

# ANNUAL REPORT 2019-20



**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. Rajesh Nema, Director
3. Mr. Ashutosh Upadhyay, Director
4. Mrs. Ankita Sethi, Director
5. Mr. Manoj Khetan,  
Whole Time Director & CFO

## COMPANY SECRETARY

Mr. Anurag Gangrade

## 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

## BANKERS

1. IDBI Bank Ltd.
2. State Bank of India
3. Punjab National Bank  
(w.e.f. 01.04.2020 United Bank of India and Oriental Bank of Commerce are merged with Punjab National Bank)
4. Union Bank of India  
(w.e.f. 01.04.2020 Andhra Bank is merged with Union Bank of India)
5. Bank of India
6. Central Bank of India
7. Bank of Maharashtra

## 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  
E-mail : nsail\_indore@nsail.com

## WORKS

Village - Sejwaya  
Tehsil - Dhar  
District - Dhar (M.P.)  
Ph. - 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	35
Report on Corporate Governance	41
Auditors' Report	58
Balance Sheet	70
Statement of Profit & Loss	71
Cash Flow Statement	72
Significant Accounting Policies	74
Notes on Financial Statements	87
Notice	117



**National Steel & Agro Industries Ltd.**

**BOARD'S REPORT**

Dear Members,

Your Directors hereby present the Thirty Fourth Annual Report on the business and operations of the Company along with the Audited Statement of Accounts for the Financial Year ended 31<sup>st</sup> March, 2020.

**FINANCIAL RESULTS**

**(₹ in Lakhs)**

<b>PARTICULARS</b>	<b>Year ended 31.03.2020</b>	<b>Year ended 31.03.2019</b>
Revenue from Operations	<b>1,30,933</b>	1,08,172
Earning Before Interest, Tax, Depreciation and Amortisation (EBITDA)	<b>(621)</b>	(13,118)
Finance Cost	<b>18,242</b>	14,705
Depreciation	<b>4,864</b>	4,890
Profit/(Loss) Before Tax (PBT)	<b>(23,727)</b>	(32,713)
Provision for :-		
Income Tax/Adjusted for earlier years (Net)	<b>13</b>	(35)
Deferred Tax (Assets)/Liabilities	<b>5,343</b>	(8,634)
Profit / (Loss) After Tax (PAT)	<b>(29,083)</b>	(24,044)

**PERFORMANCE OF THE COMPANY**

During the year under review, the revenue from operations is ₹1,30,933 Lakhs against ₹1,08,172 Lakhs for the previous year.

The Earning Before Interest, Tax, Depreciation and Amortisation (EBITDA) is ₹ (621) Lakhs against ₹ (13,118) Lakhs for previous year. The Loss Before Tax has been ₹23,727 Lakhs (₹32,713 Lakhs in the previous year) and Loss After tax is ₹29,083 Lakhs (₹24,044 Lakhs in the previous year).

Consequent to classification of Company's Account as Non Performing Assets (NPA) by its lenders, the Company has proposed One Time Settlement with the lenders, which has been sanctioned by 51% (in value) of the lenders during the year under review.

On request of the Company, the holders of 4% Cumulative Redeemable Unlisted Non- Convertible Preference Shares ("Preference Shares") have agreed to waive their accrued and unpaid dividends in the Company and further modify the terms of the issue of Preference Shares, which are as follows:

1. 0% (zero percent) dividend; and
2. Redemption of the Preference Shares within 20 years from the date of issue of Preference Shares in one or more tranches, at the discretion of the Board of the Company.

The outbreak of COVID-19 pandemic has led to an unprecedented disruption in the economic activities across the globe. Consequently, the steel demand is expected to be lower in 2020. Due to the stringent nationwide lockdown imposed by the Government of India with effect from March 25, 2020 the manufacturing activities of the Company were severely affected as the Company continues to bear its fixed overhead expenses and other inevitable financial costs without having any relaxation from the Government of India/State Governments/Local Authorities leading to continue the financial stress on the Company.

The Company has resumed its operations in a phased manner. However, the health and safety of our employees continues to be the foremost priority.



## **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 {hereinafter referred as SEBI (LODR) Regulations, 2015}, is attached separately to this Report.

### **TRANSFER TO RESERVE, IF ANY**

Due to losses, the Company does not propose to transfer any amount to Reserves.

### **DIVIDEND**

Due to losses, the Board has not recommended any dividend during the year under review.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the year under review, Mr. Rajesh Nema and Mr. Ashutosh Upadhyay were appointed w.e.f 13<sup>th</sup> May, 2019 as Independent Directors and Mrs. Ankita Sethi was appointed w.e.f 30<sup>th</sup> May, 2019 as Woman Independent Director of the Company.

The Company has received the necessary declaration from each Independent Director in accordance with Section 149(7) of the Act and Regulations 16(1)(b) and 25(8) of the SEBI Listing Regulations, that he/she meets the criteria of independence as laid out in Section 149(6) of the Act and Regulations 16(1)(b) of the SEBI Listing Regulations.

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 thereunder) 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 undertaken requisite steps towards the inclusion of their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

During the year under review, the IDBI Bank Ltd. has withdrawn the nomination of Mr. Shrikant Tirpude, from the board of the Company as Nominee Director w.e.f. close of working hours on 16<sup>th</sup> September, 2019. The Board has extended its gratitude to Mr. Shrikant Tirpude for his association, dedication and commitment towards Company as Nominee Director of IDBI Bank Limited.

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors at its meeting held on 8<sup>th</sup> November, 2019 has approved the re-appointment of Mr. Santosh Shahra as a Whole-time Director of the Company, designated as 'Executive Chairman', for a period of three years, with effect from 17<sup>th</sup> December, 2019 which is subject to the approval of members by way of Special Resolution at the forthcoming Annual General Meeting of the Company.

The Board, further taking into account the recommendation of Nomination and Remuneration Committee, at its meeting held on 30<sup>th</sup> December, 2019 has approved the appointment of Mr. Manoj Khetan as a Whole-time Director of the Company for a period of 3 years, w.e.f. 30<sup>th</sup> December, 2019 which is subject to the approval of the members at the forthcoming Annual General Meeting. Mr. Manoj Khetan has also been designated as 'Whole Time Director & CFO'.

### **RETIRE BY ROTATION**

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Santosh Shahra, Executive Chairman of the Company, retires by rotation and being eligible, offers himself for reappointment.



## National Steel & Agro Industries Ltd.

### **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.

### **AUDIT COMMITTEE**

The Audit Committee comprises of below mentioned directors:

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

\* Mr. Rajesh Nema, Independent Director, appointed as the Chairman of Audit Committee w.e.f. 13<sup>th</sup> May, 2019.

\*\* Mr. Ashutosh Upadhyay, Independent Director and Mr. Santosh Shahra, Executive Director appointed as members of Audit Committee w.e.f. 13<sup>th</sup> May, 2019.

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 Nomination and Remuneration Policy is available at the Company's website.

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 7 (Seven) Board Meetings were held on 13<sup>th</sup> May, 2019, 30<sup>th</sup> May, 2019, 10<sup>th</sup> July, 2019, 14<sup>th</sup> August, 2019, 8<sup>th</sup> November, 2019, 30<sup>th</sup> December, 2019 and 14<sup>th</sup> February, 2020. The details of the Board Meetings are given in the Corporate Governance Report. The gap between two meetings did not exceed one hundred and twenty days as provided under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

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



## **National Steel & Agro Industries Ltd.**

- a) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2020, 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 31<sup>st</sup> March, 2020 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**

The transactions entered into with all the related parties during the year under review were on arm's length basis and in the ordinary course of business.

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/prior approval of the Audit Committee have been obtained for entering into related party transactions. The transactions entered into pursuant to the omnibus approval/prior 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](http://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

\*Mr. Santosh Shahra, Executive Director, appointed as Chairman of Risk Management Committee w.e.f 13<sup>th</sup> May, 2019.

\*\* Mr. Rajesh Nema and Mr. Ashutosh Upadhyay, Independent Directors, appointed as members of Risk Management Committee w.e.f 13<sup>th</sup> May, 2019.



## 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). However, as part of its initiatives under "Corporate Philanthropy", the Company has spent ₹ 1 Lakh towards the health of the people.

The Report on CSR Activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is set out as "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 6<sup>th</sup> 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 2019-20. The Cost Audit Report with Annexure shall be submitted along with 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 31<sup>st</sup> March, 2019 was filed with the Central Government (Ministry of Corporate Affairs) vide SRN H96086632 dated 27th September, 2019.

#### **(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 (FCS 5181/CP 4423) to undertake the Secretarial Audit of the Company. During the period under review, the Company has complied with the applicable Secretarial Standards notified by the Institute of Company Secretaries of India.

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 resignation of Independent Directors and Woman Director the Board was not properly constituted. However, the Company has appointed Mr. Rajesh Nema and Mr. Ashutosh Upadhyay as Independent Directors w.e.f. 13<sup>th</sup> May, 2019 and Mrs. Ankita Sethi as Woman Independent Director w.e.f. 30<sup>th</sup> May, 2019.
- ii. In respect of adoption of amended code of practices and procedures under Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015; owing to improper composition of Board, the amended code was adopted in the meeting of Board of Directors held on 30th May 2019.
- iii. In respect of composition of Audit committee, Nomination & Remuneration Committee and Stakeholder Relationship Committee and Risk Management Committee; Owing to resignation of Independent Directors, the aforesaid committees was not properly constituted. However, all the committees have been duly constituted after the appointment of Independent Directors.
- iv. In respect of SEBI ex-parte ad-interim order; The Company has submitted a detailed written submission on September 06, 2019 against which no further action has been taken by SEBI and the matter is pending for final order.
- v. 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.
- vi. 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 details forming part of the extract of the Annual Return in form MGT-9 is annexed as "Annexure-E". The annual return referred under section 92(3) of the Act is available at [www.nsail.com](http://www.nsail.com).

### **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.





## **National Steel & Agro Industries Ltd.**

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 action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented 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) 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-F,” forming part of this report.



**National Steel & Agro Industries Ltd.**

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

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".

The Company has complied with the Constitution of Internal Compliant Committee under 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. 31<sup>st</sup> March, 2020 and the date of this report except:

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." (Agrocorp). 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. 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, MP in 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 is allowed by the Hon'ble High Court of MP by its order dated May 13, 2020 ("May 2020 Court Order"). Pursuant to the said May 2020 Court Order, the Company has now received a demand of ₹ 79.18 Crores from MPPKVVCL vide its demand letter dated May 21, 2020. This demand of ₹ 79.18 Crores is included the amount of interest calculated at the rate of 16% per annum compounded in every six months, for the period from June 12, 2015 to May 31, 2020 and the pending amount of ₹ 31.46 Crs which was due to be paid. Now the Company is approaching MPPKVVCL for the waiver of interest and penalty amount.

**SIGNIFICANT AND MATERIAL ORDERS PASSED**

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

1. An award has been passed on April 18, 2014 against the company in the matter of Arbitration at Hongkong, initiated by Smart Timing Steel Ltd (STSL). Thereafter, STSL has filed a petition to High Court, Mumbai for seeking an order and direction that the said arbitration award be enforced as a decree, which was allowed by the Hon'ble High Court vide its order dated November 15, 2016. In pursuance of said order, STSL initiated execution proceeding against the company by attaching one of company's properties. Simultaneously, STSL filed a petition under Insolvency and Bankruptcy Code, 2016 (IBC) before National Company Law Tribunal (NCLT), Mumbai, which was dismissed by NCLT. Thereafter, STSL preferred an appeal before National Company Law Appellant Tribunal, Delhi



## **National Steel & Agro Industries Ltd.**

(NCLAT). However, NCLAT has dismissed the appeal and STSL has approached to Supreme Court by filing a civil appeal against the said order of NCLAT. The Civil Appeal is pending for hearing.

2. In August 2010, the Company has started obtaining electricity through open access (from other state). Government of Madhya Pradesh (MP) enacted Vidyut Shulk Adhiniyam, 2012 whereby electricity duty was imposed upon the consumer of open access in the state. The Company had challenged the collection of electricity duty by filing writ petition in High Court of MP which was dismissed therefore, a Special leave Petition (SLP) was filed but same has been dismissed on December 19, 2019 and on December 20, 2019 the Company received a demand letter dated December 18, 2019 from the office of superintendent engineer, HT Billing (MPPKVVCL) for the payment of amount of ₹ 9,15,36,009/- (Rupees Nine Crore Fifteen Lakh Thirty Six Thousand and Nine). The Company has submitted its request for waiver of the entire amount of electricity duty along with interest to the State Government (M.P.).

### **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 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, Financial Institutions, Banks, 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 contribution 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 developement 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 : 31<sup>st</sup> July 2020

**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 31<sup>st</sup> March, 2020, 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
1. Nsil Exports Private Limited	Relatives of Executive Chairman are Directors in the Company	Sale and Purchase of Goods	Order-wise	As per the terms of contract	3,39,971	N.A.	N.A.
2. Shahra Brothers Private Limited	Executive Chairman is one of the Director	Office Rent	One year	On the basis of Rent agreement	3,40,476	N.A.	N.A.

For and on behalf of the Board of Directors

Place : Indore

Date : 31<sup>st</sup> July 2020

**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, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.**

The CSR Policy was approved by the Board of Directors at its meeting held on 28<sup>th</sup> June, 2014 and modified time to time and has been uploaded on the Company's website [www.nsail.com](http://www.nsail.com).

The Company has proposed, during the year under review, to undertake activities relating to health of the people, education and welfare of the society.

**Weblink : <http://www.nsail.com/Investor Zone/Policies/CSR Policy>**

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)\*\*

\* Mr. Santosh Shahra, Executive Director, appointed as the Chairman of CSR Committee w.e.f. 13<sup>th</sup> May, 2019.

\*\* Mr. Ashutosh Upadhyay and Mr. Rajesh Nema, Independent Directors, appointed as the member of CSR Committee w.e.f. 13<sup>th</sup> May, 2019.

3. **Average Net Loss of the Company for last three financial years :**

Average Net Loss : ₹ (17,237.06) Lakhs

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above) : ₹ Nil.**

5. **Details of CSR spent for the financial year :**

(a) Total amount spent for the financial year: ₹ 1 Lakhs

(b) Amount unspent, if any: ₹ Nil

(c) Manner in which the amount spent during the financial year is detailed below:



**National Steel & Agro Industries Ltd.**

S. No.	CSR Project or Activity Identified	Sector in which the Project is covered	Projects or Programs 1. Local area or other 2. Specify the State and District where projects or program was undertaken	Amount Outlay (Budget) Project or programs wise	Amount spent on the projects or programs Sub heads : 1. Direct expenditure on projects or program. 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent : Direct or through Implementing Agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Medical Facilities	Health of People	Contribution towards 8 <sup>th</sup> International Yoga Festival Conference Competition (8th IYFCC)	₹ 1,00,000/-	₹ 1,00,000/-	₹ 1,00,000/-	Direct

- ♦ Implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

**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 31<sup>ST</sup> MARCH, 2020

*[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 31<sup>st</sup> March, 2020 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 31<sup>st</sup> March, 2020 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 Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Director and Independent Directors as per Section 149 of Companies Act, 2013 and Regulation 17 of SEBI (LODR) Regulations, 2015, except during the period from 01<sup>st</sup> April, 2019 to 12<sup>th</sup> May, 2019, there were only two directors in the Company with no optimum combination of executive and non-executive directors and there were no Independent Directors in the Board of the Company. Further, during the period from 01<sup>st</sup> April, 2019, to 29<sup>th</sup> May, 2019, there was no Woman Director in the Board of the company.*  
*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) *The Company has complied with the Regulation 8 of SEBI (Prohibition Of Insider Trading) Regulations, 2015 except the amended code of practices and procedures for fair disclosure of unpublished price sensitive information policy effective from 01<sup>st</sup> April 2019 was adopted in the meeting of Board of Directors held on 30<sup>th</sup> May 2019.*
- iii) *The Company has complied with Section 177 and 178 of Companies Act, 2013 and Regulation 18, 19, 20 and 21 of the SEBI (LODR) Regulations, 2015 in respect of the composition of Audit committee and Stakeholder Relationship Committee except during the period from 01<sup>st</sup> April, 2019 to 12<sup>th</sup> May, 2019 and composition of Nomination & Remuneration Committee and Risk Management Committee except during the period from 01<sup>st</sup> April, 2019 to 29<sup>th</sup> May. However constitution of Risk Management Committee is not mandatory for the company.*
- iv) *With respect to SEBI ex-parte ad-interim order dated 24<sup>th</sup> May, 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 6<sup>th</sup> 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*





**National Steel & Agro Industries Ltd.**

*detailed reply of abovementioned show cause on 22<sup>nd</sup> April, 2019 and further had a personal hearing on 04<sup>th</sup> July, 2019 before the Ld. Whole Time Member of SEBI. The Company has further submitted a detailed written submission on 06<sup>th</sup> September, 2019.*

- v. *The lender banks of the Company have filed case before Debt Recovery Tribunal (DRT) dated 04<sup>th</sup> July, 2019 after serving notices under Section 13(2) of Securitisation and Reconstruction of financial Assets and Enforcement of Security Interest Act, 2002.*
- vi. *During the current year audit period, some Applications/Petitions 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 against the Company. Further, The Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench vide its Order dated 09<sup>th</sup> June, 2020 has admitted the application for initiation of Corporate Insolvency Resolution Process (CIRP) in respect of National Steel and Agro Industries Limited ("Company") filed by Agrocorp International Private (PTE) Limited ("Agrocorp") under Section 9 of the Insolvency and Bankruptcy Code, 2016 ("Code") which was subsequently allowed for withdrawal pursuant to the settlement deed executed between the promoter of the Company and the Agrocorp.*

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 majority 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 : 31<sup>st</sup> July, 2020

**Ashish Garg**  
Practicing Company Secretary  
FCS No. : 5181  
CP No. : 4423  
PR : 568/2018  
UDIN: F005181B000540531



**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:

- ₹ 5,89,026/- by use of VAM system in GGPP against hot water generator;
- ₹ 23,47,932/- (approx) by conversion of RLNG to propane in gas engine;
- ₹ 1,30,72,000/- in different lines and aquatherm by modifying the burners and their settings by converting fuel from RLNG to LPG and Propane.
- Loss incurred due to power failure by more than 90% during the year by rigorous follow-up with MPEB to provide separate 60KVA transformer for our line, to eliminate the impact of tripping of other feeders.
- ₹ 6.5 Lakhs were saved in gas engine by changing trial frequencies.

**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.

**Capital Investment on energy conservation equipments**

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



**National Steel & Agro Industries Ltd.**

**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 CCL1 for processing 1450mm width coils. Its original width is 1250mm.
- CGL3 capacity increased by in-house modification for processing 1.5mmx1000mm (Original Capacity was 0.8mmx1350mm).

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

Through technology absorption, the quality of the Company's products 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 indigenous suppliers (replaced Chinese supplier) of ceramic pot inductor casting with indigenous material and manpower. Savings will be reflected in next financial year.

