---	---	---	---	---
Other financial liabilities	---	---	---	---	---	---	---	---
	---	---	4,546.30	---	---	---	---	---

The Company has not disclosed the fair values for financial instruments such as trade receivables, cash and cash equivalents, other bank balances, loans, borrowings, trade payable, other financial assets and financial liabilities, because their carrying amounts are a reasonable approximation of fair value.



National Steel & Agro Industries Ltd.

As at 31 March 2020

(₹ in Lakhs)

	Carrying amount				Fair value			
	FVOCI - equity instruments	Financial assets amortised cost	Financial liabilities amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total Fair Value
Financial assets measured at fair value								
Investments	---	---	---	---	46.36	---	---	46.36
Financial assets not measured at fair value								
Trade receivables	---	5,224.53	---	5,224.53	---	---	---	---
Cash and cash equivalents	---	645.57	---	645.57	---	---	---	---
Other bank balances	---	86.45	---	86.45	---	---	---	---
Other financial assets	---	445.55	---	445.55	---	---	---	---
	---	6,402.10	---	6,402.10	46.36	---	---	46.36
Financial liabilities not measured at fair value								
Borrowings	---	---	1,33,881.27	---	---	---	---	---
Trade payables	---	---	20,774.70	---	---	---	---	---
Other financial liabilities	---	---	12.56	---	---	---	---	---
	---	---	1,54,668.53	---	---	---	---	---

The Company has not disclosed the fair values for financial instruments such as trade receivables, cash and cash equivalents, other bank balances, loans, borrowings, trade payable, other financial assets and financial liabilities, because their carrying amounts are a reasonable approximation of fair value.

Note 43. Financial risk management objectives and policies

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

- Credit risk
- Liquidity risk
- Market risk
- Interest risk

Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company conduct yearly risk assessment activities to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has a system in place to ensure risk identification and ongoing periodic risk assessment is carried out. The Board of directors periodically monitors the risk assessment.



National Steel & Agro Industries Ltd.

(i) Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The company generally doesn't have collateral.

The carrying amounts of financial assets represent the maximum credit risk exposure. The maximum exposure to credit risk at the reporting date was:

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Trade receivables	263.01	5,224.53
Cash and Cash equivalents	632.21	645.57
Other Bank balances	273.53	86.45
Other financial assets	369.03	445.55

Trade receivables

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 and country in which customers operate.

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region of the Company was:

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Within India	263.01	5,224.53

The maximum exposure to credit risk for trade receivables, cash and cash equivalents and other bank balances at the reporting date by type of counterparty was:

(₹ in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Product Marketing Company	263.01	5,224.53
Cash and Cash equivalents	632.21	645.57

Trade receivables

Customer credit risk is managed as per Company's established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.



National Steel & Agro Industries Ltd.

An impairment analysis is performed for all major customers at each reporting date on an individual basis. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several industries and operate in largely independent markets.

Bank balances and deposits with banks

Credit risk from balances with banks is managed by the company's finance department as per Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Board of directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. 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 following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

As at 31 March 2021			(₹ in Lakhs)			
			Contractual cash flows			
	Carrying amount	Total	Less than 1 year	1-2 years	2-5 years	more than 5 years
Borrowings	1,50,188.94	1,50,188.94	1,50,188.94	---	---	---
Trade payables	18,902.91	18,902.91	18,902.91	---	---	---
Other financial liabilities	12.54	12.54	12.54	---	---	---
	1,69,104.38	1,69,104.38	1,69,104.38	---	---	---



National Steel & Agro Industries Ltd.

As at 31 March 2020

(₹ in Lakhs)

	Contractual cash flows					
	Carrying amount	Total	Less than 1 year	1-2 years	2-5 years	more than 5 years
Borrowings	1,33,881.27	1,33,881.27	1,33,881.27	---	---	---
Trade payables	20,774.70	20,774.70	20,774.70	---	---	---
Other financial liabilities	12.56	12.56	12.56	---	---	---
	1,54,668.53	1,54,668.53	1,54,668.53	---	---	---

(iii) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows arising out of change in the price of a financial instrument. These include change as a result of changes in the interest rates, foreign currency exchange rates, 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, foreign currency receivables, payables and loans and borrowing. The company manages market risk through a risk management committee engaged in, inter alia, evaluation and identification of risk factors with the object of governing/mitigation them accordingly to company's objectives and declared policies in specific context of impact thereof on various segments of financial instruments.