**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's export turnover has been ₹ 157.70 Lakhs as compare to ₹ 12,903.42 Lakhs for the previous year. The details of these expenses are as below: (₹ in Lakhs)

S. No.	Particulars	31.03.2020	31.03.2019
1.	Raw Materials (CIF Value)	-	6,457.91
2.	Capital Goods and Consumables	-	2.09
3.	Traded Goods	-	1,197.69
4.	Expenses towards Travelling, Commission and Others	0.37	61.60



**National Steel & Agro Industries Ltd.**

**Annexure – E to Board's Report**

**EXTRACT OF ANNUAL RETURN**

**As on financial year ended 31<sup>st</sup> March, 2020**

*[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]*

**FORM NO. MGT- 9**

**I. REGISTRATION AND OTHER DETAILS**

- i) CIN : L27100MH1985PLC140379
- ii) Registration Date : 9<sup>th</sup> January, 1985
- iii) Name of the Company : National Steel and Agro Industries Limited
- iv) Category / Sub-Category of the Company :  
Company limited by shares/ Indian Non-Government Company
- v) Address of the Registered office and contact details :  
621, Tulsiani Chambers, Nariman Point  
Mumbai - 400021 (Maharashtra)  
Telephone No: +91-22-22025098
- vi) Whether listed company : Yes
- vii) Name, Address and Contact details of Registrar and Share Transfer Agent, if any :  
Sarthak Global Limited,  
170/10, R.N.T. Marg, Film Colony, Indore - 452001 (M.P.),  
Telephone: +91-731-2523545, 2526388.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

S. No.	Name and Description of main products	NIC Code of the Product	% to Total Turnover of the Company
1	Galvanised/ Coated Steel Coil/ Sheet & Other	27171	43.58
2	Color Coated Coil/ Sheet	27171	51.37

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Not applicable

**IV. SHAREHOLDING PATTERN (Equity Shares Capital Breakup as percentage of Total Equity)**

**(i) Category-wise Shareholding**



# National Steel & Agro Industries Ltd.

S. No.	Category of Shareholders	No. of Shares held at the beginning of the year i.e. on 1 <sup>st</sup> April, 2019				No. of Shares held at the end of the year i.e. on 31 <sup>st</sup> March, 2020				% Change during the year
		Demat Form	Physical Form	Total	% of Total Shares	Demat Form	Physical Form	Total	% of Total Shares	
<b>(A)</b>	<b>Promoter and Promoter Group</b>									
<b>(1)</b>	<b>Indian</b>									
(a)	Individuals/ HUF	3914228	-	3914228	8.80	10320196	-	10320196	23.20	+14.40
(b)	Central Govt./ State Govt.(s)	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
(d)	Any Other (specify)	-	-	-	-	-	-	-	-	-
(i)	Bodies Corporate	11709166	-	11709166	26.31	11709067	-	11709067	26.31	-
(ii)	Trust	65500	-	65500	0.15	96100	-	96100	0.22	+0.07
	<b>Sub - Total (A)(1)</b>	<b>15688894</b>	<b>-</b>	<b>15688894</b>	<b>35.26</b>	<b>22125363</b>	<b>-</b>	<b>22125363</b>	<b>49.72</b>	<b>+14.47</b>
<b>(2)</b>	<b>Foreign</b>									
(a)	NRI - Individuals/ Other - Individuals	6496468	-	6496468	14.60	59900	-	59900	0.13	-14.47
(b)	Government	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-
(i)	Bodies Corporate	-	-	-	-	-	-	-	-	-
	<b>Sub - Total (A)(2)</b>	<b>6496468</b>	<b>-</b>	<b>6496468</b>	<b>14.60</b>	<b>59900</b>	<b>-</b>	<b>59900</b>	<b>0.13</b>	<b>-14.47</b>
	<b>Total shareholding of Promoter &amp; Promoters Group (A) = (A)(1) + (A)(2)</b>	<b>22185362</b>	<b>-</b>	<b>22185362</b>	<b>49.85</b>	<b>22185263</b>	<b>-</b>	<b>22185263</b>	<b>49.85</b>	<b>-</b>
<b>(B)</b>	<b>Statement showing shareholding pattern of Public Shareholder</b>									
<b>(1)</b>	<b>Institutions</b>									
(a)	Mutual Funds	100	49100	49200	0.11	100	49100	49200	0.11	0.00
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
(f)	Financial Institutions/ Banks	-	400	400	0.00	-	400	400	0.00	-
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-
(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-
(i)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub - Total (B)(1)</b>	<b>100</b>	<b>49500</b>	<b>49600</b>	<b>0.11</b>	<b>100</b>	<b>49500</b>	<b>49600</b>	<b>0.11</b>	<b>-</b>
<b>(2)</b>	<b>Central Govt./State Govt./President of India</b>									
	<b>Sub - Total (B)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(3)</b>	<b>Non -Institutions</b>									
(a(i))	Individuals - i) Individual share-holders holding nominal share capital upto Rs. 2 Lac	10412939	2368464	12781403	28.72	10437991	2322534	12760525	28.68	-0.04
(a(ii))	Individuals - ii) Individual share-holders holding nominal share capital in excess of Rs. 2 Lac	4573855	-	4573855	10.28	4990669	-	4990669	11.21	+0.93
(b)	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-



**National Steel & Agro Industries Ltd.**

S. No.	Category of Shareholders	No. of Shares held at the beginning of the year i.e. on 1 <sup>st</sup> April, 2019				No. of Shares held at the end of the year on 31 <sup>st</sup> March, 2020				% Change during the year
		Demat Form	Physical Form	Total	% of Total Shares	Demat Form	Physical Form	Total	% of Total Shares	
(c)	Employee Trusts	-	-	-	-	-	-	-	-	-
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-
(i)	Non Resident Indians	518867	99124	617991	1.39	527694	93424	621118	1.40	+0.01
(ii)	Clearing Members	4929	-	4929	0.01	3155	-	3155	0.01	-
(iii)	H.U.F.	355349	-	355349	0.80	688071	-	688071	1.54	+0.74
(iv)	Bodies Corporate	2905911	1025600	3931511	8.83	2175999	1025600	3201599	7.20	-1.64
	<b>Sub - Total (B)(3)</b>	<b>18771850</b>	<b>3493188</b>	<b>22265038</b>	<b>50.03</b>	<b>18823579</b>	<b>3441558</b>	<b>22265137</b>	<b>50.03</b>	-
	<b>Total Public Shareholding(B) = (B)(1)+(B)(2)+(B)(3)</b>	<b>18771950</b>	<b>3542688</b>	<b>22314638</b>	<b>50.15</b>	<b>18823679</b>	<b>3491058</b>	<b>22314737</b>	<b>50.15</b>	-
(C)	<b>Statement showing Shareholding Pattern of the Non Promoter-Non Public Shareholder</b>									
(1)	Custodian/ DR Holder- Name of DR Holders (If Available)	-	-	-	-	-	-	-	-	-
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-
	<b>TOTAL Non Promoter - Non Public Shareholding C = (C)(1)+(C)(2)</b>	-	-	-	-	-	-	-	-	-
	<b>GRAND TOTAL (A+B+C)</b>	<b>40957312</b>	<b>3542680</b>	<b>44500000</b>	<b>100.00</b>	<b>41008942</b>	<b>3491058</b>	<b>44500000</b>	<b>100.00</b>	-



**National Steel & Agro Industries Ltd.**

**(ii) Shareholding of Promoters**

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to Total Shares	
1	Abhadevi Shahra	153039	0.34	-	153039	0.34	-	-
2	Aditi Shahra	302744	0.68	-	-	-	-	-0.68
3	Dinesh Shahra	21000	0.05	-	21000	0.05	-	-
4	Manish Shahra	-	-	-	-	-	-	-
5	Mraduladevi Shahra	-	-	-	-	-	-	-
6	Nitesh Shahra	8000	0.02	-	8000	0.02	-	-
7	Neetadevi Shahra	-	-	-	-	-	-	-
8	Navneet Zalani	-	-	-	-	-	-	-
9	Navneet D. Zalani (HUF)	300	0.00	-	300	0.00	-	-
10	Ruchi Mohan	132915	0.30	-	-	-	-	-0.30
11	Santosh Kumar Shahra (HUF)	1512387	3.40	-	-	-	-	-3.40
12	Bhavna Goel	6436568	14.46	-	-	-	-	-14.46
13	Ushadevi Shahra	760950	1.71	-	-	-	-	-1.71
14	Santosh Shahra	-	-	-	10055257	22.60	-	+22.60
15	Savitridevi Shahra	30600	0.07	-	-	-	-	-0.07
16	Sandhya Khandelwal	12600	0.03	-	12600	0.03	-	-
17	Suresh Shahra (HUF)	10000	0.02	-	10000	0.02	-	-
18	Suresh Shahra	-	-	-	-	-	-	-
19	Umesh Shahra	-	-	-	-	-	-	-
20	Vishesh Shahra	909693	2.05	-	-	-	-	-2.05
21	Mahakosh Family Trust	3750	0.10	-	3750	0.01	-	-
22	Shashwat Trust	61750	0.14	-	92350	0.21	-	+0.07
23	Ankesh Shahra	59900	0.13	-	59900	0.13	-	-
24	Sarvesh Shahra	60000	0.13	-	60000	0.13	-	-
25	APL International Private Limited	2957500	6.65	-	2957500	6.65	-	-
26	Mahakosh Holdings Private Limited	150000	0.34	-	150000	0.34	-	-
27	Anik Industries Limited	30000	0.07	-	30000	0.07	-	-



**National Steel & Agro Industries Ltd.**

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to Total Shares	
28	NSIL Infotech Limited	1035900	2.33	-	4135900	9.29	-	+6.96
29	Ruchi Acroni Industries Limited	-	-	-	-	-	-	-
30	Nutrela Marketing Private Limited	1220000	2.74	-	1220000	2.74	-	-
31	Ruchi Infrastructure Limited	1371800	3.08	-	1371800	3.08	-	-
32	Ruchi Soya Industries Limited	883500	1.99	-	883500	1.99	-	-
33	Ruchi Power Corporation Limited	600000	1.35	-	-	-	-	-1.35
34	Shahra Brothers Private Limited	237417	0.53	-	237417	0.53	-	-
35	Sarthak Global Limited	167150	0.38	-	167150	0.38	-	-
36	Vishal Soyamool Private Limited	472800	1.06	-	472800	1.06	-	-
37	Ruchi Integrated Steels (India) Limited	500000	1.12	-	-	-	-	-1.12
38	NSIL Finance Limited	500000	1.12	-	-	-	-	-1.12
39	NSIL Power Limited	1000000	2.25	-	-	-	-	-2.25
40	Divine Infracreation & Trading Private Limited	99	0.00	-	-	-	-	-
41	Morya Erectors Private Limited	500000	1.12	-	-	-	-	-1.12
42	Soyumm Marketing Private Limited	83000	0.19	-	83000	0.19	-	-
43	Mathew Kurian	-	-	-	-	-	-	-
44	Sharon Marie Mathew	-	-	-	-	-	-	-
	<b>Total</b>	<b>22185362</b>	<b>49.85</b>	<b>-</b>	<b>22185263</b>	<b>49.85</b>	<b>-</b>	<b>-</b>





**National Steel & Agro Industries Ltd.**

**(iii) Changes in Promoters' Shareholding**

S. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	Aditi Shahra				
	Opening Balance	3,02,744	0.68	3,02,744	0.68
	3,02,744 shares transferred on 9 <sup>th</sup> September, 2019	-3,02,744	-0.68	-	-
	Closing Balance			-	-
2	Ruchi Mohan				
	Opening Balance	1,32,915	0.30	1,32,915	0.30
	1,32,915 shares transferred on 24 <sup>th</sup> September, 2019	-1,32,915	-0.30	-	-
	Closing Balance			-	-
3	Santosh Kumar Shahra (HUF)				
	Opening Balance	15,12,387	3.4	15,12,387	3.4
	15,12,387 shares transferred on 4 <sup>th</sup> March, 2020	-15,12,387	-3.4	-	-
	Closing Balance			-	-
4	Bhavna Goel				
	Opening Balance	64,36,568	14.46	64,36,568	14.46
	64,36,568 shares transferred on 2 <sup>nd</sup> April, 2019	-64,36,568	-14.46	-	-
	Closing Balance			-	-
5	Usha Devi Shahra				
	Opening Balance	7,60,950	1.71	7,60,950	1.71
	7,60,950 shares transferred on 28 <sup>th</sup> June, 2019	-7,60,950	-1.71	-	-
	Closing Balance				



**National Steel & Agro Industries Ltd.**

S. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
6	Santosh Shahra				
	Opening Balance	-	-	-	-
	64,36,568 shares acquired on 2 <sup>nd</sup> April, 2019	+64,36,568	+14.46	+64,36,568	+14.46
	16,70,643 shares acquired on 28 <sup>th</sup> June, 2019	+16,70,643	+3.75	81,07,211	18.21
	3,02,744 shares acquired on 09 <sup>th</sup> September, 2019	+3,02,744	+0.68	84,09,955	18.90
	1,32,915 shares acquired on 24 <sup>th</sup> September, 2019	+1,32,915	+0.30	85,42,870	19.20
	15,12,387 shares acquired on 04 <sup>th</sup> March, 2019	+15,12,387	+3.40	1,00,55,257	22.60
	Closing Balance			1,00,55,257	22.60
7	Savitri Devi Shahra				
	Opening Balance	30,600	0.07	30,600	0.07
	30,600 shares transferred on 06 <sup>th</sup> March, 2020	-30,600	-0.07	-	-
	Closing Balance			-	-
8	Vishesh Shahra				
	Opening Balance	9,09,693	2.05	9,09,693	2.05
	9,09,693 shares transferred on 28 <sup>th</sup> June, 2019	-9,09,693	-2.05	-	-
	Closing Balance			-	-
9	Shashwat Trust				
	Opening Balance	61,750	0.14	61,750	0.14
	30,600 shares acquired on 6 <sup>th</sup> March, 2020	+30,600	+0.07	92,350	0.21
	Closing Balance			92350	0.21
10	NSIL Infotech Limited				
	Opening Balance	10,35,900	2.33	10,35,900	2.33
	5,00,000 shares acquired on 28 <sup>th</sup> June, 2019	+5,00,000	+1.12	15,35,900	3.45
	26,00,000 shares acquired on 12 <sup>th</sup> February, 2020	+26,00,000	+5.84	41,35,900	9.29
	Closing Balance			41,35,900	9.29



**National Steel & Agro Industries Ltd.**

S. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
11	Ruchi Power Corporation Limited				
	Opening Balance	6,00,000	1.35	6,00,000	1.35
	6,00,000 shares transferred on 12 <sup>th</sup> February, 2020	-6,00,000	-1.35	-	-
	Closing Balance			-	-
12	Ruchi Integrated Steels (India) Limited				
	Opening Balance	5,00,000	1.12	5,00,000	1.12
	5,00,000 shares transferred on 12 <sup>th</sup> February, 2020	-5,00,000	-1.12	-	-
	Closing Balance			-	-
13	NSIL Finance Limited				
	Opening Balance	5,00,000	1.12	5,00,000	1.12
	5,00,000 shares transferred on 12 <sup>th</sup> February, 2020	-5,00,000	-1.12	-	-
	Closing Balance		-	-	
14	NSIL Power Limited				
	Opening Balance	10,00,000	2.25	10,00,000	2.25
	10,00,000 shares transferred on 12 <sup>th</sup> February, 2020	-10,00,000	-2.25	-	-
	Closing Balance				
15	Divine Infracreation & Trading Private Limited				
	Opening Balance	99	0	99	0
	40 shares transferred on 28 <sup>th</sup> February, 2020	-99	0	-	-
	59 shares transferred on 18 <sup>th</sup> March, 2020				
	Closing Balance			-	-
16	Morya Erectors Private Limited				
	Opening Balance	5,00,000	1.12	5,00,000	1.12
	5,00,000 shares transferred on 28 <sup>th</sup> June, 2019	-5,00,000	-1.12	-	-
	Closing Balance			-	-

There is no change in the shareholding of other Promoters mentioned in IV. (ii) above during the year.



**National Steel & Agro Industries Ltd.**

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of DRs & ADRs)**

S. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	Sangeetha S				
	Opening Balance	-	-	-	-
	14,79,270 shares acquired during the year	14,79,270	3.32	14,79,270	3.32
	Closing Balance			14,79,270	3.32
2	Bhagyashree Infrastructure Private Limited				
	Opening Balance	10,00,000	2.25	10,00,000	2.25
	Acquisition/Disposal during the year	-	-	-	-
	Closing Balance	-	-	10,00,000	2.25
3	Harsha Hitesh Javeri				
	Opening Balance	5,91,371	1.33	5,91,371	1.33
	Acquisition/Disposal during the year	-	-	-	-
	Closing Balance			5,91,371	1.33
4	Shubhmangal Traders Private Limited				
	Opening Balance	4,72,985	1.06	4,72,985	1.06
	1,66,225 shares sold during the year	-1,66,225	-0.37	3,06,760	0.69
	Closing Balance			3,06,760	0.69
5	Maxworth Leafin and Investment Private Limited				
	Opening Balance	4,46,656	1.00	4,46,656	1.00
	Acquisition/Disposal during the year	-	-	-	-
	Closing Balance			4,46,656	1.00
6	Hitesh Ramji Javeri				
	Opening Balance	3,92,091	0.88	3,92,091	0.88
	48,753 shares acquired during the year	+48,7532	+0.12	4,40,844	1.00
	Closing Balance			4,40,844	1.00



**National Steel & Agro Industries Ltd.**

S. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
7	Abhikaran Trading Private Limited				
	Opening Balance	3,11,121	0.70	3,11,121	0.70
	Acquisition/Disposal during the year	-	-	-	-
	Closing Balance			3,11,121	0.7
8	Ruchi Agrotech Private Limited				
	Opening Balance	2,96,353	0.67	2,96,353	0.67
	Acquisition/Disposal during the year	-	-	-	-
	Closing Balance	-	-	2,96,353	0.67
9	Varanasi Commercial Limited				
	Opening Balance	1,89,500	0.43	1,89,500	0.43
	Acquisition/Disposal during the year	-	-	-	-
	Closing Balance			1,89,500	0.43
10	Abhay Krishi udyog Private Limited				
	Opening Balance	1,65,674	0.37	1,65,674	0.37
	Acquisition/Disposal during the year	-	-	-	-
	Closing Balance			1,65,674	0.37

The Company is listed and 92.15% shareholding is in dematerialized form. Hence, it is not feasible to track movement of shares on daily basis. The aforesaid holdings by top ten shareholders are due to market operations. Further, the Company has not issued/ allotted any bonus or sweat equity shares during the year under review.



**National Steel & Agro Industries Ltd.**

**(v) Shareholding of Directors and Key Managerial Personnel :**

S. No.	Name of Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	Mr. Santosh Shahra				
	Opening Balance	-	-	-	-
	64,36,568 Shares acquired on 2 <sup>nd</sup> April, 2019	64,36,568	14.46	64,36,568	14.46
	16,70,643 Shares acquired on 28 <sup>th</sup> June, 2019	16,70,643	3.75	81,07,211	18.21
	3,02,744 Shares acquired on 9 <sup>th</sup> September, 2019	3,02,744	0.68	84,09,955	18.90
	1,32,915 Shares acquired on 24 <sup>th</sup> September, 2019	1,32,915	0.30	85,42,870	19.20
	15,12,387 Shares acquired on 4 <sup>th</sup> March, 2020	15,12,387	3.40	1,00,55,257	22.60
	Closing Balance	1,00,55,257	22.60	1,00,55,257	22.60
2	Mr. Manoj Khetan (appointed w.e.f. 30.12.2019)				
	Opening Balance	-	-	-	-
	Closing Balance	-	-	-	-
3	Mr. Ashutosh Upadhyay (Appointed w.e.f. 13.05.2019)				
	Opening Balance	240	0.00	240	0.00
	Closing Balance			240	0.00
4	Mr. Rajesh Nema (Appointed w.e.f. 13.05.2019)				
	Opening Balance	-	-	-	-
	Closing Balance			-	-
5	Mrs. Ankita Sethi Hasmukhdas (Appointed w.e.f. 30.05.2019)				
	Opening Balance	-	-	-	-
	Closing Balance			-	-
6	Mr. Shrikant Tirpude (ceased w.e.f. 16.09.2019)				
	Opening Balance	-	-	-	-
	Closing Balance			-	-
7	Mr. Anurag Gangrade (Company Secretary)				
	Opening Balance	-	-	-	-
	Closing Balance	-	-		



**National Steel & Agro Industries Ltd.**

**V INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment.  
(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtednes
<b>Indebtedness at the beginning of the Financial Year</b>				
i) Principal Amount	1,11,058.67	-	-	1,11,058.67
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	5,545.97	-	-	5,545.97
<b>Total (i+ii+iii)</b>	<b>1,16,604.64</b>	<b>-</b>	<b>-</b>	<b>1,16,604.64</b>
<b>Changes in Indebtedness during the Financial Year</b>				
Addition*	16,871.11	-	-	16,871.11
Reduction	3,727.48	-	-	3,727.48
<b>Net Change</b>	<b>13,143.63</b>	<b>-</b>	<b>-</b>	<b>13,143.63</b>
<b>Indebtedness at the end of the Financial Year</b>				
i) Principal Amount	1,10,885.46	-	-	1,10,885.46
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	18,862.81	-	-	18,862.81
<b>Total (i+ii+iii)</b>	<b>1,29,748.27</b>	<b>-</b>	<b>-</b>	<b>1,29,748.27</b>

\*Increased due to interest charged by the bank during the year.