Currency risk

The Company is exposed to currency risk to the extent that there is mismatch between the currencies in which sales, purchase are denominated and the respective functional currencies of Company. The Company has export sales primarily denominated in US dollars.

Exposure to Currency risk

(A) Forward Contracts entered by the Company :

Particulars	No. of Contracts	Amount in F.C.	Amount in INR
Covered against Import	---	---	---
Covered against Export	---	---	---

The summary quantitative data about the Company's exposure to currency risk as reported to the management is as follows:

The following exposure is not hedged as at Balance sheet date :

(₹ in Lakhs)

Particulars	As at 31 March, 2021 USD	As at 31 March, 2020 USD
Export receivables	---	---
Overseas payables	(239.18)	(239.18)
Total	(239.18)	(239.18)

Foreign currency sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax.



National Steel & Agro Industries Ltd.

(₹ in Lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
1% increase	(174.87)	(180.97)
Total increase/(decrease) in profit	(174.87)	(180.97)

A decrease of 100 basis points in the interest rates at the reporting date would have had equal but opposite effect on the amounts shown above, on the basis that all other variable remain constant.

(iv) Interest 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 entity's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was as follows:

(₹ in Lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Fixed rate instruments		
Financial assets		
Deposit with banks	273.53	86.45
Total	273.53	86.45

(₹ in Lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Variable-rate instruments		
Financial liabilities		
Borrowings	1,50,188.94	1,33,881.27
Total	1,50,188.94	1,33,881.27

Cash flow sensitivity analysis for variable-rate instruments

An increase of 100 basis points in interest rates at the reporting date would have decreased gain as at year end by the amounts shown below. This analysis assumes that all other variables remain constant.

(₹ in Lakhs)

Particulars	Profit or loss
31 March, 2021	
Variable-rate instruments	(1,501.89)
Cash flow sensitivity	(1,501.89)
31 March, 2020	
Variable-rate instruments	(1,338.81)
Cash flow sensitivity	(1,338.81)



National Steel & Agro Industries Ltd.

A decrease of 100 basis points in the interest rates at the reporting date would have had equal but opposite effect on the amounts shown above, on the basis that all other variable remain constant.

44. The code on Social Security, 2020 has been approved by Indian Parliament which would impact Company's contribution towards Provident Fund and Gratuity. The Company will assess its impact once the rules are notified.

45. **Earning Per Equity Share (EPS) computed in accordance with Ind AS 33;** **(₹ in Lakhs)**

EARNING PER SHARE	31.03.2021	31.03.2020
Profit after Tax (₹ in lakhs)	(22,740.08)	(29,083.21)
Less: Dividend & Dividend tax on Preference Share	---	---
Profit attributable to equity holders	(22,740.08)	(29,083.21)
Number of Shares Issued	4,45,00,000	4,45,00,000
Basic / Diluted EPS (Rupees)	(51.10)	(65.36)

46. **APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved for issue by the Board of Directors in it's meeting held on 30th June, 2021.

As per our report of even date attached

For **Fadnis & Gupte**
Chartered Accountants
FRN-006600C

CA Vikram Gupte
Partner
Membership No. 074814
Place : Indore
Dated : 30th June, 2021

Manoj Khetan
Whole Time Director and CFO
DIN - 06395265

Anurag Gangrade
Company Secretary
Membership No. FCS 9187

For and on behalf of the Board of Directors

Santosh Shahra
Executive Chairman
DIN - 00305846

Rajesh Nema
Independent Director
DIN - 00275815
Place : Indore
Dated : 30th June, 2021



National Steel & Agro Industries Ltd.

NOTICE

NOTICE is hereby given that the **Thirty Fifth Annual General Meeting** (AGM) of the Equity Shareholders (Members) of National Steel and Agro Industries Limited will be held on Friday, 10th September, 2021 at 12:30 p.m. (IST) through Video Conferencing ('VC') or Other Audio Visual Means ('OAVM'), to transact the following businesses:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2021 including Audited Balance Sheet as at 31st March, 2021, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date and the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Manoj Khetan (DIN: 06395265), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS :

3. **Ratification of remuneration to M. Goyal & 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 the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, approval of the Board of Directors of the Company for payment of remuneration of ₹ 1,30,000/- (Rupees One Lakh Thirty Thousand Only) plus applicable tax and reimbursement of actual travel and out-of-pocket expenses for the financial year ending 31st March, 2022, to M. Goyal & Co., Cost Auditors, for conducting Audit of cost records of the Company, be and is hereby ratified and confirmed;

RESOLVED FURTHER THAT the Board of Directors, Chief Financial Officer and Company Secretary of the Company be and are hereby severally authorised to do all such act(s), deed(s), matter(s) and thing(s) as may be considered necessary, desirable or expedient to give effect to this resolution."