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager :**

(₹ in Lakhs)

S.No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mr. Santosh Shahra	Mr. Manoj Khetan (Appointed w.e.f. 30 <sup>th</sup> December, 2019)	
1	<b>Gross Salary</b>			
	(a) Salary u/s 17(1) of Income Tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- Others, specify	-	-	-
5	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Ceiling as per the Act</b>			<b>-</b>



**National Steel & Agro Industries Ltd.**

**B. Remuneration to other Directors :**

(₹ in Lakhs)

S.No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Ashutosh Upadhyay (Appointed w.e.f. 13.05.2019)	Mr. Rajesh Nema (Appointed we.f. 13.05.2019)	Mrs. Ankita Sethi Hasmukhdas (Appointe w.e.f. 30.05.2019)	Mr. Shrikant Tirpude* (Resigned w.e.f. 16.09.2019)	
1	<b>Independent Directors</b>					
	- Fee for attending board /committee meetings	1.19	1.31	0.44	-	2.94
	- Commission	-	-	-	-	-
	- Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>1.19</b>	<b>1.31</b>	<b>0.44</b>	<b>-</b>	<b>2.94</b>
2	<b>Other Non-Executive Directors</b>					
	- Fee for attending board/ /committee meetings	-	-	-	0.40	0.40
	- Commission	-	-	-	-	-
	- Others, please specify	-	-	-	-	-
	<b>Total(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.40</b>	<b>0.40</b>
	<b>Total(B)=(1+2)</b>	<b>1.19</b>	<b>1.31</b>	<b>0.44</b>	<b>0.40</b>	<b>3.34</b>

\* Sitting Fee Cheque had been issued in favour of IDBI Bank Limited.

The Company pays only sitting fee to Independent Directors and Nominee Director for attending Board and Committee Meetings. Therefore, overall ceiling as per the Act does not applicable.

**C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD :**

S.No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	Company Secretary	Total Amount
1	<b>Gross Salary</b>	Mr. Manoj Khetan*	Mr. Anurag Gangrade	
	(a) Salary as per provision 17(1) of the Income Tax Act, 1961	19.26	29.60	
	(b) Value of perquisites u/s 17(2) of the Income Tax Act,1961	-	-	-
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act,1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- Others, specify	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	<b>19.26</b>	<b>29.60</b>	<b>48.86</b>

\*Remuneration paid to Mr. Manoj Khetan as CFO upto 29<sup>th</sup> December,2019.





**National Steel & Agro Industries Ltd.**

**(vii) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES :**

Type	Section of the Companies Act	Brief Description	Details of Penalties/ punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made if any (gives details)
<b>A. Company</b>					
- Penalty					
- Punishment					
- Compounding					
<b>B. Directors</b>					
- Penalty					
- Punishment					
- Compounding					
<b>C. Other Officers in default</b>					
- Penalty					
- Punishment					
- Compounding					

**N A**



**National Steel & Agro Industries Ltd.**

**Annexure – F 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 (appointed w.e.f. 30/12/2019)	5.60:1
3	Mr. Ashutosh Upadhyay (appointed w.e.f. 13/05/2019)	0.34:1
4	Mr. Rajesh Nema (appointed w.e.f. 13/05/2019)	0.38:1
5	Mrs. Ankita Sethi Hasmukhdas (appointed w.e.f. 30/05/2019)	0.13:1
6	Mr. Shrikant Tirpude (ceased w.e.f. 16/09/2019)	0.12:1

- (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: **(₹ in Lakhs)**

S. No.	Name	2019-20	2018-19	% increase in remuneration
1	Mr. Santosh Shahra Executive Chairman <sup>1</sup>	-	48.97	-
2	Mr. Nagalingam Goli, Managing Director <sup>2</sup>	-	48.23	-
3	Mr. Manoj Khetan, Whole Time Director & CFO <sup>3</sup>	19.26	-	-
4	Mr. Shrikant Tirpude, Nominee Director <sup>4</sup>	0.40	0.50	-
5	Mr. Ashutosh Upadhyay, Independent Director <sup>5</sup>	1.19	0.53	124.52%
6	Mr. Rajesh Nema, Independent Director <sup>6</sup>	1.31	1.24	5.64%
7	Smt. Neha Singhania, Independent Director <sup>7</sup>	-	0.68	-
8	Mrs. Ankita Sethi Hasmukhdas Independent Director <sup>8</sup>	0.44	-	-
9	Mr. Vikash Rungta, CFO <sup>9</sup>	-	-	-
10	Mr. Pankaj Gupta, Company Secretary <sup>10</sup>	-	5.02	-
11	Mr. Anurag Gangrade, Company Secretary <sup>11</sup>	29.60	26.62	11.20%



**National Steel & Agro Industries Ltd.**

1. Mr. Santosh Shahra – Executive chairman has received remuneration upto June, 2018.
2. Mr. Nagalingam Goli was ceased w.e.f. 31.03.2019 and has received remuneration upto July, 2018.
3. Mr. Manoj Khetan was appointed as 'Whole time Director and CFO' and was in receipt of remuneration upto 29<sup>th</sup> December, 2019 in the capacity of Chief Financial Officer.
4. Mr. Shrikant Tirpude was ceased w.e.f. 16<sup>th</sup> September, 2019.
5. The increase is by the virtue of his appointment in several committees of Board and attendance there on as compared to the corresponding previous year.
6. The increase is by the virtue of more no. of Board/committee meeting convened during the year as compared to the corresponding previous year.
7. Ms. Neha Singhania was ceased w.e.f. 19<sup>th</sup> March, 2019.
8. Mrs. Ankita Sethi Hasmukhdas was appointed w.e.f. 30<sup>th</sup> May, 2019.
9. Mr. Vikas Rungta ceased w.e.f. 14<sup>th</sup> November, 2018.
10. Mr. Pankaj Gupta was ceased w.e.f. 10<sup>th</sup> April, 2018.
11. Mr. Anurag Gangrade received the remuneration throughout the financial year 2019-20 compared to the corresponding previous year as his appointment was w.e.f. 2<sup>nd</sup> May, 2018.

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

<b>Median Remuneration (2019-2020) (Amount in ₹ )</b>	<b>Median Remuneration (2018-2019) (Amount in ₹ )</b>	<b>Increase in the Median Remuneration (in %)</b>
3,43,776	2,55,221	34.70

\* Please read this in conjunction with (A) (v). Also, the total number of permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2020 were 307 whereas as on 31<sup>st</sup> March, 2019 were 337.

- (iv) The number of permanent employees on the rolls of the Company: 307 Employees.
- (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 and point out if there are any exceptional circumstances for increase in the managerial remuneration:

% increase in Average salary of employees other than KMPs for Financial Year 2019-20 is nil%.

The increase in the salary of KMPs for Financial Year 2019-20 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 that the remuneration is as per the Remuneration Policy of the Company.  
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 CTC ( ₹ in Lakhs)	Nature of employment	Qualification and Experience	Date of Commencement of Employment	Age	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	52.69	Contractual	B.E. (Mechanical) and having vast experience of 35 years.	16.05.1995	57 Years	JINDAL STRIPS LTD.- VASIND, (MUMBAI)	-	-
2	Mr. Nilesh Vasant Doshi	General Manager	33.54	Contractual	CA, CWA, B.Com. and having vast experience of 17 Years	26.04.2014	43 Years	MANDHANA INDUSTRIES LTD.	-	-
3	Mr. M.K. Sudhir	Assistant Vice President	32.40	Contractual	B.E. (Metrology) and having vast experience of 33 years .	25.05.1996	55 Years	SAIL- ROURKELA	-	-
4	Mr. Anurag Gangrade	Company Secretary	31.00	Contractual	CS, LLB, B.Com. and having vast experience of 10 Years.	02.05.2018	32 Years	PCS	-	-
5	Mr. Vishnudas Mane	Sr. General Manager	28.20	Contractual	B.Sc. and having vast experience of 35 Years.	21.09.1987	55 Years	SIPTA COATED STEEL NANDED	-	-
6	Mr. Anukul Joshi	General Manager	25.03	Contractual	B.E. (Mechanical) and having vast experience of 29 Years.	26.06.1995	52 Years	ATMA STEELS LTD.	-	-
7	Mr. Homiyar Wandkadia	General Manager	24.60	Contractual	B.com, Diploma (Marketing, Management & Export Import) and having vast experience of 29 years.	16.09.2003	55 Years	SREE RAYALASEEMA ALKALIES & CHEMICALS LTD.	-	-
8	Mr. Ajay Joshee	Sr. General Manager	22.22	Contractual	Diploma in Mechanical and having vast experience of 33 years.	16.11.1987	54 Years	SUPER PACK INDUSTRY	-	-
9	Mr. Anoop Kanungo	Deputy General Manager	20.07	Contractual	B.Com., MCA and having vast experience of 32 years.	01.05.1989	51 Years	KASTA PIPE PVT. LTD.	-	-
10	Mr. Arun Kumar Mahapatra	Sr. Deputy General Manager	19.81	Contractual	BSc, MSc, M.Tech, PGDM (Marketing) and having vast experience of 30 years	16.07.2007	55 Years	ISPAT INDUSTRIES LTD.	-	-



## National Steel & Agro Industries Ltd.

### MANAGEMENT DISCUSSION AND ANALYSIS

#### I) Industry Structure and Developments

(Source: World Steel Association: 2020 world steel in figures)

##### ♦ World Steel Scenario

The global steel production saw a growth of 3.4% over the calendar year (CY) 2018 and is expected to grow even further in the times to come.

- The **world crude steel production** has increased to around 1868.8 Million Tonnes (MT) in the year 2019 as per the data provided by World Steel Association, China being the top-most steel producing nation.
- The **world apparent steel use per capita** reached the mark of 229.3 kilograms for the CY 2019 as compared to 224.0 kilograms in the CY 2018.

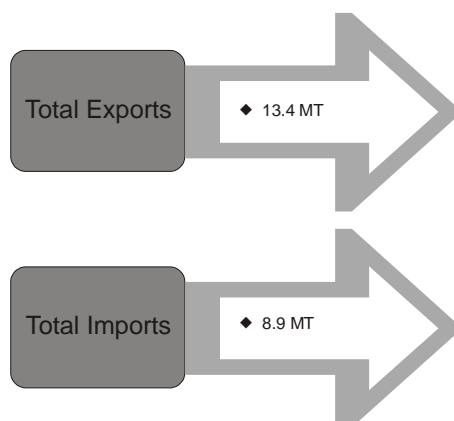
Steel consumption also shows a strong link with the economic growth, steel has become an essential material in almost every aspect of the economy, right from infrastructure, transportation and consumption.

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.

##### ♦ Indian Steel Scenario

- As per the World Steel Association India gained second **position** among the **major steel producing countries** with a crude steel production of **111.2 MT** in the CY 2019 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** reached the mark of 74.3 kilograms for the CY 2019 as compared to 71.5 kilograms per the data provided by World Steel Association.
- The steel sector contributes to over 2% of the Country's GDP.

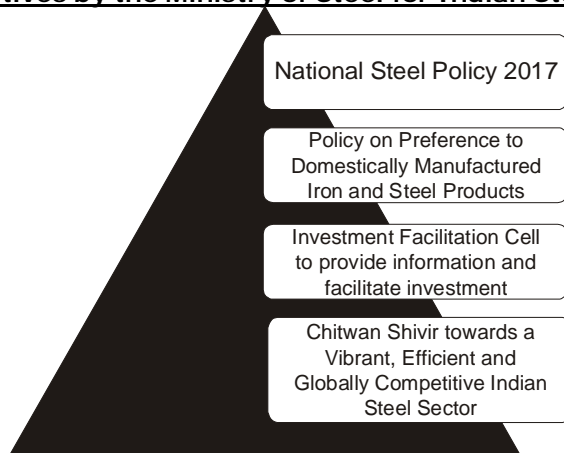
### Indian Steel Import Export Related Data





## National Steel & Agro Industries Ltd.

### Major Initiatives by the Ministry of Steel for Indian Steel Sector



## II) Opportunities and Threats

(Source: Ministry of Steel: Make in India)

### ♦ Opportunities

- India is expected to become the largest producer of steel in the world.
- Export stood at 13.4 MT for the CY 2019. India was a net exporter of steel. Growth in exports ensures greater access to far out markets.
- India's per capita consumption of steel grew to 74.3 kilograms, for the CY 2019 as compared to the 71.5 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.
- Major initiatives taken by Government of India (Ministry of Steel) that will boost the demand for steel in India –

#### 1) National Steel Policy 2017

##### Objective:

- a. India to be world leader in energy efficiency and sustainability.
- b. Global standards in Industry safety and health.
- c. Domestically meet the entire demand of high grade automotive steel, electrical steel, special steel and alloys.

#### 2) Mega Conclave held on 'Capital Goods for Steel Sector: Manufacture in India'

##### Objectives:

- a. to promote domestic manufacturing of capital goods for steel sector in India;
- b. technology collaboration in various areas of Iron & Steel industry and also for manufacture of capital goods for the steel sector in India.



**National Steel & Agro Industries Ltd.**

**3) Policy on Preference to Domestically Manufactured Steel Products**

**Objective:**

- a. To provide a level playing field for the domestic manufacturers.
- b. Expansion of private sector in steel making industry would provide opportunity for medium scale industries.
- c. The Company expects to hit on the opportunities provided by the economy.

**4) Chintan Shivir: Towards a Vibrant, Efficient and Globally Competitive Indian Steel Sector**

**Objective:**

- a. Domestic Capacity Expansion with Special Reference to Secondary Steel Sector;
- b. Demand Generation;
- c. High Grade Steel Production

♦ **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.

**III) Outlook – Steel Sector**

(Source: World steel SRO June 2020)

The World Steel Association (WSA) forecasts steel demand to decline by 6.4% dropping to 1,654 MT in CY 2020, due to the COVID-19 impact. However, it has asserted that the global steel demand could rebound to 1,717 MT in CY 2021 and witness a 3.8% rise over CY 2020. Chinese demand is likely to recover faster than in the rest of the world.

Steel demand is expected to decline sharply across most countries, especially in the second quarter of CY 2020, with a likely gradual recovery from the third quarter. However, risks to the forecast remain on the downside as economies make a graded exit from the lockdowns, without any particular cure or vaccine for COVID-19.

The World Steel Association (WSA) further expects Indian steel demand to contract by 18% in CY 2020 on the back of pandemic induced abrupt halt of economic activities. CY 2021 demand is expected to sharply recover and expand by 15%. While the domestic steel industry is likely to witness a decline in demand in the near term as the economy heads towards near normalcy level in the coming months. But a gradual recovery, especially in the second half of FY 2020- 2021 is expected, mainly led by the government's thrust on infrastructure and construction related projects with improving consumer sentiment in other sectors.



## **National Steel & Agro Industries Ltd.**

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### **IV) 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.

### **V) SEGMENT WISE OR PRODUCT WISE PERFORMANCE**

The Segments identified by the Company are as under :

- 1) Manufacturing Segment
- 2) Trading Segment\*

\*The Company has discontinued trading in Agro Segment during the Financial Year 2018-19. However, in order to disclose the corresponding financial figures of the Financial Year 2018-19, reference of trading segment has been provided. Further, during the year under review the Company is indulged only in manufacturing segment.

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

### **VI) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

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.

### **VII) 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.

The total number of permanent employees on roll as on 31<sup>st</sup> March, 2020 was 307.





**National Steel & Agro Industries Ltd.**

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**VIII) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

During the year under review, the revenue from operations is ₹ 1,30,933 Lakhs against ₹ 1,08,172 Lakhs for the previous year.

The Earning Before Interest, Tax, Depreciation and Amortisation (EBITDA) is ₹ (621) Lakhs against ₹ (13,118) Lakhs for previous year. The Loss Before Tax has been ₹ 23,727 Lakhs ( ₹ 32,713 Lakhs in the previous year) and Loss After tax is ₹ 29,083 Lakhs ( ₹ 24,044 Lakhs in the previous year).

Consequent to classification of Company's Account as Non Performing Assets (NPA) by its lenders, the Company has proposed One Time Settlement with the lenders, which has been sanctioned by 51% (by value) of the lenders during the year under review.

On request of the Company, the holders of 4% Cumulative Redeemable Unlisted Non- Convertible Preference Shares ("Preference Shares") have agreed to waive their accrued and unpaid dividends and further consented for modification in the terms of issue, which are as follows:

- 1) 0% (zero percent) dividend; and
- 2) Redemption of the Preference Shares within 20 years from the date of issue of Preference Shares in one or more tranches, at the discretion of the Board of the Company.

The outbreak of COVID-19 pandemic has led to an unprecedented disruption in the economic activities across the globe. Consequently, the steel demand is expected to be lower in 2020. Due to the stringent nationwide lockdown imposed by the Government of India with effect from March 25, 2020 the manufacturing activities of the Company were severely affected as the Company continues to bear its fixed overhead expenses and other inevitable financial costs without having any relaxation from the Government of India/State Governments/Local Authorities leading to continue the financial stress on the Company.

The Company has resumed its operations in a phased manner. However, the health and safety of our employees continues to be the foremost priority.

**IX) 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.

**X) CHANGES IN KEY FINANCIAL RATIOS:**

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



**National Steel & Agro Industries Ltd.**

Sr.No.	Key Financial Ratio	FY 2020	FY 2019	Change
1.	Debtors Turnover	12.09	4.10	7.98
2.	Inventory Turnover	37.51	22.23	15.28
3.	Interest Coverage Ratio	(0.30)	(0.89)	0.59
4.	Current Ratio	0.12	0.20	(0.08)
5.	Debt Equity Ratio	(1.13)	(1.62)	0.31
6.	Operating Profit Margin (%)	(0.47)	(11.84)	11.37
7.	Net Profit Margin (%)	(21.97)	(21.65)	(0.32)
8.	Return on Net worth	(28.59)	(31.81)	3.22

**XI) 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 31<sup>st</sup> March, 2020, the board consists of 5 (Five) Directors, out of which 2 (Two) are Executive Directors and 3(Three) 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*
4	Nominee Director	Mr. Shrikant Tirpude#

\* Mr. Rajesh Nema and Mr. Ashutosh Upadhyay, have been appointed as Independent Directors w.e.f. 13<sup>th</sup> May, 2019.

\*\* Mrs. Ankita Sethi Hasmukhdas has been appointed as Woman Independent Director w.e.f. 30<sup>th</sup> May, 2019.

# Mr. Shrikant Tirpude, Nominee Director, has resigned w.e.f. close of working hours on 16<sup>th</sup> September, 2019.

\*\*\* Mr. Manoj Khetan, has been appointed as Whole Time Director w.e.f. 30<sup>th</sup> December, 2019.



## National Steel & Agro Industries Ltd.

The Board of Directors met 7 (seven) times during the Financial Year 2019-20 on 13<sup>th</sup> May, 2019, 30<sup>th</sup> May, 2019, 10<sup>th</sup> July, 2019, 14<sup>th</sup> August, 2019, 8<sup>th</sup> November, 2019, 30<sup>th</sup> December, 2019 and 14<sup>th</sup> February, 2020. The requisite quorum was present for all the meetings. The gap between two meetings did not exceed one hundred and twenty days.

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 details of Directors at the Meetings of Board of Directors held during the Financial Year 2019-20 and the last Annual General Meeting (AGM) held on 6<sup>th</sup> August, 2019 and also the number of Directorships and Committee positions held by them in other public limited companies as on 31<sup>st</sup> March, 2020 are given below:

Directorship/Committee Membership as on 31<sup>st</sup> March, 2020

Name of Director	No. of Board Meetings attended during 2019-20	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 31.03.20	List of Directorship held in other Listed Company and Category of Directorship
				as Chairman	as Member		
Mr. Santosh Shahra	6	Yes	1	-	1	1,00,55,257	Shreeyam Power and Steel Industries Limited, Non-Executive Director
Mr. Manoj Khetan <sup>4</sup>	1	Yes	-	-	-	-	-
Mr. Rajesh Nema <sup>1</sup>	7	Yes	1	-	-	-	-
Mr. Ashutosh Upadhyay <sup>1</sup>	6	Yes	-	-	-	240	-
Mrs. Ankita Sethi Hasmukhdas <sup>2</sup>	4	No	-	-	-	-	-
Mr. Shrikant Tirpude <sup>3</sup>	4	No	-	-	-	-	-

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

1. Mr. Rajesh Nema and Mr. Ashutosh Upadhyay, have been appointed as Independent Directors w.e.f. 13<sup>th</sup> May, 2019.
2. Mrs. Ankita Sethi Hasmukhdas has been appointed as Woman Independent Director w.e.f. 30<sup>th</sup> May, 2019.
3. Mr. Shrikant Tirpude, Nominee Director, has resigned w.e.f. close of working hours on 16<sup>th</sup> September, 2019.
4. Mr. Manoj Khetan, has been appointed as Whole Time Director w.e.f. 30<sup>th</sup> December, 2019.

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"> <li>Leadership/Operational experience</li> <li>Finance</li> <li>Regulatory/Legal</li> <li>Risk Management</li> <li>Strategy &amp; Corporate Governance</li> </ul>
2.	Mr. Manoj Khetan	<ul style="list-style-type: none"> <li>Leadership/Operational experience</li> <li>Finance</li> <li>Regulatory/Legal</li> <li>Risk Management Strategy &amp; Corporate Governance</li> </ul>
3.	Mr. Rajesh Nema	<ul style="list-style-type: none"> <li>Finance</li> <li>Leadership/Operational experience</li> <li>Risk Management</li> <li>Strategy &amp; Corporate Governance</li> </ul>
4.	Mr. Ashutosh Upadhyay	<ul style="list-style-type: none"> <li>Finance</li> <li>Regulatory/Legal</li> <li>Risk Management</li> <li>Strategy &amp; Corporate Governance</li> </ul>
5.	Mrs. Ankita Sethi Hasmukhdas	<ul style="list-style-type: none"> <li>Regulatory/Legal</li> <li>Risk Management Strategy &amp; Corporate Governance</li> </ul>

### 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 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.



## National Steel & Agro Industries Ltd.

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 fulfil 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 6 (six) times on 30<sup>th</sup> May, 2019, 10<sup>th</sup> July, 2019, 14<sup>th</sup> August, 2019, 8<sup>th</sup> November, 2019, 30<sup>th</sup> December, 2019 and 14<sup>th</sup> February, 2020 and the gap between two meetings did not exceed one hundred and twenty days the requisite Quorum was present for all the meetings.

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	6
Ms. Ashutosh Upadhyay**	Independent Director	6
Mr. Santosh Shahra**	Executive Director	5

\* Mr. Rajesh Nema, Independent Director, appointed as Chairman of Audit Committee w.e.f. 13<sup>th</sup> May, 2019.

\*\* Mr. Ashutosh Upadhyay, Independent Director and Mr. Santosh Shahra, Executive Director appointed as members of Audit Committee w.e.f. 13<sup>th</sup> May, 2019.

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 4 (Four) times during the year under review on 30<sup>th</sup> May, 2019, 10<sup>th</sup> July, 2019, 8<sup>th</sup> November, 2019, 30<sup>th</sup> December, 2019. The requisite Quorum was present for all the meetings. 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	4
Mr. Santosh Shahra**	Executive Director	4
Mr. Ashutosh Upadhyay**	Independent Director	4
Mrs. Ankita Sethi Hasmukhdas***	Independent Director	3

- \* Mr. Rajesh Nema, Independent Director, appointed as Chairman of Nomination and Remuneration Committee w.e.f. 13<sup>th</sup> May, 2019.
- \*\* Mr. Santosh Shahra, Executive Director and Mr. Ashutosh Upadhyay, Independent Director, appointed as members of Nomination and Remuneration Committee w.e.f. 13<sup>th</sup> May, 2019.
- \*\*\* Mrs. Ankita Sethi Hasmukhdas, Woman Independent Director, appointed as member of Nomination and Remuneration Committee w.e.f. 30<sup>th</sup> May, 2019.

Nomination and Remuneration Policy of the Company is available at the website [www.nsail.com](http://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 2019-20, 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 31<sup>st</sup> March, 2020 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	1.31	Nil	1.31
Mr. Ashutosh Upadhyay	1.19	Nil	1.19
Mr. Shrikant Tirpude*	0.40	Nil	0.40
Mrs. Ankita Sethi Hasmukhdas	0.44	Nil	0.44

\* Sitting Fee paid in the name of IDBI Bank Limited.

### 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. 17<sup>th</sup> December, 2019 and 30<sup>th</sup> 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 the default in payment of dues to Banks, the Company has not paid remuneration to the Directors of the Company.

### 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 8<sup>th</sup> November 2019 and 14<sup>th</sup> February, 2020. The requisite Quorum was present for all the meetings. 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 Hasmukhdas <sup>#</sup>	Independent Director	2
Mr. Santosh Shahra**	Executive Director	1

\* Mr. Rajesh Nema, Independent Director, appointed as Chairman of the Stakeholder Relationship Committee w.e.f. 13<sup>th</sup> May, 2019.

\* Mr. Santosh Shahra, Executive Chairman, appointed as member of Stakeholder Relationship Committee w.e.f. 13<sup>th</sup> May, 2019.





## National Steel & Agro Industries Ltd.

- # Mrs. Ankita Sethi Hasmukhdas, Woman Independent Director, appointed as member of the Stakeholder Relationship Committee w.e.f. 30<sup>th</sup> May, 2019.

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 4 as per details given in table below and all were solved to the satisfaction of the shareholders.

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	3	-	-	3
Dematerialisation & Rematerialisation	1	-	-	1
<b>Total</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>4</b>

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 had not met during the year 2019-20.

- \* Mr. Santosh Shahra, Executive Director appointed as Chairman of CSR committee w.e.f 13<sup>th</sup> May, 2019.



## National Steel & Agro Industries Ltd.

- \* Mr. Rajesh Nema and Mr. Ashutosh Upadhyay, Independent Directors, were appointed as members of CSR Committee w.e.f. 13<sup>th</sup> May, 2019.

### 7. Independent Directors' Meeting

During the year under review, the Independent Directors met on 13<sup>th</sup> May, 2019 inter alia, to:

- ◆ Review the performance of Non Independent Directors and the Board of Directors as a whole;
- ◆ 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
21.09.2017 (31 <sup>st</sup> AGM)	12:00 Noon	M. C. Ghia Hall of Indian Textile Accessories & Machinery Manufacturers' Association, Bhogilal Hargovindas Building, 4 <sup>th</sup> Floor, Kala Ghoda, 18/20, K. Dubash Marg, Mumbai - 400 001	Yes
28.09.2018 (32 <sup>nd</sup> 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 <sup>rd</sup> 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

- (ii) Postal Ballot :

No special resolution was passed through Postal Ballot during the Financial Year 2019-20.

### 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, and 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 year.

S. No.	Particulars	Action taken by the Company
<b>Details of Non-Compliances during the year</b>		
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 <sup>th</sup> 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 <sup>th</sup> 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 <sup>th</sup> May, 2019.
<b>Details of Penalties Imposed during the year</b>		
1.	Penalty of ₹ 2,54,880/- imposed by BSE limited 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 on 27 <sup>th</sup> August, 2019,
2.	Penalty of ₹ 2,54,880/- imposed by National Stock Exchange of India Limited 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 NSE on 27 <sup>th</sup> August, 2019.

- 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.



**National Steel & Agro Industries Ltd.**

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

The Company has complied with the mandatory requirements and 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 not engaged in commodity trading. However, adverse rate movement risk exist on unhedged foreign currency exposure.

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

None of the Directors have inter-se relation.

- 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) 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".

- 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.

- 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** : 1<sup>st</sup> April to 31<sup>st</sup> 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).

<b><u>STOCK EXCHANGE</u></b>	<b><u>STOCK CODE</u></b>
<b>National Stock Exchange of India Limited (NSE)</b> Exchange Plaza, Bandra-Kurla Complex, Bandra East, Mumbai - 400051	NATNLSTEEL
<b>BSE Limited (BSE)</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	513179
The Listing Fee for the financial year 2019-20 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 during each month is as under :

Month	SHARE PRICE (BSE)		BSE SENSEX	
	High (₹)	Low (₹)	High	Low
April, 2019	5.85	4.60	39487.45	38460.25
May, 2019	4.89	3.90	40124.96	36956.10
June, 2019	4.65	2.96	40312.07	38870.96
July, 2019	3.50	2.49	40032.41	37128.26
August, 2019	2.75	1.73	37807.55	36102.35
September, 2019	2.52	1.65	39441.12	35987.80
October, 2019	2.38	1.64	40392.22	37415.83
November, 2019	2.03	1.61	41163.79	40014.23
December, 2019	2.22	1.62	41809.96	40135.37
January, 2020	2.40	1.70	42273.87	40476.55
February, 2020	1.99	1.62	41709.30	38219.97
March, 2020	1.70	1.40	39083.17	25638.90

Month	SHARE PRICE (NSE)		NSE NIFTY	
	High (₹)	Low (₹)	High	Low
April, 2019	5.75	4.35	11856.15	11549.10
May, 2019	4.65	3.95	12041.15	11108.30
June, 2019	4.30	2.85	12103.05	11625.10
July, 2019	3.30	2.55	11981.75	10999.40
August, 2019	2.75	1.85	11181.45	10637.15
September, 2019	2.55	1.75	11694.85	10670.25
October, 2019	2.25	1.75	11945.00	11090.15
November, 2019	2.30	1.75	12158.80	11802.65
December, 2019	2.25	1.75	12293.90	11832.30
January, 2020	2.30	1.75	12385.45	11929.60
February, 2020	1.95	1.70	12246.70	11175.05
March, 2020	1.70	1.20	11433.00	7511.10



**National Steel & Agro Industries Ltd.**

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

	<b>1<sup>st</sup> April, 2019</b>	<b>31<sup>st</sup> March, 2020</b>	<b>% Change</b>
<b>Company Share Price (BSE) (₹)</b>	5.79	1.40	-75.82
<b>Company Share Price (NSE) (₹)</b>	5.40	1.20	-76.69
<b>BSE Sensex</b>	38,871.87	29,468.49	-24.19
<b>NSE Nifty</b>	11,669.15	8,597.75	-26.32

**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 :**

During the Financial Year 2018-19, the SEBI and MCA have mandated the existing members of the Company who hold securities in physical form and intend to transfer their securities after April 1, 2019, can do so only in dematerialised form. Therefore, Members holding shares in physical form were requested to consider converting their shareholding 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. There is no need for a separate communication to the Company to register these share transfers.

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 to their securities.

**h) Distribution of Shareholding as on 31<sup>st</sup> March, 2020**

<b>Slab of Shareholding</b>	<b>Shareholders</b>	<b>%</b>	<b>in Lakhs</b>	<b>%</b>
1 - 250	17,868	64.34	211.64	4.76
251 - 500	5,160	18.58	200.65	4.50
501 - 1,000	2,402	8.65	198.39	4.45
1,001 - 2,000	1,091	3.93	171.64	3.86
2,001 - 3,000	415	1.49	107.98	2.43
3,001 - 4,000	185	0.67	66.22	1.49
4,001 - 5,000	171	0.62	80.95	1.82
5,001 - 10,000	256	0.92	185.53	4.17
10,001 and above	221	0.80	3,227.00	72.52
<b>Total</b>	<b>27,769</b>	<b>100.00</b>	<b>4,450.00</b>	<b>100.00</b>



**National Steel & Agro Industries Ltd.**

**Categories of Shareholders as on 31<sup>st</sup> March, 2020**

	Category	No. of Shares held	% of Shareholding
<b>A.</b>	<b>Promoters' holding</b>		
1	Promoters	2,21,85,263	49.85
	<b>Sub Total (1)</b>	<b>2,21,85,263</b>	<b>49.85</b>
<b>B.</b>	<b>Non Promoters' holding</b>		
2	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
	<b>Sub Total (2)</b>	<b>49,600</b>	<b>0.11</b>
3	<b>Others</b>		
a.	Private Corporate Bodies	32,01,599	7.20
b.	Indian Public	1,77,51,194	39.89
c.	NRIs	6,21,118	1.40
d.	Clearing Members	3,155	0.01
e.	Hindu Undivided Family	6,88,071	1.55
	<b>Sub Total (3)</b>	<b>2,22,65,137</b>	<b>50.04</b>
	<b>Grand Total (1+2+3)</b>	<b>4,45,00,000</b>	<b>100.00</b>

**i) Dematerialisation of shares and liquidity :**

4,10,08,942 Equity Shares of the Company representing 92.15% of the Company's Share Capital are dematerialised as on 31<sup>st</sup> March, 2020 as compared to 4,09,57,312 Equity Shares (92.03%) as on 31<sup>st</sup> March, 2019 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.**

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**(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.

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**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 31<sup>st</sup> March, 2020, 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 : 31<sup>st</sup> July, 2020



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 31<sup>st</sup> March, 2020 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 for the period from 01<sup>st</sup> April 2019 to 31<sup>st</sup> March, 2020.

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. *During the period from 01<sup>st</sup> April, 2019 to 12<sup>th</sup> May, 2019, the company was not having any Independent Directors and optimum combination of executive and non-executive directors and during the period from 01<sup>st</sup> April, 2019 to 29<sup>th</sup> May, 2019, there was no Woman Director in the Board of the company as per Regulation 17 of SEBI (LODR) Regulations, 2015.*
- ii. *During the period from 01<sup>st</sup> April, 2019 to 12<sup>th</sup> May, 2019, the composition of Audit committee was not in compliance as per Regulation 18 of the SEBI (LODR) Regulations, 2015.*
- iii. *During the period from 01<sup>st</sup> April, 2019 to 29<sup>th</sup> May, 2019, the composition of Nomination & Remuneration Committee was not in compliance as per Regulation 19 of the SEBI (LODR) Regulations, 2015.*
- iv. *During the period from 01<sup>st</sup> April, 2019 to 12<sup>th</sup> May, 2019, the composition of Stakeholder Relationship Committee was not in compliance as per Regulation 20 of the SEBI (LODR) Regulations, 2015.*
- v. *During the period from 01<sup>st</sup> April, 2019 to 29<sup>th</sup> May, 2019, the composition of Risk Management Committee was not in compliance as per Regulation 21 of the SEBI (LODR) Regulations, 2015. However constitution of Risk Management Committee is not mandatory for the company.*
- vi. *The Disclosure of related party transactions on a consolidated basis for the half year ended on 31<sup>st</sup> March, 2019, was not submitted to the stock exchange within the stipulated time as per Regulation 23(9) of SEBI (LODR) Regulations, 2015.*

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 : 31<sup>st</sup> July, 2020

Ashish Garg

Practicing Company Secretary

FCS No. : 5181

C.P. No. : 4423

UDIN : F005181B000540584



National Steel & Agro Industries Ltd.

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## **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"), 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](http://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 31<sup>st</sup> March 2020, 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 : 31<sup>st</sup> July, 2020

Ashish Garg  
Practicing Company Secretary  
FCS No. : 5181  
C.P. No. : 4423



**National Steel & Agro Industries Ltd.**

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**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 31<sup>st</sup> March 2020, 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, 2020, 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 ₹ 1,297.48 crores which was classified as Non-Performing Assets (NPA) by the banks in the previous year. Company is under the process of One Time Settlement (OTS) for settlement of loan amount with the Banks.
2. We draw attention to Note 32 to the Ind AS financial statements. Some parties have filed application/ petition before the National Company Law Tribunal (NCLT)/ National Company Law Appellate Tribunal (NCLAT) under Insolvency & Bankruptcy Code against which the company has adopted legal course. NCLT admitted the matter in case of one of the parties but the same has subsequently been withdrawn with mutual understanding.

Our opinion is not qualified on these matters.

**Material Uncertainty regarding Going Concern**

We draw attention to Note no. 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 31<sup>st</sup> March 2020. As stated, these events and conditions, along with other matters, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in this regard.



## National Steel & Agro Industries Ltd.

### 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, 2020. 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
<b>Revenue Recognition</b> (As described in Point No. VI a of Note 1 of the standalone Ind AS financial statements)	
<p>The management is of the opinion that it controls the goods before transferring them to the customer.</p> <p>The variety of terms that define when control is transferred to the customer, as well as the high value of the transactions, give rise to the risk that revenue is not recognized in the appropriate accounting period.</p> <p>Accordingly, due to the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 'Revenue from Contracts with Customers', it was determined to be a key audit matter in our audit of the standalone Ind AS financial statements.</p>	<p>We assessed the Company's process to identify the impact of adoption of Revenue Accounting Standard (Ind AS 115). Our audit approach included assessment of design and testing of operating effectiveness of internal controls related to revenue recognition, and other substantive testing. We carried out:</p> <ul style="list-style-type: none"> <li>♦ Selection of samples of both continuing and new contracts for</li> <li>- testing of operating effectiveness of the internal control</li> <li>- identification of contract wise performance obligations and</li> <li>- Determination of transaction price.</li> <li>♦ Verification of individual sales transaction on sample basis and traced to sales invoices, sales orders and other related documents. Further, the samples were checked for revenue recognition as per the shipping terms.</li> </ul>



**National Steel & Agro Industries Ltd.**

Key Audit Matters	How our audit addressed the Key Audit Matters
	<ul style="list-style-type: none"> <li>• Sample of sales transactions were selected pre- and post-year end, agreeing the period of revenue recognition to third party support, such as transporter invoice and customer confirmation of receipt of goods.</li> <li>• Direct confirmations were obtained from customers to support existence assertion of trade receivables and assessed the relevant disclosures made in the financial statements; to ensure revenue from contracts with customers are in accordance with the requirements of relevant accounting standards.</li> <li>• In the cases where direct confirmations are not available, additional procedures were applied in respect of receipts in the subsequent period and/or .</li> </ul>
<b>Expected Credit loss</b> (as described in Point No. VI e of note 1 of the standalone Ind AS financial statements)	
<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"> <li>(1) development of the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions</li> <li>(2) completeness and accuracy of information used in the estimation of probability of default and</li> <li>(3) Computation of the allowance for credit losses based on the age wise details of trade receivables provided to us.</li> </ol> <p>We tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company.</p>



## **National Steel & Agro Industries Ltd.**

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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 2019-20, 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 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





**National Steel & Agro Industries Ltd.**

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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 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.