4. **Appointment of Mr. Sumit Mittal (DIN: 07568153) as Non-Executive Independent Director 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 the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI



National Steel & Agro Industries Ltd.

(Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Sumit Mittal (DIN: 07568153), Independent Non-Executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Non-Executive Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years with effect from 12th February, 2021 to 11th February, 2026;

RESOLVED FURTHER THAT the Board of Directors, Chief Financial Officer and Company Secretary of the Company, be and are hereby severally authorised to do all such act(s), deed(s), matter(s) and thing(s) as may be considered necessary, desirable or expedient to give effect to this resolution."

5. To consider the requests received from Promoters of the Company for reclassification of shareholding from 'Promoter & Promoter Group' Category to 'Public' Category and removal of names from 'Promoter & Promoter Group' Category.

To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('The Listing Regulations') and subject to the approval of BSE Limited, National Stock Exchange of India Limited and/or such other approval, if any, as may be required, the consent of the members be and is hereby accorded for reclassification of shareholding from 'Promoter & Promoter Group' Category to 'Public' Category and removal of name from 'Promoter & Promoter Group' Category as received from the below mentioned promoters of the Company:

S. No.	Name of the Promoter(s)	Date of receipt of request by the Company	Date of Intimation to the Stock Exchanges	No. of Shares held	(%)
1.	Ruchi Soya Industries Limited	November 18, 2020	November 19, 2020	8,83,500	1.99
2.	Nitesh Shahra	March 25, 2021	March 25, 2021	8,000	0.02
3.	Navneet Zalani	March 25, 2021	March 25, 2021	-	-
4.	Navneet Zalani HUF	March 25, 2021	March 25, 2021	-	-



National Steel & Agro Industries Ltd.

RESOLVED FURTHER THAT Board of Directors, Chief Financial Officer and Company Secretary of the Company be and are hereby severally authorized to sign applications, papers, documents etc. and to do all such act(s), deed(s), matter(s) and thing(s) as they may, in their absolute discretion, deem necessary or desirable and to settle any questions, difficulty or doubt that may arise in order to give effect to the above resolution for and on behalf of the Company."

By Order of the Board of Directors

Place : Indore

Date : 14th August, 2021

Anusha Chandwani

Company Secretary

M. No. : ACS-54977

National Steel and Agro Industries Limited

Reg. Off: 621, Tulsiani Chambers,

Nariman Point, Mumbai- 400021

CIN: L27100MH1985PLC140379

Telephone: +91-022-22882939/22025098

Website : www.nsail.com, **Email:** cs@nsail.com



National Steel & Agro Industries Ltd.

NOTES

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') vide its Circular Nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, read with Circular Nos. 20/2020 dated May 5, 2020 and 02/2021 dated January 13, 2021 (collectively referred to as '**MCA Circulars**') and the Securities and Exchange Board of India ('SEBI') vide its Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/ CMD2/CIR/P/2021/ 11 dated January 15, 2021 (collectively referred to as '**SEBI Circulars**') have permitted the companies to hold their Annual General Meeting (AGM) through Video Conferencing ('VC') or Other Audio Visual Means ('OAVM'), without the physical presence of the members at a common venue. In compliance with the provisions of the Act, SEBI Listing Regulations and MCA Circulars & SEBI Circulars, the 35thAGM of the Company is being held through VC/OAVM on 10thSeptember, 2021 at 12:30 P.M. (IST). The deemed venue for the 35th AGM shall be the Registered Office of the Company at 621, Tulsiani Chambers, Nariman Point, Mumbai (MH)-400021.
2. Pursuant to provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote at the meeting on his/her behalf and the proxy need not be a member of the company. Since this AGM is being held pursuant to the MCA Circulars and SEBI Circulars through VC/OAVM, the requirement of physical attendance of members has been dispensed with. Accordingly, in terms of the MCA Circulars and SEBI Circulars, the facility for appointment of proxies by the members will not be available for this AGM and hence the Proxy Form, Route Map and Attendance Slip are not annexed to this notice.
3. Corporate Members are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution / Authorization, etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting at cs@nsail.com.
4. The Statement, pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts concerning the business with respect to Item Nos. 3 to 5 forms part of this Notice. Additional information, pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations') and Secretarial Standard – 2 on General Meetings issued by The Institute of Company Secretaries of India, in respect of persons seeking appointment/ re-appointment as Director at the Annual General Meeting is furnished as an annexure to the Notice.
5. In accordance with the MCA Circulars and SEBI Circulars, the Notice of the AGM along with the Annual Report 2020-21 are being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. The Notice convening the 35thAGM has been uploaded on the website of the Company at www.nsail.com and may also be accessed from the relevant section of the websites of the Stock Exchanges i.e. BSE Limited and the National



National Steel & Agro Industries Ltd.

Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the Notice of AGM is also available on the website of CDSL at www.evotingindia.com.

6. The Register of Members and the Share Transfer Books of the Company shall remain closed from Saturday, 4th September, 2021 to Friday 10th September, 2021 (both days inclusive).
7. The members holding shares in physical form are requested to intimate immediately to the Registrar & Share Transfer Agent of the Company, Sarthak Global Limited, 170/10, R.N.T.Marg, Film Colony, Indore – 452001 (M.P.), quoting the Registered Folio Number, details of change in Bank Account, Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address with PIN code number, if any.

Members holding shares in electronic form are requested to intimate a foresaid changes, if any, to their respective Depository Participants only.

8. **In terms of the Regulation 40 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, except in case of transmission or transposition, requests for effecting transfer of securities of listed companies shall not be processed unless the securities are held in dematerialised form with a Depository. In view of this and to eliminate all risks associated with physical shares, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or its RTA, Sarthak Global Limited for the same.**
9. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
10. The Members can join the AGM in the VC/OAVM mode 15 minutes before and throughout the AGM following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 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 AGM without restriction on account of first come first served basis.
11. In case of joint holders, the Member whose name appears as the first holder in the order of the names as per the Register of Members of the Company will be entitled to vote at the meeting.
12. The Register of Directors and Key Managerial Personnel and their shareholding, and the Register of Contracts or Arrangements in which the directors are interested, maintained under the Companies Act, 2013 will be available for inspection by the Members electronically during the 35th AGM. Members seeking to inspect such documents can send an email to cs@nsail.com



National Steel & Agro Industries Ltd.

13. **Nomination Facility:** As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website at www.nsail.com (under 'Investors' section). Members are requested to submit the said forms to their Depository Participants ("DPs") in case the shares are held by them in electronic form and to Sarthak Global Limited, RTA of the Company in case the shares are held by them in physical form, quoting their folios no(s).
14. Members are requested to note that dividend in respect of Financial Year 2017-18, if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ('IEPF'). Further, the shares in respect of dividends which remain unclaimed for seven (7) consecutive years or more are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members/Claimants are requested to claim their dividends from the Company, within the stipulated timeline.
15. Members desirous of obtaining any information concerning to the accounts and operations of the Company are requested to send their queries to the Company Secretary **at least seven days** before the date of the meeting so that the required information can be made available at the meeting.
16. **Investor Grievance Redressal:** The Company has designated an exclusive e-mail ID i.e. **investor_relations@nsail.com** to enable the investors to register their complaints / send correspondence, if any.
17. **Webcast:** Members who are entitled to participate in the AGM can view the proceedings of AGM by logging in the website of CDSL at www.evotingindia.com using the login credentials.
18. **INSTRUCTIONS FOR E-VOTING AND JOINING THE AGM ARE AS FOLLOWS:**

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), 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. 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 AGM will be provided by CDSL.

A. THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

 - (i) The voting period begins on Tuesday, 7th September, 2021 (9:00 a.m. IST) and ends



National Steel & Agro Industries Ltd.

on Thursday, 9th September, 2021 (5:00 p.m.) 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 Friday, 3rd 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 December 9, 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 CDSL/NSDL is given below:



National Steel & Agro Industries Ltd.

Type of Shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 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. 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. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from an e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin 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 e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 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.



National Steel & Agro Industries Ltd.

Type of Shareholders	Login Method
	<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. 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.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<p>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.</p>

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



National Steel & Agro Industries Ltd.

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 on toll free no.: 18001020990 and 1800224430.

(v) Login method for E-Voting and joining virtual meetings for Physical shareholders and share holders other than individual holding in Demat form.

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 Physical Shareholders and other than individual Shareholders holding shares in Demat.
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)	<ul style="list-style-type: none"> ♦ 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. ♦ 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.



National Steel & Agro Industries Ltd.