**National Steel & Agro Industries Ltd.**

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**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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.
  - 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. 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 delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

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

**CA Vikram Gupte**  
(Partner)

Membership No. 074814  
UDIN: 20074814AAAAEP1125

Place : Indore  
Dated : 31<sup>st</sup> July, 2020



**National Steel & Agro Industries Ltd.**

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**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, 2020**

- (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 31<sup>st</sup> March 2020 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**

<b>Name of Statute</b>	<b>Period to which Dispute Relates</b>	<b>Amount Disputed (₹)</b>	<b>Forum where the dispute is pending</b>
Central Excise and Service Tax	2018-19	4,63,09,420/-	Customs Excise and Service Tax Appellate Tribunal, New Delhi
Central Excise and Service Tax	2018-19	6,21,72,263/-	Customs Excise and Service Tax Appellate Tribunal, New Delhi
Central Excise and Service Tax	2019-20	7,57,07,862/-	Customs Excise and Service Tax Appellate Tribunal
Custom Act	2016-17	1,02,50,000/-	Additional Commissioner
Custom Act	2016-17	1,92,99,130/-	Customs Excise and Service Tax Appellate Tribunal, Ahmedbad
Custom Act	2013-14	6,48,119/-	Customs Excise and Service Tax Appellate Tribunal, Mumbai
Custom Act	2012-13	47,48,458/-	Customs Excise and Service Tax Appellate Tribunal, Mumbai
Custom Act	2012-13	8,58,344/-	Customs Excise and Service Tax Appellate Tribunal, Mumbai
Custom Act	2009-10	1,38,07,709/-	Customs Excise and Service Tax Appellate Tribunal, Mumbai
M.P. Commercial Tax	2004-05	50,47,197/-	M.P. Commercial Tax Appellate Board, Indore
M.P. Commercial Tax	2004-05	5,19,604/-	M.P. Commercial Tax Appellate Board, Indore
M.P. Commercial Tax	2005-06	18,68,541/-	M.P. Commercial Tax Appellate Board, Indore
Sales Tax Ghaziabad	2010-11	51,158/-	Sales Tax Officer, Ghaziabad
Sales Tax, Ghaziabad	2014-15	1,51,500/-	Sales Tax Officer, Ghaziabad
GST Mobile, Squad, Agra	2019-20	1,96,200/-	GST Mobile, Squad Officer, Agra



**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;

<b>Name of the Bank</b>	<b>Amount of Default as at Balance Sheet Date (Including Interest)</b>	<b>Period of Default</b>
Andhra Bank	2,45,51,56,058/-	Since 07.05.2018
Oriental Bank of Commerce	1,04,18,01,242/-	Since 25.06.2018
Bank of India	1,16,91,31,064/-	Since 02.07.2018
United Bank of India	36,91,06,719/-	Since 21.05.2018
Bank of Maharashtra	70,30,67,123/-	Since 10.10.2018
Punjab National Bank	78,67,40,534/-	Since 13.07.2018
IDBI Bank Ltd.	2,10,20,25,774/-	Since 03.04.2018
Central Bank of India	87,14,05,208/-	Since 11.06.2018
State Bank of India	1,82,19,12,931/-	Since 27.04.2018
Andhra Bank (Bank Guarantee)	50,00,000/-	Since 07.05.2018
IDBI Bank Ltd. Term Loan	5,87,92,620/-	Since 01.07.2018

- (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.
- (xv) According to the information and explanations given to us and based on our examination of the



**National Steel & Agro Industries Ltd.**

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

Place : Indore  
Dated : 31<sup>st</sup> July, 2020

**CA Vikram Gupte**  
(Partner)  
Membership No. 074814  
UDIN: 20074814AAAAEP1125



**National Steel & Agro Industries Ltd.**

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**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 31<sup>st</sup> March, 2020**

**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 2020 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for



**National Steel & Agro Industries Ltd.**

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 31 March 2020, 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 : 31<sup>st</sup> July, 2020

**CA Vikram Gupte**  
(Partner)  
Membership No. 074814  
UDIN: 20074814AAAAEP1125



**National Steel & Agro Industries Ltd.**

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2020**

	<b>Note No.</b>	<b>As at 31.03.2020 (₹ in Lakhs)</b>	<b>As at 31.03.2019 (₹ in Lakhs)</b>
<b>1 ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	2	50,282.03	55,159.72
(b) Other Intangible Assets	2	60.47	10.06
(c) <b>Financial Assets</b>			
(i) Investments	3	46.36	93.75
(d) Other Non-Current Assets	4	866.04	758.82
(e) Deferred Tax Assets (net)	5	---	329.87
<b>Total Non-Current Assets</b>		<b>51,254.90</b>	<b>56,352.21</b>
<b>2 CURRENT ASSETS</b>			
(a) Inventories	6	8,316.10	7,757.65
(b) <b>Financial Assets</b>			
(i) Trade Receivables	7	5,224.53	16,437.51
(ii) Cash and Cash Equivalents	8	732.02	773.61
(iii) Bank Balance Other than (ii) above	9	---	27.01
(c) Other Current Assets	10	5,678.76	5,951.43
<b>Total Current Assets</b>		<b>19,951.41</b>	<b>30,947.20</b>
<b>Total Assets</b>		<b>71,206.32</b>	<b>87,299.41</b>
<b>1 EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	11	4,450.00	4,450.00
(b) Other Equity	12	(1,06,322.70)	(79,879.96)
<b>Total Equity</b>		<b>(1,01,872.70)</b>	<b>(75,429.96)</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) <b>Financial Liabilities</b>			
(i) Borrowings	13	4,133.00	5,501.02
(b) Provisions	14	72.39	86.32
(c) Deferred Tax Liabilities (Net)	5	5,013.33	---
<b>Total Non-Current Liabilities</b>		<b>9,218.72</b>	<b>5,587.34</b>
<b>2 Current Liabilities</b>			
(a) <b>Financial Liabilities</b>			
(i) Borrowings	15	1,29,748.27	1,16,604.64
(ii) Trade Payables	16		
(A) Total outstanding dues of Micro & Small Enterprises		632.51	1,579.11
(B) Total outstanding dues Other than Micro & Small Enterprises		20,142.20	25,513.83
(iii) Other Financial Liabilities	17	12.56	12.59
(b) Other Current Liabilities	18	13,172.17	13,355.62
(c) Provisions	19	152.60	76.24
<b>Total Current Liabilities</b>		<b>1,63,860.30</b>	<b>1,57,142.03</b>
<b>Total Equity and Liabilities</b>		<b>71,206.32</b>	<b>87,299.41</b>

Summary of Significant Accounting Policies and notes to account

1 to 49

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 : 31<sup>st</sup> July, 2020

Place : Indore  
Dated : 31<sup>st</sup> July, 2020





**National Steel & Agro Industries Ltd.**

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

		<b>Year ended 31.03.2020 (₹ in Lakhs)</b>	<b>Year ended 31.03.2019 (₹ in Lakhs)</b>
	<b>Note No.</b>		
<b>REVENUE</b>			
I Revenue from Operations	20	<b>1,30,932.95</b>	1,08,172.03
II Other Income	21	<b>1,594.50</b>	2,657.84
<b>III Total Revenue</b>		<b>1,32,527.45</b>	<b>1,10,829.87</b>
<b>IV EXPENSES</b>			
Cost of Materials Consumed	22	<b>1,16,112.94</b>	63,463.28
Purchases of Stock in Trade	23	---	32,073.68
Change in Inventories of Finished Goods, WIP and Stock in Trade	24	<b>(2,505.02)</b>	4,915.33
Employee Benefits Expense	25	<b>3,163.28</b>	4,281.89
Finance Costs	26	<b>18,241.83</b>	14,704.77
Depreciation and Amortisation Expense	2	<b>4,864.46</b>	4,890.15
Other Expenses	27	<b>16,377.20</b>	19,213.55
<b>Total Expenses (IV)</b>		<b>1,56,254.69</b>	<b>1,43,542.65</b>
V Profit Before Tax		<b>(23,727.24)</b>	(32,712.78)
<b>VI Tax Expenses</b>			
(1) Current Tax		---	---
(2) MAT Credit		---	---
(3) Income Tax for earlier year		<b>12.79</b>	(35.03)
(4) Deferred Tax (Assets)/Liabilities		<b>5,343.19</b>	(8,633.65)
<b>VII Profit/(Loss) for the period from Operations (V-VI)</b>		<b>(29,083.22)</b>	<b>(24,044.10)</b>
<b>VIII Other Comprehensive Income</b>			
(A) Items that will not be reclassified to profit or loss			
(i) Re-measurement gains/(loss) on defined benefit plans (net of taxes)	28	<b>(37.65)</b>	52.96
<b>IX Total Comprehensive Income for the Year</b>		<b>(29,120.87)</b>	<b>(23,991.15)</b>
<b>X Earning per Equity Share of Face Value ₹ 10 each</b>			
Basic and Diluted (in ₹)	45	<b>(65.36)</b>	(54.03)
<b>Summary of Significant Accounting Policies and notes to account</b>	1 to 49		

**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 : 31<sup>st</sup> July, 2020

Place : Indore  
Dated : 31<sup>st</sup> July, 2020



**National Steel & Agro Industries Ltd.**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**  
(Indirect Method set out in Ind As -7 Statement of Cash Flows)

	Year ended 31.03.2020 (₹ in Lakhs)	Year ended 31.03.2019 (₹ in Lakhs)
<b>A. Cash Flow Operating Activities :</b>		
a) <b>Net Profit/(Loss) before Tax &amp; Extra Ordinary Items</b>	<b>(23,727.24)</b>	<b>(32,712.78)</b>
Adjustment for :		
Depreciation	4,864.46	4,890.15
Interest Expenses	18,241.83	14,484.73
Fair Value (gain)/loss on Investment	47.39	38.21
Remeasurment of gain/(loss) on actuarial	(37.65)	52.96
Interest & Dividend Income	(33.11)	(304.92)
Loss/(Profit) on Sale of Property, Plant and Equipment	(50.97)	8.64
	<b>695.29</b>	<b>(13,543.01)</b>
b) <b>Operating Profit before Working Capital Changes</b>		
Adjustment for :		
Trade and other Receivables	4,199.98	19,843.32
Inventories	(558.45)	21,129.35
Other Current Assets	272.66	2,676.70
Other Bank Balances	27.01	---
Other Financial Assets	---	249.97
Other Non-Financial Assets	---	(136.65)
Other Non Current Assets	(107.22)	5.71
Trade Payable	694.76	(1,16,271.64)
Other Current Liability	(183.45)	168.14
Provisions	62.43	(94.96)
Borrowings	13,143.63	587.93
Other Financial Liabilities	(0.04)	(10.17)
Other Non Current Liabilities	---	(57.99)
	<b>17,551.32</b>	<b>(71,910.28)</b>
	<b>16,856.03</b>	<b>(85453.29)</b>
c) <b>Cash Generated from Operations</b>		
Income Tax Paid (Net)	(12.79)	(33.59)
d) <b>Cash Flow before Extra Ordinary Items</b>	<b>16,843.24</b>	<b>(85,486.87)</b>
<b>Net Cash Flow from Operating Activities</b>	<b>16,843.24</b>	<b>(85,486.87)</b>
<b>B. Cash Flow from Investing Activities :</b>		
Interest received	33.11	304.92
Purchase of Tangible Assets	(48.64)	(18.81)
Purchase of Intangible Assets	(58.08)	---
Sale of Tangible Assets	120.50	12.01
<b>Net Cash Flow Used in Investing Activities</b>	<b>46.89</b>	<b>298.13</b>
<b>C. Cash Flow from Financing Activities :</b>		
Interest on Debt Component of CFI	1,301.11	---
Repayment of Long Term Borrowings	---	(714.93)
Net proceeds from Other Borrowings	---	91,138.50
Adjustment for unpaid interest	(18,241.83)	(14,484.73)
<b>Net Cash Flow Used in Financing Activities</b>	<b>(16,931.72)</b>	<b>75,938.84</b>
<b>D. Net increase/ (decrease) in Cash and Cash equivalent (A+B+C)</b>	<b>(41.59)</b>	<b>(9,249.91)</b>
Cash and Cash equivalent at the beginning of the year	773.61	(10,050.53)
Cash and Cash equivalent at the end of the year	732.02	800.62
	<b>(41.59)</b>	<b>(9,249.91)</b>

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 : 31<sup>st</sup> July, 2020

Place : Indore  
Dated : 31<sup>st</sup> July, 2020



**National Steel & Agro Industries Ltd.**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020**

**(a) Equity Share Capital**

**(₹ in Lakhs)**

Balance as at 01.04.2018	Change during the FY 2018-19	Balance as at 31.03.2019	Change during the FY 2019-20	Balance as at 31.03.2020
4,450.00	-	4,450.00	-	4,450.00

**(b) Other Equity**

**Reserve & Surplus**

**(₹ in Lakhs)**

	Capital Reserve	Securities premium	General Reserve	Equity Component of Compound Financial Instrument	Surplus/ (deficit) in the statement of profit and loss	Total
<b>Balance as at March 31, 2018</b>	32.67	5,957.34	1,099.58	-	(62,978.40)	(55,888.81)
Add: Profit for the year	-	-	-	-	(24,044.11)	(24,044.11)
Add: Actuarial gain on Defined benefit	-	-	-	-	52.96	52.96
Interim Dividend paid on equity	-	-	-	-	-	-
Corporate Dividend Tax	-	-	-	-	-	-
<b>Balance as at March 31, 2019</b>	<b>32.67</b>	<b>5,957.34</b>	<b>1,099.58</b>	<b>-</b>	<b>(86,969.55)</b>	<b>(79,879.96)</b>
Add: Addition during the year	-	-	-	2,678.13	-	2,678.13
Add: Profit for the year	-	-	-	-	(29,083.22)	(29,083.22)
Add: Actuarial gain on Defined benefit	-	-	-	-	-	-
Interim Dividend paid on equity	-	-	-	-	(37.65)	(37.65)
Corporate Dividend Tax	-	-	-	-	-	-
<b>Balance as at March 31, 2020</b>	<b>32.67</b>	<b>5,957.34</b>	<b>1,099.58</b>	<b>2,678.13</b>	<b>(1,16,090.41)</b>	<b>(1,06,322.70)</b>

Capital subsidy of ₹ 32,66,759 received by the Company in the F.Y. 1999-2000 and F.Y. 2000-2001. As grant in the nature of promoters contribution was treated as Capital Reserve. 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.



## 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. Headquartered in Indore, it has a pan-India presence through an interconnected network of branches and various warehouses. It holds a pioneering position in the steel industry. It manufactures and exports steel from central India. NSAIL has diversified interests across industries such as Steel, Agriculture and Power. 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

The Company's financial statements for the year ended 31<sup>st</sup> March 2020 have been prepared 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.

#### V. Summary of Significant Accounting Policies

##### A) Property, Plant and Equipment (PPE)

##### (i) Recognition and Measurement

PPE is measured on initial recognition at cost net of taxes/duties, credits availed, if any, and subsequently carried at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of PPE includes borrowing costs directly attributable to acquisition, construction or production of qualifying assets. Qualifying assets are assets which necessarily take a substantial period of time to get ready for its intended use.

Machinery spares that meet the definition 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.



## National Steel & Agro Industries Ltd.

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### **(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 using the straight-line method, and is recognised in the statement of profit and loss.

- (v)** The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

## **B) Intangible Assets**

### **(i) Acquired intangible**

Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

### **(ii) Subsequent expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, is recognised in statement of profit and loss as and when incurred.

### **(iii) Amortisation**

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation in Statement of Profit and Loss.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

- (iv)** 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.

## **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



## National Steel & Agro Industries Ltd.

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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 include costs of employee benefits, expenditure in relation to survey and investigation activities of the projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, professional fees, expenditure on up-gradation, 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) 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.

### E) Impairment of Non – Financial Assets

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.

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").

An impairment loss is recognised in the profit or loss if the estimated recoverable amount of an



## **National Steel & Agro Industries Ltd.**

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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.

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.

### **F) Foreign Currency Transactions**

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 balance sheet date.

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 OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

Any income or expense on account of exchange difference either on settlement or on translation; if any, is recognized in the statement of Profit and Loss.

### **G) 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.

### **H) Inventories**

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. 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).



## National Steel & Agro Industries Ltd.

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.

### I) Revenue Recognition

#### 1. Sale of goods

The Company derives revenues primarily from sales of Cold Rolled Coil, Galvanised Coil and Color 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, services are 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.

#### 2. Interest Income

Interest income is recognized on accrual basis as per the terms of relevant contracts or by using the effective interest method, where applicable.

#### 3. Dividend income

Dividend income is recognized when the right to receive payment is established.

#### 4. 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.

#### 5. 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.

#### 6. 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





**National Steel & Agro Industries Ltd.**

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

**K) Employee Benefit Expenses**

**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.

**Post employment benefits**

**Defined Contribution Plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund, superannuation pension fund and Employee State Insurance scheme. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in



## **National Steel & Agro Industries Ltd.**

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statement of profit and loss in the periods during which the related services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

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 IT 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.

### **Other long-term employee benefits**

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognized in profit or loss in the period in which they arise.

### **L) 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.

Tax expenses comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rate. 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



## National Steel & Agro Industries Ltd.

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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 and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits.

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 is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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.

### **M) Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assumptions of the time value of money and the risks specific to the liability. The unwinding of discount is recognized as finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.



## **National Steel & Agro Industries Ltd.**

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A provision for onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

Contingent assets are not recognised but are disclosed in the financial statements when inflow of economic benefits are probable.

### **N) 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.

### **O) 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 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.

### **P) 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.

### **Q) Financial Instruments**

#### **(a) 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 two broad categories:



## National Steel & Agro Industries Ltd.

- ◆ Financial Assets at Fair Value
- ◆ Financial Assets at Amortized Cost

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss or recognized in other comprehensive income. A financial asset that meets the following two conditions is measured at amortized cost.

**1. Business Model Test:**

The objective of the company's business model is to hold the financial asset to collect the contractual cash flows.

**2. Cash Flow Characteristics Test:**

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through OCI.

**1. Business Model Test:**

The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

**2. Cash Flow Characteristics Test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of interest on the principal amount outstanding.

All other financial assets are measured at fair value through profit and loss.

All equity investments are measured at fair value in the balance sheet, with value changes recognized in the statement of profit and loss, except for those equity investments for which the entity has elected irrevocable option to present value changes in OCI.

### Impairment of financial assets

The company assesses impairment based on Expected Credit Losses (ECL) model at an amount equal to 12 months expected credit losses, or, lifetime expected credit losses, depending upon whether there has been a significant increase in credit risk since initial recognition.

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. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

**(b) Financial Liabilities**

All financial liabilities are initially recognized at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities are classified as measured at amortized cost or fair value through profit and loss (FVTPL). A financial liability is classified as FVTPL if it is classified as held for trading, or it is a derivative or is designated as such on initial recognition. Financial Liabilities at FVTPL are measured at fair value and net gain or losses, including any interest expense, are recognized in statement of profit and loss. Other financial liabilities are subsequently



## National Steel & Agro Industries Ltd.

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measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit and loss. Any gain or loss on derecognition is also recognized in statement of profit and loss.

### R) 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 financial statements requires management to make estimates assumptions and judgments that affect the reported balances of assets and liabilities and disclosures as at the date of the financial statements and the reported amounts of income and expenditure for the periods presented. Actual results may differ from the estimates considering different assumptions and conditions.

Estimates and underlying assumptions are reviewed on ongoing basis. Impact on account of revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

**The Management has considered the possible effects of global pandemic Covid-19 while preparing the Financial Statements (Ref. note 34)**

#### 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



## National Steel & Agro Industries Ltd.

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rebates and discounts are sensitive to changes in circumstances and the Company's past experience regarding returns and rebate entitlements may not be representative of customers' actual returns and rebate entitlements in the future.

Costs to obtain a contract are generally expensed as incurred. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

- b. Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on internal assessment and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed off).

- 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 a 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.**

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**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).

**Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities

**Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

**Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable 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 31<sup>st</sup> March, 2020**

**NOTE 2. Property, Plant & Equipment and Other Intangible Assets As at 31<sup>st</sup> 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
	<b>Property, Plant &amp; Equipment</b>										
	<b>Own Assets</b>										
1	Free Hold Land	3,025.68	-	-	3,025.68	-	-	-	-	3,025.68	3,025.68
2	Building	15,854.37	-	-	15,854.37	3,947.19	543.61	-	4,490.80	11,363.57	11,907.18
3	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
4	Furniture & Fixtures	355.74	0.12	-	355.86	345.55	0.24	-	345.79	10.06	10.18
5	Vehicles	239.40	0.00	25.30	214.10	137.22	5.27	15.87	126.62	87.48	102.18
6	Office Equipments	183.12	7.38	-	190.51	175.33	4.86	-	180.18	10.32	7.80
7	Computer	439.70	6.58	4.29	441.99	417.45	19.58	4.08	432.96	9.03	22.25
	<b>Lease Assets</b>										
8	Land	122.39	-	122.39	-	55.80	7.20	62.99	-	-	66.59
	<b>Total (A)</b>	<b>96,561.52</b>	<b>48.64</b>	<b>161.88</b>	<b>96,448.28</b>	<b>41,401.80</b>	<b>4,856.79</b>	<b>92.35</b>	<b>46,166.24</b>	<b>50,282.03</b>	<b>55,159.72</b>
	<b>Other Intangible Assets</b>										
9	Computer Software	371.17	58.08	-	429.25	361.12	7.67	-	368.78	60.47	10.06
	<b>Total (B)</b>	<b>371.17</b>	<b>58.08</b>	<b>-</b>	<b>429.25</b>	<b>361.12</b>	<b>7.67</b>	<b>-</b>	<b>368.78</b>	<b>60.47</b>	<b>10.06</b>
	<b>Grand Total (A+B)</b>	<b>96,932.69</b>	<b>106.72</b>	<b>161.88</b>	<b>96,877.53</b>	<b>41,762.92</b>	<b>4,864.46</b>	<b>92.35</b>	<b>46,535.03</b>	<b>50,342.50</b>	<b>55,169.78</b>

**Note :**

- The entire Property, Plant & equipment of the Company are having second charge for the working capital loan availed by the Company.
- 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.

**Property, Plant & Equipment and Other Intangible Assets As at 31<sup>st</sup> March'2019**

(₹ in Lakhs)

S. No.	Particulars	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
		Op. Balance As at 01.04.2018	Addition during the year	Deduction during the year	Total Gross Block As at 31.03.2019	Up to 31.03.2018	For the year	Deduction Up to 31.03.2019		As on 31.03.2019	As on 31.03.2018
	<b>Property, Plant &amp; Equipment</b>										
	<b>Own Assets</b>										
1	Free Hold Land	3,025.68	-	-	3,025.68	-	-	-	-	3,025.68	3,025.68
2	Building	15,793.43	60.94	-	15,854.37	3,381.37	565.82	-	3,947.19	11,907.18	12,412.07
3	Plant & Machinery	76,316.67	24.45	-	76,341.12	32,039.73	4,283.54	-	36,323.27	40,017.85	44,276.94
4	Furniture & Fixtures	355.74	-	-	355.74	345.32	0.24	-	345.55	10.18	10.42
5	Vehicles	285.73	21.68	68.02	239.40	175.41	9.38	47.58	137.22	102.18	110.32
6	Office Equipments	183.07	0.61	0.55	183.12	171.15	4.55	0.38	175.33	7.80	11.91
7	Computer	438.82	1.72	0.85	439.70	398.83	19.43	0.80	417.45	22.25	39.99
	<b>Lease Assets</b>										
8	Lease Land	122.39	-	-	122.39	48.60	7.20	-	55.80	66.59	73.79
	<b>Total (A)</b>	<b>96,521.53</b>	<b>109.40</b>	<b>69.41</b>	<b>96,561.52</b>	<b>36,560.40</b>	<b>4,890.15</b>	<b>48.76</b>	<b>41,401.80</b>	<b>55,159.72</b>	<b>59,961.13</b>
	<b>Other Intangible Assets</b>										
9	Computer Software	371.17	-	-	371.17	361.12	-	-	361.12	10.06	10.06
	<b>Total (B)</b>	<b>371.17</b>	<b>-</b>	<b>-</b>	<b>371.17</b>	<b>361.12</b>	<b>-</b>	<b>-</b>	<b>361.12</b>	<b>10.06</b>	<b>10.06</b>
	<b>Grand Total (A+B)</b>	<b>96,892.70</b>	<b>109.40</b>	<b>69.41</b>	<b>96,932.69</b>	<b>36,921.52</b>	<b>4,890.15</b>	<b>48.76</b>	<b>41,762.92</b>	<b>55,169.78</b>	<b>59,971.18</b>
	<b>Capital Work-in-Progress</b>										<b>90.59</b>



**National Steel & Agro Industries Ltd.**

(₹ in Lakhs)

<b>As at</b>	As at
<b>31.03.2020</b>	31.03.2019

**NOTE 3. INVESTMENTS**

**(I) Investment in Equity Shares Measured at FVTPL**

**QUOTED**

**In other entities**

a. 2,075 Equity Shares of Ruchi Soya Industries Ltd. of ₹ 2/- each (Previous year 2,07,500 Equity Shares of ₹ 2/- each)	<b>3.54</b>	13.78
b. 1,00,000 Equity Shares of Anik Industries Limited of ₹ 10/- each (Previous year 1,00,000 Equity Shares of ₹ 10/- each)	<b>6.35</b>	15.80
c. 31,360 Equity Shares of IDBI Bank Limited of ₹ 10/- each (Previous year 31,360 Equity Shares of ₹ 10/- each)	<b>6.05</b>	14.63
d. 15,444 Equity Share of State Bank of India of ₹ 1/- each (Previous year 15,144 Equity Shares of ₹ 1/- each)	<b>30.42</b>	49.54

<b>TOTAL</b>	<b>46.36</b>	93.75
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**Aggregate amount of quoted investment**

<b>46.36</b>	<b>93.75</b>
--------------	--------------

**Market value of quoted investment**

<b>46.36</b>	<b>93.75</b>
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**Aggregate amount of unquoted investment**

<b>Nil</b>	Nil
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**Aggregate amount of impairment in value of investment**

<b>Nil</b>	Nil
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Persuant to splitting of shares in Ruchi Soya Limited in the ratio 1:100 dated 16<sup>th</sup> November 2019 the numbers of shares are reduced from 207500 shars to 2075 shares.

**NOTE 4. OTHER NON-CURRENT ASSETS**

Capital Advance (Advances other than capital advances)	<b>110.83</b>	123.95
(i) Security Deposits (Unsecured considered good)	<b>522.00</b>	436.25
(ii) TDS Receivable (net)	<b>233.21</b>	198.62
<b>TOTAL</b>	<b>866.04</b>	758.82

**NOTE 5. DEFERRED TAX (ASSETS)/LIABILITY**

The Movement of Deferred Tax account is as follows

Deferred Tax Liabilities	<b>25,901.51</b>	13,520.02
MAT Credit Entitlement	<b>(329.87)</b>	(329.87)
Deferred Tax Assets (For movement refer Note 42)	<b>(20,558.32)</b>	(13,520.02)
<b>Net Deferred Tax (Assets)/Liability</b>	<b>5,013.33</b>	(329.87)



**National Steel & Agro Industries Ltd.**

(₹ in Lakhs)

	As at 31.03.2020	As at 31.03.2019
<b>Component of Deferred Tax Liabilities / (Assets)</b>		
<b>Deferred Tax Liabilities in relation to :</b>		
Property, Plant & Equipment	12,381.49	13,518.41
Fair Value of Investment	-	0.97
Gratuity Net (Liability)/Assets	-	0.64
<b>Deferred Tax Assets in relation to :</b>		
Provision of advance license	-	(982.65)
Gratuity Net (Liability)/Assets	(18.88)	-
Provision for Leave Encashment Liability	(49.47)	(49.52)
Bonus payable	(5.54)	(6.76)
Losses carried forward (Previous & Current year)	(5,799.75)	(9,090.02)
Provision for Doubtful debts & Advances	(1,164.65)	(3,391.09)
<b>MAT Credit Entitlement</b>	(329.87)	(329.87)
<b>TOTAL</b>	<b>5,013.33</b>	<b>(329.87)</b>

**NOTE 6. INVENTORIES**

Raw Materials	3,066.83	2,143.77
Raw Materials( Goods in Transit)	-	29,64.44
Finished Goods	3,608.92	1,817.75
Work in Progress	541.09	222.87
Stores and Spares and Consumables	526.42	471.20
Store and Spares Consumable (Goods in Transit)	39.60	-
Scrap	533.24	137.62
<b>TOTAL</b>	<b>8,316.10</b>	<b>7,757.65</b>

(a) 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.

The carrying amount of inventory hypothecated for working capital facilities is Rs.8316.10 lakhs (Previous year ₹ 7,757.65 lakhs ) refer note no.15.

**NOTE 7. TRADE RECEIVABLES**

Unsecured Considered Good	14,423.68	22,613.79
Doubtful	5,373.37	4,663.39
(Includes ₹ 18.22 Crores ( Previous year ₹ 18.22 Crores ) due from Shreeyam Power & Steel Industries Ltd.) (Refer Note no.38)		
<b>TOTAL</b>	<b>19,797.05</b>	<b>27,277.18</b>
Less: Impairment Provision	14,572.52	10,839.67
(Includes ₹ 18.22 Crores ( Previous year ₹ 18.22 Crores ) due from Shreeyam Power & Steel Industries Ltd.)(Refer Note no.38)		
<b>TOTAL</b>	<b>5,224.53</b>	<b>16,437.51</b>

The provision for impairment of trade receivable has been made on the basis of expected credit loss method and judgement made by the management.



**National Steel & Agro Industries Ltd.**

(₹ in Lakhs)

As at  
31.03.2020      As at  
31.03.2019

**NOTE 8. CASH AND CASH EQUIVALENTS**

**Cash and Cash Equivalents**

Cash in hand 7.01 6.46

**Balances with Banks**

In Current accounts 725.01 767.14

**TOTAL** 732.02 773.60

**NOTE 9. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

Balances held as Margin Money with Banks - 27.01

**TOTAL** - 27.01

**NOTE 10. OTHER CURRENT ASSETS**

**Unsecured, considered goods**

Advance to Suppliers 701.18 759.34

Doubtful 440.86 440.86

**TOTAL** 1,142.04 1,200.20

Less: Impairment of Advances 440.86 440.86

Net Advances to Suppliers 701.18 759.34

Advances to Employee 6.36 8.29

Prepaid Expenses 37.32 18.71

Balances with Govt. Authorities 4,933.90 5,165.09

**TOTAL** 5,678.76 5,951.43

**NOTE 11. 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



**National Steel & Agro Industries Ltd.**

(₹ in Lakhs)

As at 31.03.2020      As at 31.03.2019

**1.(a) The details of Shareholders holding more than 5% Shares :**

Class of Shares / Name of Shareholder	As at 31.03.2020		As at 31.03.2019	
	No. of Shares	% held	No. of Shares	% held
<b>Equity Shares</b>				
Santosh Shahra	1,00,55,257	22.60	---	---
APL International Private Limited	29,57,700	6.65	29,57,500	6.65
Bhavna Goel	---	---	64,36,568	14.46
NSIL Infotech Limited	41,35,900	9.30	10,35,900	2.33

**1.(b) Reconciliation of Number of Shares :**

Particulars	As at 31.03.2020	As at 31.03.2019
	No. of Shares	No. of Shares
<b>Equity Shares</b>		
Shares at the beginning of the year	4,45,00,000	4,45,00,000
Add - Shares issued during the year	---	---
<b>Shares at the end of the year</b>	<b>4,45,00,000</b>	<b>4,45,00,000</b>

**Terms/rights to shareholder**

- 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.
- Liquidation : In the event of liquidation, the equity shareholders are eligible to receive the remaining asstes of the Company after distribution of all preferential amounts in proportion of sharholding.
- In the view of losses no equity dividend is proposed during the year.

**NOTE 12. OTHER EQUITY**

**a.Capital Reserve(Captial Subsidy)**

Balance as per last Financial statement	<b>32.67</b>	32.67
Add: Addition during the year	-	-
Less:deduction during the year	-	-
Balance at end of the year	<b>32.67</b>	32.67

**b. Securities Premium**

Balance as per last Financial Statement	<b>5,957.34</b>	5,957.34
Add: issued during the year	-	-
Less:Redeemed during the year	-	-
Balance at end of the year	<b>5,957.34</b>	5,957.34

**c. Equity Component of Compound Financial Instrument  
(Refer note no.33)**

Balance as per last Financial Statement	<b>2,678.13</b>	-
Add: Addition during the year	-	-
Less:Redeemed during the year	-	-
Balance at end of the year	<b>2,678.13</b>	-



**National Steel & Agro Industries Ltd.**

	(₹ in Lakhs)	
	As at 31.03.2020	As at 31.03.2019
<b>d. General Reserve</b>		
Balance as per last Financial Statement	<b>1,099.58</b>	1,099.58
Add: Addition during the year	-	-
Less: Deduction during the year	-	-
Balance at end of the year	<b>1099.58</b>	1099.58
<b>e. Surplus/(Deficit) as per Statement of Profit and Loss</b>		
Balance as per last Financial Statement	<b>(86,969.55)</b>	(62,978.41)
Add: Net Profit/(Net Loss) For the current year	<b>(29,083.22)</b>	(24,044.10)
Add: Other Comprehensive Income /(Loss) during the Year.		
-Re-measurement gains/ (loss) on defined benefit plans (net of taxes)	<b>(37.65)</b>	52.96
Balance at end of the year	<b>(1,16,090.41)</b>	(86,969.55)
<b>TOTAL (a+b+c+d+e)</b>	<b>(1,06,322.70)</b>	(79,879.96)

**Capital Reserve:** The capital subsidy pertains to expansion project by the company in the year 1999-2000. The purpose of such capital subsidy was purchase of machinery for the CRM unit, for manufacturing of coated steels.

**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:** Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013 the requirement to mandatorily transfer a specified percentage of net profit to General Reserve has been withdrawn.

**NOTE 13. BORROWINGS**

**Unsecured**

Debt Component of Compound Financial Instrument	<b>2,822.89</b>	5,501.02
Interest on Debt Component of Compound financial Instrument	<b>1,310.11</b>	---
<b>TOTAL</b>	<b>4,133.00</b>	5,501.02

**NOTE 14. PROVISIONS**

Provision for compensated absences Long Term (Refer current Portion of provision in note no. 19)	<b>72.39</b>	86.32
<b>TOTAL</b>	<b>72.39</b>	86.32



**National Steel & Agro Industries Ltd.**

**(₹ in Lakhs)**

As at  
31.03.2020      As at  
31.03.2019

**NOTE 15. BORROWINGS**

**Loan from Banks**

**Secured**

- Working Capital Loan*	<b>1,10,297.53</b>	1,10,470.74
- Term Loan**	<b>587.93</b>	587.93
- Interest accrued and due	<b>18,862.81</b>	5,545.97
<b>TOTAL</b>	<b>1,29,748.27</b>	1,16,604.64

\* 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 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 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.

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

<b>Particular/ Period Outstanding</b>	<b>Default Amount</b>	<b>Interest</b>
Andhra Bank - Since 07.05.2018	217.70	26.53
Oriental Bank of Commerce - Since 25.06.2018	92.29	13.14
Bank of India - Since 02.07.2018	114.34	26.03
United Bank of India - Since 21.05.2018	36.15	8.91
Bank of Maharashtra - Since - 10.10.2018	70.32	14.52
Punjab National Bank - Since - 13.07.2018	77.02	17.90
IDBI Bank Ltd. Since - 03.04.2018	196.12	48.86
IDBI Bank Ltd (Term Loan) - Since 01.07.2018	5.35	1.64
Central Bank of India - Since 11.06.2018	85.39	22.74
State Bank of India - Since 27.04.2018	178.19	44.44

The Company has proposed one time settlement (OTS) with the secured lenders for working capital as well as term loan facility.



**National Steel & Agro Industries Ltd.**

(₹ in Lakhs)

As at  
**31.03.2020**      As at  
31.03.2019

**NOTE 16. TRADE PAYABLES**

(i) Total Outstanding dues of micro & small enterprises	<b>632.51</b>	1,579.11
(ii) Total Outstanding dues of creditors other than micro & small enterprises	<b>20,142.20</b>	25,513.83
<b>TOTAL</b>	<b><u>20,774.70</u></b>	<u>27,092.94</u>

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, 2020 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.

i) Principal amount and interest due there on remaining unpaid to any supplier covered under MSMED Act	Principal	632.51	1,579.11
	Interest	23.69	---
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.		23.69	---
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.		23.69	---
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		---	---





**National Steel & Agro Industries Ltd.**

	<b>(₹ in Lakhs)</b>	
	<b>As at</b>	<b>As at</b>
	<b>31.03.2020</b>	<b>31.03.2019</b>

**NOTE 17. OTHER FINANCIAL LIABILITIES**

Unpaid Interim Equity Dividend	<b>12.56</b>	12.59
<b>TOTAL</b>	<b><u>12.56</u></b>	<u>12.59</u>

**NOTE 18. OTHER CURRENT LIABILITIES**

**Revenue Received in Advance**

- Advances from customers	<b>9952.19</b>	8,782.38
- Interest Payable	<b>27.94</b>	664.37

**Others**

- Statutory Dues Payable	<b>3,062.24</b>	3,231.22
- Other Payable	<b>17.43</b>	0.24
- Sundry Creditors for Capital Goods	<b>112.36</b>	677.40
<b>TOTAL</b>	<b><u>13,172.17</u></b>	<u>13,355.62</u>

**NOTE 19. PROVISIONS**

**Provision for employee benefits**

Provision for compensated absences	<b>86.16</b>	72.38
Provision for other employee benefits	<b>66.44</b>	3.86
<b>TOTAL</b>	<b><u>152.60</u></b>	<u>76.24</u>



**National Steel & Agro Industries Ltd.**

	<b>(₹ in Lakhs)</b>	
	<b>Year ended 31.03.2020</b>	<b>Year ended 31.03.2019</b>
<b>NOTE 20. REVENUE FROM OPERATIONS</b>		
Sale of Products	<b>1,25,999.47</b>	1,04,337.78
Sale of Services	<b>784.69</b>	837.63
Other operating revenues	<b>4,148.79</b>	2,996.62
<b>TOTAL</b>	<b><u>1,30,932.95</u></b>	<u>1,08,172.03</u>
<b>Detail of revenue from operations</b>		
<b>Sale of Products</b>		
<b>(a) Manufactured Goods</b>		
Cold Rolled Coil/Sheet	<b>978.35</b>	439.55
Galvanised/Coated Steel Coil/Sheet	<b>57,065.65</b>	36,708.90
Color Coated Coil/Sheet	<b>67,265.37</b>	31,330.32
<b>TOTAL (a)</b>	<b><u>1,25,309.37</u></b>	<u>68,478.77</u>
<b>(b) Sale of Power</b>	<b>TOTAL (b) 95.17</b>	79.90
<b>(c) Transmission Line-Sales</b>	<b>TOTAL (c) 594.93</b>	152.04
<b>TOTAL (a+b+c)</b>	<b><u>1,25,999.47</u></b>	<u>68,710.72</u>
<b>(d) Traded Goods</b>		
Steel and Others	---	2,856.06
Agro	---	32,771.00
<b>TOTAL (d)</b>	---	35,627.06
<b>TOTAL (a+b+c+d)</b>	<b><u>1,25,999.47</u></b>	<u>1,04,337.78</u>
<b>Sale of Services</b>		
Job Work Charges Received	<b>784.69</b>	837.63
<b>Other Operating Revenues</b>		
Miscellaneous Sales	<b>71.42</b>	168.39
Duty drawback and other export incentives	<b>2.92</b>	256.79
Sale of Scrap	<b>4,074.45</b>	2,571.44
<b>TOTAL</b>	<b><u>4,148.79</u></b>	<u>2,996.62</u>

\* Sale of Manufactured Goods includes export sales of ₹ 158 Lakhs (Previous Year ₹ 12,903 Lakhs)



**National Steel & Agro Industries Ltd.**

	<b>(₹ in Lakhs)</b>	
	<b>Year ended 31.03.2020</b>	<b>Year ended 31.03.2019</b>
<b>NOTE 21. OTHER INCOME</b>		
Other non-operating Income	36.45	2,352.93
Creditors write back	813.85	---
Dividend on Cumulative Preference Shares Written Back	660.12	---
Interest Received	33.11	304.92
Profit/(Loss) on sale of fixed assets	50.97	---
<b>TOTAL</b>	<b>1,594.51</b>	<b>2,657.85</b>
<b>NOTE 22. COST OF MATERIALS CONSUMED</b>		
Opening Stock	5,108.21	21,116.06
Add: Purchases	1,14,071.56	47,455.43
	1,19,179.77	68,571.49
Less: Closing Stock	3,066.83	5,108.21
Cost of Materials Consumed	<b>1,16,112.94</b>	<b>63,463.28</b>
<b>Material Consumed Comprises</b>		
Hot Rolled Coil & Others	1,00,120.79	54,304.04
Cold Rolled Coil	441.64	186.09
Zinc	12,331.75	7,510.34
Paint	3,218.75	1,462.81
<b>TOTAL</b>	<b>1,16,112.94</b>	<b>63,463.28</b>
<b>NOTE 23. PURCHASE OF TRADED GOODS</b>		
Steel Product and Others	---	2,962.12
Agro	---	29,111.56
<b>TOTAL</b>	<b>---</b>	<b>32,073.68</b>
<b>NOTE 24. CHANGE IN INVENTORIES OF FINISHED GOODS, WIP AND TRADED GOODS</b>		
<b>Closing Stock</b>		
Finished Goods	3,608.92	1,817.75
Work in Progress	541.09	222.87
Scrap and Waste	533.24	137.62
Stock-in-Trade - Traded Goods	---	---
<b>TOTAL</b>	<b>4,683.26</b>	<b>2,178.24</b>
<b>Opening Stock</b>		
Finished Goods	1,817.75	3,669.20
Work in Progress	222.87	---
Scrap and Waste	137.62	153.43
Stock-in-Trade - Traded Goods	---	3,270.94
<b>TOTAL</b>	<b>2,178.24</b>	<b>7,093.57</b>
<b>Net Increase/(Decrease)</b>	<b>(2,505.02)</b>	<b>(4,915.33)</b>