- (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 'National Steel and Agro Industries Limited' 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.
- (xvi) Facility for Non – Individual Shareholders and Custodians –For Remote Voting only:
 - ◆ 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.



National Steel & Agro Industries Ltd.

- ◆ 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; cs@nsail.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

- (i) The procedure for attending meeting & E-Voting on the day of the AGM is same as the instructions mentioned above for E-voting.
- (ii) 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 E-Voting.
- (iii) 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.
- (iv) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- (v) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- (vi) 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.
- (vii) 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 seven (7) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@nsail.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advanceseven (7) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@nsail.com. These queries will be replied to by the company suitably by email.



National Steel & Agro Industries Ltd.

- (viii) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- (ix) Only those shareholders, who are present in the AGM 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 AGM.
- (x) If any Votes are cast by the shareholders through the e-voting available during the 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.

C. 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.

19. The Company has appointed Mr. Ashish Garg, Practicing Company Secretary (Membership No.FCS 5181/CP 4423), as the Scrutinizer to scrutinize the e-voting process (including the e-voting system at Annual General Meeting) in a fair and transparent manner.
20. The Scrutinizer shall immediately after the conclusion of voting at the AGM, unblock and count the votes cast during the AGM, and votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman or Executive Director or the Company Secretary of the Company.
21. The results declared along with the Scrutiniser's Report shall be posted on the Company's website i.e. www.nsail.com and on website of Central Depository Services (India) Limited ("CDSL") i.e. www.cdslindia.com besides communicating to the Stock Exchanges where the shares of the Company are listed.



National Steel & Agro Industries Ltd.

ANNEXURE TO NOTICE

Explanatory Statement pursuant to SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and as required by Section 102 of the Companies Act, 2013.

Item No. 3:

In pursuant to Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board of Directors (the Board) shall appoint a Cost Accountant, as Cost Auditor on the recommendation of the Audit Committee, which shall also recommend remuneration for such auditor. The remuneration recommended by the Audit Committee shall be considered and approved by the Board and ratified by the Members.

On the recommendation of Audit Committee, the Board has considered and approved appointment of M. Goyal & Co., Cost Accountants (FRN000051), Jaipur, for conducting Cost Audit of the cost records maintained by the Company at a remuneration of ₹ 1,30,000/- (₹ One Lakh Thousand Only) plus applicable tax and reimbursement of actual travel and out-of pocket expenses for the financial year ending 31st March, 2022. Accordingly, consent of Members is sought for ratification of remuneration payable to Cost Auditor for the Financial Year ending 31st March, 2022.

None of the Directors or Key Managerial Personnel(s) of the Company or their relative(s) is / are, in any way, concerned or interested financially or otherwise in the Ordinary Resolution set out at Item No. 3 of the Notice.

The Board recommends passing of the resolution as an Ordinary Resolution.

Item No. 4:

On the recommendation of Nomination and Remuneration Committee, the Board of Directors has appointed Mr. Sumit Mittal (DIN: 07568153) as an Additional Director in Independent Category w.e.f 12th February, 2021.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 (the Act) and Articles of Association of the Company, any person appointed as an Additional Director of the Company can hold office only upto the date of ensuing Annual General Meeting. Since, Mr. Sumit Mittal (DIN: 07568153) was appointed as an Additional Director, his term of office would expire at ensuing Annual General Meeting.

The Company has received declaration from Mr. Sumit Mittal that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 read with Regulation 16 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. The Company has also received a Notice from Mr. Sumit Mittal in writing as prescribed under Section 160 of the Act, proposing his candidature for the office of Independent Director, not liable to retire by rotation, under Section 149 of the Companies Act, 2013.

In the opinion of the Board, he fulfills the conditions for appointment as Independent Director, as specified in the Companies Act, 2013. A copy of the draft letter of appointment setting out the terms and conditions of appointment of Independent Director is available for inspection through electronic mode, basis the request being sent on cs@nsail.com

Further, brief profile of Mr. Sumit Mittal is as annexure to this notice.



National Steel & Agro Industries Ltd.

The Board recommends the resolution for approval of Equity Shareholders of the Company at Item No. 4 as an Ordinary Resolution.

Except Mr. Sumit Mittal and his relatives, none of the Directors or Key Managerial Personnel of the Company or their respective relative(s) is / are in any way concerned or interested, in passing of the resolution set out at Item No. 4 of the Notice.

Item No. 5:

Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') provides a mechanism regarding re-classification from "Promoter & Promoter Group" category to "Public" category.