**National Steel & Agro Industries Ltd.**

	<b>(₹ in Lakhs)</b>	
	<b>Year ended 31.03.2020</b>	<b>Year ended 31.03.2019</b>
<b>NOTE 25. EMPLOYEE BENEFITS EXPENSES</b>		
Salaries and wages	<b>2,969.51</b>	4,007.79
Contributions to provident fund	<b>95.76</b>	131.41
Contributions to Gratuity fund	<b>24.94</b>	44.92
Employers State Insurance (ESIC)	<b>7.52</b>	12.63
Staff welfare expenses	<b>65.55</b>	85.15
<b>TOTAL</b>	<b>3,163.28</b>	<b>4,281.89</b>

**Disclosure required by Ind As 19- Employee Benefit**

**Defined Contribution Plan :**

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

	<b>(₹ in Lakhs)</b>	
	<b>2019-20</b>	<b>2018-19</b>
Employer's Contribution to Provident Fund & F.P.F.	<b>85.97</b>	118.00
Employee's Insurance	<b>7.51</b>	12.63

**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)**

	<b>Gratuity (Funded) 2019-20</b>	<b>Gratuity (Funded) 2018-19</b>
<b>I. Reconciliation of opening and closing balances of Defined Benefit Obligations</b>		
Defined Benefit Obligations at beginning of the year	<b>476.66</b>	749.65
Current Service Cost	<b>26.08</b>	44.28
Interest Cost	<b>36.05</b>	45.62
Actuarial (gain)/loss	<b>32.14</b>	(51.59)
Benefits paid	<b>(45.82)</b>	(311.30)
Past Service Cost (Non Vested Benefits)	---	---
Past Service Cost (Vested Benefits)	---	---
<b>Defined Benefit Obligations at end of the year</b>	<b>525.11</b>	<b>476.66</b>



**National Steel & Agro Industries Ltd.**

(₹ in Lakhs)

	<b>Gratuity (Funded) 2019-20</b>	<b>Gratuity (Funded) 2018-19</b>
<b>II. Reconciliation of opening and closing balances of Fair value of Plan Assets</b>		
Fair value of Plan Assets at beginning of the year	<b>478.72</b>	743.50
Interest Income	<b>37.20</b>	45.15
Return on Plan Assets excluding interest income	<b>(5.51)</b>	1.37
Adjustment to Opening Balance	<b>0.00</b>	0.00
Employer contribution	<b>0.00</b>	0.00
Benefits paid	<b>(45.82)</b>	(311.30)
<b>Fair value of Plan Assets at end of the year</b>	<b>464.59</b>	478.72
Total Actuarial Gain/(Loss) recognised during the year	<b>(37.65)</b>	52.96
<b>III. Reconciliation of Fair Value of Assets and Obligations</b>		
Fair value of Plan Assets	<b>464.59</b>	478.72
Present value of Obligation	<b>525.11</b>	476.66
<b>Amount recognised in Balance Sheet</b>	<b>(60.52)</b>	2.06
<b>IV. a) Expenses required to be recognised during the year as per actuarial certificate</b>		
Current Service Cost	<b>26.08</b>	44.28
Interest Cost	<b>36.05</b>	45.62
Expected Return on Plan Assets	<b>(37.20)</b>	(45.15)
Actuarial (Gain)/Loss	<b>37.65</b>	(52.96)
<b>Net Cost</b>	<b>62.58</b>	(8.21)
<b>b) Expenses recognised during the year under the head "Employees Remuneration and Benefits"</b>		

In case of gratuity as per the actuarial certificate net cost/income required to be recognised in the Profit and Loss Account is ₹ (37.65) Lakhs (previous year ₹ 52.96 Lakhs).



**National Steel & Agro Industries Ltd.**

(₹ in Lakhs)

	<b>Gratuity (Funded) 2019-20</b>	<b>Gratuity (Funded) 2018-19</b>
--	--	--

**V. Other Comprehensive Income (OCI)**

Actuarial Gain/(Loss) recognized for the period	<b>32.14</b>	(51.59)
Return on Plan Assets excluding net interest	<b>5.51</b>	(1.37)
Total actuarial (Gain)/Loss recognized in OCI	<b>37.65</b>	(52.96)

**Sensitivity Analysis**

	DR. Discount Rate		ER Salary Escalation Rate	
	PVO DR+1%	PVO DR-1%	PVO ER+1%	PVO ER-1%
PVO	489.00	565.84	565.45	488.72

**VI. Actuarial Assumptions**

	<b>2012-14 (Ultimate)</b>	<b>2006-08 (Ultimate)</b>
Mortality Table		
Interest/Discount Rate	6.81%	7.61%
Rate of increase in compensation	6.00%	6.00%
Attrition Rate	0.074%	0.074%
Expected average remaining service	12.86%	12.86%

**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.**

	<b>(₹ in Lakhs)</b>	
	<b>Year ended 31.03.2020</b>	<b>Year ended 31.03.2019</b>
<b>NOTE 26. FINANCE COST</b>		
Interest Expense on :		
Term Loan	<b>97.25</b>	86.51
Interest on Debt Component of Compound Financial Instrument	<b>1,310.11</b>	220.04
Working Capital Loan including bill discounting charges	<b>16,834.47</b>	14,398.22
<b>TOTAL</b>	<b>18,241.83</b>	14,704.77
<b>NOTE 27. OTHER EXPENSES</b>		
Consumption of Stores and Spare Parts	<b>944.95</b>	647.42
Consumption of Packing Materials	<b>1,382.17</b>	757.55
Power and Fuel	<b>6,250.73</b>	3,381.77
Rent including Lease Rentals	<b>31.95</b>	68.39
Repairs and Maintenance - Buildings	<b>28.52</b>	23.17
Repairs and Maintenance - Plant & Machinery	<b>157.00</b>	193.86
Repairs and Maintenance - Others	<b>48.90</b>	7.48
Insurance	<b>53.25</b>	63.57
Rates and Taxes	<b>77.32</b>	68.87
Water and Electricity	<b>33.74</b>	45.51
Travelling and Conveyance Expenses	<b>139.85</b>	197.29
Postage, Telegram & Telephone Expenses	<b>24.86</b>	46.13
Selling & Distribution Expenses	<b>331.29</b>	1,273.08
Advertisement & Publicity	<b>0.31</b>	28.24
Legal & Professional Charges	<b>315.95</b>	367.93
Remuneration to Auditors		
- Statutory	<b>7.00</b>	8.50
- Tax Audit Fees	<b>1.00</b>	1.50
- Other Services	---	4.00
- Reimbursement of Expenses	---	8.10
Loss/(Profit) on Fixed Assets Sold / Scrapped / Written off	---	8.64
Expected Credit Loss	<b>3,732.85</b>	10,868.87
Bad Debts Written off	---	454.54
Net Loss on Foreign Currency transactions and translation	<b>2,138.35</b>	507.37
Loss on Equity Investments	<b>47.39</b>	32.03
Corporate Social Responsibility (CSR) Activity	<b>1.00</b>	2.16
Miscellaneous Expenses (below 1% of Revenue from operation)	<b>628.81</b>	147.58
<b>TOTAL</b>	<b>16,377.20</b>	19,213.55



**National Steel & Agro Industries Ltd.**

	<b>(₹ in Lakhs)</b>	
	<b>Year ended</b>	<b>Year ended</b>
	<b>31.03.2020</b>	<b>31.03.2019</b>

**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)	<b>(37.65)</b>	52.96
<b>Total Comprehensive Income for the Year</b>	<b>(37.65)</b>	52.96

**Note 29. Classified as Non Performing Assets**

Company has accumulated secured debts (inclusive of interest and net payment) of ₹ 1,297.48 Crores as of 31<sup>st</sup> March' 2020, which has been classified as Non Performance Assets (NPA) by the lenders. One of the banks has issued notice to the company and its' director, with intent to classify them as "Willful Defaulter". Company has replied to this notice. Simultaneously, company has proposed settlement with the lenders, which has been sanctioned by 51% (by value) of the lender. The Company has provided for interest on accumulated secured debts on estimated basis.

**Note 30. Going Concern**

As on 31<sup>st</sup> March, 2020, company's net worth has been fully eroded and stand at ₹ (1,018.73) Crores and its' current liability exceeds its' current assets by ₹ (1,439.09) Crores. Also company has incurred net loss of ₹ 291.21 Crores in the period April, 2019 to March, 2020. However, company has taken appropriate steps to tide over the issue by improving operation/performance by ramping up the capacity utilization, rationalization of operation and proposing One Time Settlement (OTS) with the secured lenders. In view of these, result has been prepared on the basis of "going concern".

**31. Contingent Liabilities and Capital Commitment not provided for**

**(₹ in Lakhs)**

	<b><u>2019-20</u></b>	<b><u>2018-19</u></b>
a) Outstanding Bank Guarantees	<b>50.00</b>	153.00
b) Disputed Liabilities not acknowledged as debts	<b>10,715.05</b>	7,050.51
c) Estimated amount of contracts remaining to be executed on Capital Account (net of advance)	<b>26.10</b>	120.98

**32.** One of the Financial Creditor and some of Operational Creditors had filed petition before National Company Law Board (NCLT)/Supreme Court under Insolvency and Bankruptcy Code (IBC), for which, Company has adopted legal recourse. On 09.06.2020 NCLT has admitted the petition filed by M/s Agrocorp International Pte. Ltd. under IBC. However, the Company has reached the settlement with the said supplier and petition admitted by NCLT under IBC has been withdrawn by M/s Agrocorp International Pte Ltd w.e.f. 23<sup>rd</sup> June' 2020.





## National Steel & Agro Industries Ltd.

**33.** The Company had issued 4% Cumulative Redeemable Unlisted Non-Convertible Preference Shares ("Preference Shares"). On request of the Company, the holders of Preference Shares have agreed to waive their accrued and unpaid dividends and further consented for modification in the terms of issue, which are as follows:

1. 0% (zero percent) dividend; and
2. Redemption of the Preference Shares within 20 years from the date of issue of Preference Shares in one or more tranches, at the discretion of the Board of the Company.

Accordingly, the provision for interest provided as per Ind AS, amounting to ₹ 6.60 crores has been reversed. As per Ind AS the modified Preference Shares have been classified as "Compound Financial Instrument" resulting in recognition of ₹ 26.78 crores as "Other Equity". The notional interest on the debt component of compound financial instrument from 1<sup>st</sup> April 2016 amounting to ₹ 13.10 crores has been provided for.

**34.** The outbreak of Corona Virus (Covid-19) as a pandemic caused significant disturbance and slow down in economic activities globally. The operations at plant were suspended w.e.f 25<sup>th</sup> March'2020 and resumed in a phased manner w.e.f. 25<sup>th</sup> April'2020 with restricted movement of manpower as prescribed, taking all necessary steps for ensuring complete sanitisation and social distancing norms. This adversely impacted activities of the Company. The Company expects to recover the carrying amount of all its assets including inventories, receivables and loans in the ordinary course of Business based on.

**35.** The Company is carrying on the Electrical Turnkey project. During the year total Contract Revenue recognised is ₹ **594.93** Lakhs.

**36.** Exchange rate difference recognised in the statement of profit and loss of ₹ 21.38 Crores (previous year ₹ 5.07 Crore) is on account of reinstatement of receivable & payable amount as at Balance Sheet Date.

**37.** Disclosure required under Ind AS 108 - Operating Segment :

**a) Business Segments** (₹ in Lakhs)

Particulars	Manufacturing Segment	Trading Segment	Total 31.03.2020	Manufacturing Segment	Trading Segment	Total 31.03.2019
<b>Segment Revenue</b>	<b>1,30,932.95</b>	---	<b>1,30,932.95</b>	72,392.92	35,779.10	1,08,172.02
Unallocable Other Income	<b>1,594.50</b>	---	<b>1,594.50</b>	---	---	2,657.84
<b>Segment Results</b>	<b>(7,079.92)</b>	---	<b>(7,079.92)</b>	(20,886.64)	254.39	(20,632.25)
Interest & Finance Charges	<b>18,241.83</b>	---	<b>18,241.83</b>	---	---	14,704.77
Other Unallocable Expenses	---	---	---	---	---	33.60
<b>Profit/(Loss) before Tax</b>	<b>(23,727.24)</b>	---	<b>(23,727.24)</b>	---	---	(32,712.78)
Less: Provision for Tax						
Income Tax for earlier years	<b>12.79</b>	---	<b>12.79</b>	---	---	(35.03)
Less Provision for Deferred Tax	<b>5,343.19</b>	---	<b>5,343.19</b>	---	---	(8,633.65)
<b>Profit/(Loss) after Tax</b>	<b>(29,083.22)</b>	---	<b>(29,083.22)</b>	---	---	(24,044.10)
Segment Assets	<b>65,961.59</b>	<b>5,020.99</b>	<b>70,982.59</b>	78,033.99	9,019.20	87,053.19
Unallocable Assets	---	---	<b>223.73</b>	---	---	246.22
Segment Liabilities	<b>89,313.55</b>	<b>74,394.14</b>	<b>1,63,707.70</b>	80,385.21	76,514.65	1,56,899.86
Unallocable Liabilities	---	---	<b>152.60</b>	---	---	242.17
Capital Expenditure	---	---	---	---	---	109.40
<b>Segment Depreciation</b>	<b>4,864.46</b>	---	<b>4,864.46</b>	4,890.15	---	4,890.15



**National Steel & Agro Industries Ltd.**

**b) Geographical Segments**

**(₹ in Lakhs)**

<b>Particulars</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
Domestic Revenue	<b>1,30,775.25</b>	95,268.61
Export Revenue	<b>157.70</b>	12,903.42

The Company operates in only one segment i.e. Manufacturing of GP/GC/CCC coils and sheets. Till previous year there was a separate segment identified for Trading sales. Therefore the comparative figures for previous years have been mentioned.

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

**A. Relationships**

<b>S.no.</b>	<b>Particulars</b>	<b>Relationship</b>
<b>a.</b>	<b>Relationship</b>	
(i)	Mr. Santosh Shahra,	Executive Chairman
(ii)	Mr. Ashutosh Upadhyay	Independent Director (w.e.f 13.05.2019)
(iii)	Mr. Rajesh Nema	Independent Director (w.e.f 13.05.2019)
(iv)	Mrs. Ankita Sethi	Independent Director (w.e.f 30.05.2019)
(v)	Mr. Shrikant Tirpude	Nominee Director (resigned w.e.f 16.09.2019)
(vi)	Mrs. Usha Devi Shahra	Wife of Executive Chairman
(vii)	Mr. Vishesh Shahra	Son of Executive Chairman
(viii)	Mrs. Aditi Gowani	Daughter of Executive Chairman
(ix)	Kailash Chandra Shahra HUF	Brother of Executive Chairman
(x)	Santosh Shahra HUF	HUF of Executive Chairman
(xi)	Mr. Manoj Khetan	CFO (Appointed as Whole Time Director & CFO)
(xii)	Mr. Anurag Gangrade	Company Secretary
<b>b.</b>	<b>Other related parties</b>	
(i)	Shahra Brothers Private Limited	Company in which Director have significant influence.
(ii)	NSIL Exports Limited	Company in which Director have significant influence.
(iii)	Shri Mahadeo Shahra Sukrat Trust	The Trust in which director is Trustee.
(iv)	Samidha Foods Private Limited	Company in which relative of Director have significant influence.
(v)	NSIL Infotech Limited	Company in which relative of Director have significant influence.
(vi)	Shreeyam Power & Steel Industries Limited	Company in which Director have significant influence.
(vii)	Ruchi Infrastructure Limited	Company in which relative of Director have significant influence.



**National Steel & Agro Industries Ltd.**

- B.** Transactions carried out with related parties referred in 38-A(a) & (b) above, in the ordinary course of business : (₹ in Lakhs)

	31.03.2020		31.03.2019	
	<u>Related Parties</u>		<u>Related Parties</u>	
<b>Nature of Transactions</b>	<b>Referred in 38-A (a)</b>	<b>Referred in 38-A (b)</b>	<b>Referred in 43-A (a)</b>	<b>Referred in 43-A (b)</b>
Purchases/Expenses	---	<b>6.80</b>	34.27	140.42
Remuneration	<b>48.86</b>	---	153.37	---
Sitting Fees	<b>3.34</b>	---	---	---
Sales	---	---	---	2,147.62
Net Dr./Cr. Balance*	---	---	(5.81)	106.37
Provision for Doubt full Debtors	---	<b>2,183.27</b>	---	2,183.27

**Note:**

1. Remuneration includes ₹19.26 lakhs paid to Mr. Manoj Khetan, as CFO up to 29<sup>th</sup> December 2019, and ₹ 29.60 lakhs to Mr. Anurag Gangrade, Company Secretary.
2. Purchase of ₹ 3.40 lakhs is from NSIL Exports Ltd.
3. Expenses of ₹ 3.40 lakhs is paid to Shahra Brothers Pvt. Ltd. towards maintenance charges.
4. Current and previous year includes Provision for Doubtful Debts of ₹ 18.22 crore of Shreeyam Power & Steel Industries Ltd. and ₹ 3.61 crore of Ruchi Infrastructure Ltd.
5. Debit & Credit Balances as on 31<sup>st</sup> March'2020 of related parties referred in 38 above are :

(₹ in Lakhs)

<b>Particulars</b>	<b>Debit balance</b>	<b>Credit Balance</b>
Usha Devi Shahra	-	0.12
Shri Mahadeo Shahra Sukrat Trust	-	0.11
Shahra Brothers Pvt.Ltd.	-	9.30
NSIL Infotech Ltd.	-	0.33
Kailash Chandra Shahra Huf	-	3.69
Ruchi Infrastructure Ltd.	360.76	-
Shreeyam Power & Steel Ind.Ltd.	1822.52	-
NSIL Exports Ltd.	-	2024.60
Samidha Foods Pvt.Ltd.	-	0.49
<b>TOTAL</b>	<b>2,183.27</b>	<b>2,038.64</b>

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



**National Steel & Agro Industries Ltd.**

**39. Managerial Remuneration (₹ in Lakhs)**

Particulars	2019-20	2018-19
Salary	---	95.72
Allowances & Others	---	1.48
<b>TOTAL</b>	<b>---</b>	<b>97.20</b>

**40. Payment to Statutory Auditors**

Particulars	2019-20	2018-19
(i) Statutory Auditors Fees	7.00	8.50
(ii) Tax Audit Fees	1.00	1.50
(iii) Certification and Consultation Fees	---	4.00
<b>TOTAL</b>	<b>8.00</b>	<b>14.00</b>

**Note 41. 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.

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

(₹ in Lakhs)

Particulars	31-Mar-2020	31-Mar-2019
Borrowings	1,33,881.26	1,22,105.66
Less : Cash and Cash equivalents & other Bank balances	732.02	800.62
<b>Total Debt</b>	<b>1,33,149.24</b>	<b>1,21,305.03</b>
Equity	(1,01,872.70)	(75,429.96)
<b>Total Capital</b>	<b>(1,01,872.70)</b>	<b>(75,429.96)</b>
<b>Capital and Total debt</b>	<b>31,276.55</b>	<b>45,875.08</b>
<b>Gearing ratio</b>	<b>(1.31)</b>	<b>(1.61)</b>