In terms of the said Regulation, the Company has received requests for reclassification of shareholding from 'Promoter & Promoter Group' Category to 'Public' Category and removal of names from 'Promoter & Promoter Group' Category from the following Promoter/Promoter Group of the Company:

S. No.	Name of the Promoter(s) Company	Date of receipt of request by the Exchanges	Date of Intimation to the Stock	No. of Shares held	(%)
1.	Ruchi Soya Industries Limited	November 18, 2020	November 19, 2020	8,83,500	1.99
2.	Nitesh Shahra	March 25, 2021	March 25, 2021	8,000	0.02
3.	Navneet Zalani	March 25, 2021	March 25, 2021	---	---
4.	Navneet Zalani (HUF)	March 25, 2021	March 25, 2021	---	---

On the basis of the requests received by the Company and pursuant to the provisions of Regulation 31A(3)(b) of the Listing Regulations, the aforesaid promoters have confirmed that:

- (i) they do not hold more than ten percent of the total voting rights in the Company;
- (ii) they do not exercise control over the affairs of the Company whether directly or indirectly;
- (iii) they do not have any special rights with respect to the Company through formal or informal arrangements including through any shareholder agreements;
- (iv) they do not represent on the Board of Directors (including not having a nominee director) of the Company;
- (v) they are not acting as a Key Managerial Person in the Company;
- (vi) they are not 'wilful defaulter' as per the Reserve Bank of India Guidelines;
- (vii) they are not a fugitive economic offender.



National Steel & Agro Industries Ltd.

Further, the aforesaid Promoters/Promoter Group have also confirmed to abide by the conditions specified under Regulation 31A (4) of the Listing Regulations post such re-classification of shareholding/removal of name from "Promoter & Promoter Group Category" to "Public Shareholder Category".

The said requests for re-classification were considered and analyzed by the Board of Directors at its meeting held on June 11, 2021, which require approval of the Members of the Company by way of Special Resolution, approval from BSE Limited and/or such other approval, if any, as may be required.

Consequent upon the receipt of necessary approvals and re-classification, the Promoter & Promoter Group shareholding in the Company would be 47.84% of the total equity paid up share capital of the Company. The Board of Directors recommends the resolution as set out at Item No. 5 of the Notice for the approval of the Members as a Special Resolution.

None of the Directors, Key Managerial Personnel or their relatives are in any way whether, concerned or interested (financially or otherwise) in the proposed resolution as set out at Item No. 5 of the Notice.

By Order of the Board of Directors

Place : Indore
Date : 14th August, 2021

Anusha Chandwani
Company Secretary
M. No. : ACS-54977

National Steel and Agro Industries Limited

Reg. Off: 621, Tulsiani Chambers,
Nariman Point, Mumbai- 400021

CIN: L27100MH1985PLC140379

Telephone: +91-022-22882939/22025098

Website : www.nsail.com, **Email:** cs@nsail.com



National Steel & Agro Industries Ltd.

Brief Profile of Directors seeking Appointment /Reappointment at the 35th Annual General Meeting:
{Pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
and Secretarial Standard 2 (SS-2)}

Name of Director	Mr. Manoj Khetan	Ms. Sumit Mittal
DIN	06395265	07568153
Age	57 Years	39 Years
Qualification	Fellow member of The Institute of Chartered Accountants of India.	Graduate in Law
Date of Appointment	30 th December, 2019	12 th February, 2021
Expertise	Mr. Khetan is having rich industrial experience of more than three decades. His areas of specialization is finance and accounting.	Mr. Sumit Mittal is a Law Graduate and a practicing lawyer having rich experience and exposure of Legal and Administration for more than one decade.
Directorships as on 31 st March, 2021 in Other Listed Companies	Nil	Nil
Chairmanship/Membership of the Committees of other Companies	Nil	Nil
Shareholding of the Company	Nil	Nil
Disclosure of relationships between directors inter-se:	He is not related to any Director of the Company.	He is not related to any Director of the Company.



National Steel & Agro Industries Ltd.

This page has been intentionally left blank



National Steel & Agro Industries Ltd.

This page has been intentionally left blank



National Steel & Agro Industries Ltd

Certified ISO 9001 : 2008
Certified ISO 14001 : 2004

If Undelivered Please Return to :

SARTHAK GLOBAL LIMITED

170/10, R.N.T. Marg, Film Colony,
Indore - 452 001 (M.P.)

Phone : (0731) - 2523545, 2526388

Fax : (0731) - 2526388

E-mail : sgl@sarthakglobal.com

Arise : 98270-63937