**National Steel & Agro Industries Ltd.**

**Note 42. Income Tax**

**a Income Tax Expense**

(₹ in Lakhs)

Particulars	31-Mar-2020	31-Mar-2019
<b><u>Current Tax</u></b>		
Current Tax expense	---	---
Income tax for earlier years	12.79	(35.03)
<b><u>Deferred Tax</u></b>		
Total Deferred Tax Expense	5,343.19	(8,633.65)
MAT Credit	(329.87)	(329.87)
<b>Total Income Tax Expenses</b>	<b>5,026.11</b>	<b>(8,998.55)</b>

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

Particulars	31-Mar-2020	31-Mar-2019
Profit Before Tax	(23,727.24)	(32,712.78)
Applicable Tax Rate	---	---
Computed Tax Expenses	---	---
<b><u>Tax Effect of :</u></b>		
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	5,343.19	(8,633.65)
Tax for earlier years	12.79	(35.03)
MAT Credit	(329.87)	(329.87)
<b>Tax Expenses Recognised in the Statement of Profit and Loss</b>	<b>5,026.11</b>	<b>(8,998.55)</b>
<b>Effective Tax Rate</b>		

**c Movement in Deferred Tax asset/ Deferred Tax Liability**

Movement in deferred tax (assets)/Liability	Property Plant & Equipment	Financial assets at FVTPL	MTM of Forward Contract	Provision of Advance License	Losses carried forward	MAT Credit Entitlement	Sec 43B disallowances	Total
<b>As at 31<sup>st</sup> March 17</b>	17,220.00	---	(271.21)	---	---	(329.87)	(135.96)	16,482.96
<b>Charged/(Credited)</b>								
- To Profit or Loss	(2,678.58)	8.92	269.70	(1,380.50)	(4,441.74)	---	43.03	(8,179.18)
<b>As at 31<sup>st</sup> March 18</b>	14,541.41	8.92	(1.51)	(1,380.50)	(4,441.74)	(329.87)	(92.93)	8,303.78
<b>Charged/(Credited)</b>								
- To Profit or Loss	(1,023.00)	(7.95)	1.51	397.86	(4,648.28)	---	(3,353.79)	(8,633.65)
<b>As at 31<sup>st</sup> March 19</b>	13,518.41	0.97	---	(982.64)	(9,090)	329.87	(3,446.72)	329.87
<b>Charged/(Credited)</b>								
- To Profit or Loss	12,381.5	---	---	---	(5,799.8)	---	(1,238.5)	5,343.19
<b>As at 31<sup>st</sup> March 20</b>	25,899.90	0.97	---	(982.64)	(14,889.77)	(329.87)	(4,685.26)	5,013.33



**National Steel & Agro Industries Ltd.**

**Note 43. 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.

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 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
<b>FVTOCI</b>								
<b>Financial assets measured at fair value</b>								
Investments	---	---	---	---	46.36	---	---	46.36
<b>Financial assets not measured at fair value</b>								
Trade receivables	---	5,224.53	---	5,224.53	---	---	---	---
Cash and cash equivalents	---	732.02	---	732.02	---	---	---	---
Other bank balances	---	---	---	---	---	---	---	---
Other financial assets	---	---	---	---	---	---	---	---
	---	<b>5,956.55</b>	---	<b>5,956.55</b>	<b>46.36</b>	---	---	<b>46.36</b>
<b>Financial liabilities not measured at fair value</b>								
Borrowings	---	---	1,33,881.27	---	---	---	---	---
Trade payables	---	---	20,774.70	---	---	---	---	---
Other financial liabilities	---	---	12.56	---	---	---	---	---
	---	---	<b>1,54,668.53</b>	---	---	---	---	---
<b>Financial liabilities measured at fair value</b>								
Borrowings	---	---	4,133.00	---	---	---	---	---
Trade payables	---	---	---	---	---	---	---	---
Other financial liabilities	---	---	---	---	---	---	---	---
	---	---	<b>4,133.00</b>	---	---	---	---	---

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 2019** (₹ 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
<b>Financial assets measured at fair value</b>								
Investments	---	---	---	---	93.75	---	---	93.75
<b>Financial assets not measured at fair value</b>								
Trade receivables	---	16,437.51	---	16,437.51	---	---	---	---
Cash and cash equivalents	---	773.61	---	773.61	---	---	---	---
Other bank balances	---	27.01	---	27.01	---	---	---	---
Other financial assets	---	---	---	---	---	---	---	---
	---	<b>17,283.13</b>	---	<b>17,283.13</b>	<b>93.75</b>	---	---	<b>93.75</b>
<b>Financial liabilities not measured at fair value</b>								
Borrowings	---	---	1,22,105.66	---	---	---	---	---
Trade payables	---	---	27,092.94	---	---	---	---	---
Other financial liabilities	---	---	12.59	---	---	---	---	---
	---	---	<b>1,49,211.20</b>	---	---	---	---	---

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 44. 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)**

<b>Particulars</b>	<b>As at 31 March, 2020</b>	<b>As at 31 March, 2019</b>
Trade receivables	<b>5,224.53</b>	16,437.51
Cash and Cash equivalents	<b>732.02</b>	773.61
Other Bank balances	---	27.01
Other financial assets	---	---

**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)**

<b>Particulars</b>	<b>As at 31 March, 2020</b>	<b>As at 31 March, 2019</b>
Within India	<b>5,224.53</b>	16,437.51

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)**

<b>Particulars</b>	<b>As at 31 March, 2020</b>	<b>As at 31 March, 2019</b>
Product Marketing Company	<b>5,224.53</b>	16,437.51
Bank balances and deposit with banks	<b>732.02</b>	773.61

**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.

<b>As at 31 March 2020</b>			<b>(₹ in Lakhs)</b>			
			<b>Contractual cash flows</b>			
	<b>Carrying amount</b>	<b>Total</b>	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>more than 5 years</b>
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	---	---	---
	<b>1,54,668.53</b>	<b>1,54,668.53</b>	<b>1,54,668.53</b>	<b>---</b>	<b>---</b>	<b>---</b>



**National Steel & Agro Industries Ltd.**

**As at 31 March 2019**

**(₹ in Lakhs)**

	<b>Contractual cash flows</b>					
	<b>Carrying amount</b>	<b>Total</b>	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>more than 5 years</b>
Borrowings	1,22,105.66	1,22,105.66	1,22,105.66	---	---	---
Trade payables	27,092.94	27,092.94	27,092.94	---	---	---
Other financial liabilities	12.59	12.59	12.59	---	---	---
	<b>1,49,211.20</b>	<b>1,49,211.20</b>	<b>1,49,211.20</b>	<b>---</b>	<b>---</b>	<b>---</b>

**(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 :

<b>Particulars</b>	<b>No. of Contracts</b>	<b>Amount in F.C.</b>	<b>Amount in INR</b>
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)**

<b>Particulars</b>	<b>As at 31 March, 2020 USD</b>	<b>As at 31 March, 2019 USD</b>
Export receivables	---	1.16
Overseas payables	(239.18)	(197.06)
<b>Total</b>	<b>(239.18)</b>	<b>(195.90)</b>

**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, 2020	As at 31 March, 2019
1% increase	(180.97)	(135.47)
<b>Total increase/(decrease) in profit</b>	<b>(180.97)</b>	<b>(135.47)</b>

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, 2020	As at 31 March, 2019
<b>Fixed rate instruments</b>		
<b>Financial assets</b>		
Deposit with banks	---	27.01
<b>Total</b>	<b>---</b>	<b>27.01</b>

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Variable-rate instruments</b>		
<b>Financial liabilities</b>		
Borrowings	1,33,881.27	1,22,105.66
<b>Total</b>	<b>1,33,881.27</b>	<b>1,22,105.66</b>

**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
<b>31 March, 2020</b>	
Variable-rate instruments	(1,338.81)
<b>Cash flow sensitivity</b>	<b>(1,338.81)</b>
<b>31 March, 2019</b>	
Variable-rate instruments	(1,221.06)
<b>Cash flow sensitivity</b>	<b>(1,221.06)</b>



**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.

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

**(₹ in Lakhs)**

<b>EARNING PER SHARE</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
Profit after Tax (₹ in lakhs)	<b>(2,90,83.22)</b>	(24,044.10)
Profit attributable to equity holders	<b>(2,90,83.22)</b>	(24,044.10)
Number of Shares Issued	<b>4,45,00,000</b>	4,45,00,000
Basic / Diluted EPS (Rupees)	<b>(65.36)</b>	(54.03)

**46.** The Bank and Financial Institutions had mandated Forensic Audit from April, 2015 to December '2018. As informed to the Company the same has been concluded without any adverse remarks. However we are unable to comment on the same.

**47.** The GST department had carried out a search at Mumbai office and Taloja godown of the Company in the F.Y. 2018-19, in the absence of any update from GST department, we are unable to comment upon the outcome of the same.

**48. Amendments to Existing IND AS**

The Ministry of Corporate Affairs vide notification dated 24th July, 2020 amended the Companies (Indian Accounting Standards) Rules, 2015.

**1. Indian Accounting Standard 1:- Presentation of Financial Statements**

Paragraph 7, for the definition of the term Material the following is substituted

**“Material:-** Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

An entity shall apply those amendments prospectively for annual periods beginning on or after the 1<sup>st</sup> April, 2020.

Consequential amendment has been made in IND AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, IND AS 10 Events after the reporting Period, IND AS 34 Interim Financial Reporting and IND AS 37 Provisions, Contingent Liabilities and Contingent Assets.

**2. Indian Accounting Standard 109:- Financial Instruments**

IND AS 109 has been amended to provide “Temporary exceptions from applying specific hedge accounting requirements” by inserting Para 6.8 in the standard.

An entity shall apply these amendments for annual periods beginning on or after the 1<sup>st</sup> April, 2020.

Retrospective application of Para 6.8 applies only to those hedging relationships that existed at the beginning of the reporting period in which an entity first applies those requirements or were designated thereafter, and to the amount accumulated in the cash flow hedge reserve that existed at the beginning of the reporting period in which an entity first applies those requirements.



**National Steel & Agro Industries Ltd.**

**3. Indian Accounting Standard 107:- Financial Instruments Disclosures**

**New Para 24 H:- "Uncertainty arising from interest rate benchmark reform**

For hedging relationships to which an entity applies the exceptions set out in newly inserted Para 6.8 of Ind AS 109, an entity shall disclose-

- a) The significant interest rate benchmarks to which the entity's hedging relationships are exposed;
- b) The extent of the risk exposure the entity manages that is directly affected by the interest rate benchmark reform;
- c) How the entity is managing the process to transition to alternative benchmark rates;
- d) A description of significant assumptions or judgements the entity made in applying these paragraphs (for example, assumptions or judgements about when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows); and
- e) The nominal amount of the hedging instruments in those hedging relationships.

**4. Indian Accounting Standard AS 116 Covid-19-related rent concessions for lessees**

After paragraph 46 of IND AS 116, the following Para is inserted, namely:-

**a. Para 46 A**

As a practical expedient, a lessee may elect not to assess whether a rent concession that meets the conditions in paragraph 46B is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the rent concession the same way it would account for the change applying this Standard if the change were not a lease modification.

**b. Para 46B**

The practical expedient in paragraph 46A applies only to rent concessions occurring as a direct consequence of the covid-19 pandemic and only if all of the following conditions are met:-

- (a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
- (b) Any reduction in lease payments affects only payments originally due on or before the 30th June, 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments on or before the 30th June, 2021 and increased lease payments that extend beyond the 30th June, 2021); and
- (c) There is no substantive change to other terms and conditions of the lease

After paragraph 60 of IND AS 116 , the following Para is inserted, namely:-

**a. Para 60A**

If a lessee applies the practical expedient in paragraph 46A, the lessee shall disclose-

- (a) that it has applied the practical expedient to all rent concessions that meet the conditions in paragraph 46B or, if not applied to all such rent concessions, information about the nature of the contracts to which it has applied the practical expedient.



**National Steel & Agro Industries Ltd.**

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**5. Indian Accounting Standard (Ind AS) 103:- Business Combinations**

New Para 64P has been inserted to amend definition of Business.

**Business:-** An integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities.

An entity shall apply these amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the 1st April, 2020 and to asset acquisitions that occur on or after the beginning of that period.

**49. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved for issue by the Board of Directors in its meeting held on 31<sup>st</sup> July, 2020.

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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 : 31<sup>st</sup> July, 2020

**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 : 31<sup>st</sup> July, 2020



**National Steel & Agro Industries Ltd.**

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**NOTICE**

NOTICE is hereby given that the Thirty Fourth Annual General Meeting of the Equity Shareholders (Members) of NATIONAL STEEL AND AGRO INDUSTRIES LIMITED will held on Wednesday, 30<sup>th</sup> September, 2020 at 5:00 PM through Video Conferencing/Other Audio Visual Means (VC/OAVM), to transact the following businesses:

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2020 including Audited Balance Sheet as at 31<sup>st</sup> March, 2020, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date and the Reports of Board and Auditors thereon.
2. To appoint a Director in place of Mr. Santosh Shahra (DIN: 00305846), who retires by rotation and being eligible, offers himself for reappointment.

**SPECIAL BUSINESS :**

3. **To ratify and confirm payment of remuneration to M. Goyal & Co., Cost Accountants and in this regard, to consider and if thought fit, to pass 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 ₹ 80,000/- (Rupees Eighty Thousand only) plus applicable tax and reimbursement of actual travel and out-of-pocket expenses for the financial year ending 31<sup>st</sup> March, 2021, to M. Goyal & Co., Cost Accountants, for conducting Audit of cost records of the Company, be and is hereby ratified and confirmed.”
4. **To consider re-appointment of and remuneration to be paid to Mr. Santosh Shahra as Whole-Time Director (designated as Executive Chairman) and if thought fit, to pass the following resolution as a Special Resolution:**  
“RESOLVED THAT pursuant to the provisions of Section 152, 196, 197, and 203 read with Schedule V thereto and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory modification or re-enactment thereof for the time being in force (“the Act”) and the Articles of Association of the Company, Mr. Santosh Shahra (DIN: 00305846) be and is hereby reappointed as Whole-time Director (designated as Executive Chairman) of the Company for a period of 3 (three) years with effect from 17<sup>th</sup> December, 2019, on the terms and conditions as mentioned below:  
(1) Mr. Santosh Shahra as Whole-time Director shall carry out such duties which are best in the interest of the Company subject to supervision and control of the Board of Directors;



**National Steel & Agro Industries Ltd.**

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- (2) Remuneration: As per the provisions of Section 197 read with Schedule V to the Companies Act, 2013, in case the Company has defaulted in payment of dues to Banks or Public Financial Institutions, the Company is not entitled to pay any remuneration unless the prior approval is obtained from such Banks or PFI's. Accordingly, the Company will decide remuneration after settlement of the dues;
- (3) The terms and conditions of the said appointments may be altered and varied from time to time by the Board as it may, in its discretion, deem fit in accordance with Schedule V to the Act, or any amendments made hereinafter in this regard;
- (4) The agreement between the Company and Mr. Santosh Shahra as Whole-time Director may be terminated by either party giving the other party six months' notice or as mutually agreed between the parties;
- (5) If at any time the Whole-time Director ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Whole time Director.

RESOLVED FURTHER THAT the said appointment of Mr. Santosh Shahra as Whole-time director shall be liable to retire by rotation;

RESOLVED FURTHER THAT Board of the Company be and is hereby authorised severally to do all the acts, deeds, matters and things and execute all such documents, instruments and writings as may be necessary, desirable or expedient for the aforesaid purpose, including filing of relevant forms / returns with the Office of the Registrar of Companies, Maharashtra in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder or other authorities concerned."

5. **To consider appointment of and remuneration to be paid to Mr. Manoj Khetan as Whole-Time Director (designated as Whole Time Director & CFO) and if thought fit, to pass the following resolution as a Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 152, 196, 197, and 203 read with Schedule V thereto and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory modification or re-enactment thereof for the time being in force ("the Act") and the Articles of Association of the Company, Mr. Manoj Khetan (DIN: 06395265) be and is hereby appointed as Whole-time Director (designated as Whole-time Director & CFO) of the Company for a period of 3 (three) years with effect from 30<sup>th</sup> December, 2019 on the terms and conditions as mentioned below:

- (1) Mr. Manoj Khetan as Whole-time Director shall carry out such duties as may be entrusted to him, subject to the supervision and control of Board of Directors and he shall also perform such other duties as shall from time to time be entrusted to him by Board of Directors;
- (2) Remuneration: As per the provisions of Section 197 read with Schedule V to the Companies Act, 2013, in case the Company has defaulted in payment of dues to Banks or Public Financial Institutions, the Company is not entitled to pay any remuneration unless the prior approval is obtained from such Banks or PFI's. Accordingly, the Company will decide remuneration after settlement of dues;





**National Steel & Agro Industries Ltd.**

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- (3) The agreement between the Company and Mr. Manoj Khetan as Whole-time Director may be terminated by either party giving the other party three months notice or as mutually agreed between the parties;
- (4) If at any time the Whole-time Director ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Whole time Director.

RESOLVED FURTHER THAT the said appointment of Mr. Manoj Khetan as Whole-time director shall be liable to retire by rotation;

RESOLVED FURTHER THAT Board of the Company be and is hereby authorised severally to do all the acts, deeds, matters and things and execute all such documents, instruments and writings as may be necessary, desirable or expedient for the aforesaid purpose, including filing of relevant forms / returns with the Office of the Registrar of Companies, Maharashtra in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder or other authorities concerned."

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By Order of the Board of Directors

Place : Indore

Date : 2<sup>nd</sup> September, 2020

Anurag Gangrade

Company Secretary

M. No. : FCS-9187



**National Steel & Agro Industries Ltd.**

**NOTES**

1. In view of the global outbreak of the COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular No. 20/2020 dated May 5, 2020 read with General Circular No. 14/2020 dated April 8, 2020 and the General Circular No. 17/2020 dated April 13, 2020 (collectively referred to as 'MCA Circulars') and the Securities and Exchange Board of India ('SEBI') vide its circular dated May 12, 2020 ('SEBI Circular') has permitted the companies to hold their Annual General Meeting (AGM), during the calendar year 2020 through VC or 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 Circular, the Thirty Fourth AGM of the Company is being held through VC/OAVM on Wednesday, September, 30, 2020 at 05:00 P.M. (IST). The deemed venue for the 34<sup>th</sup> AGM will 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 circular through VC/OAVM, the requirement of physical attendance of members has been dispensed with. Accordingly, in terms of the MCA circulars and SEBI circular, 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 intending to authorize their representatives to attend the Meeting through VC/OAVM and cast their votes through e-voting are requested to send a scanned certified true copy (PDF/JPG Format) of the Board Resolution authorizing their representative to the Company at [secretarial\\_ho@nsail.com](mailto:secretarial_ho@nsail.com).
4. The statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts in respect of the business under Item Nos. 3 to 5 set out above and the details under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and clause 1.2.5 of Secretarial Standard on General Meeting (SS-2) issued by the Institute of Company Secretaries of India, in respect of the persons seeking appointment/ re-appointment as Director at the AGM, is annexed hereto.
5. In line with the MCA Circular dated May 5, 2020 and SEBI Circular dated May 12, 2020, the Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. The Notice convening the 34<sup>th</sup> AGM has been uploaded on the website of the Company at [www.nsail.com](http://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 Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The Notice is also available on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).
6. The Register of Members and the Share Transfer Books of the Company shall remain closed from 24<sup>th</sup> September, 2020 to 30<sup>th</sup> September, 2020 (both days inclusive).
7. 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,



**National Steel & Agro Industries Ltd.**

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 aforesaid changes, if any, to their respective Depository Participants only.

8. In terms of the amended Regulation 40(1) 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 the above, members holding shares in physical form are requested to consider converting their holdings to dematerialized form.
9. The attendance of the Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
10. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the 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 attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
12. 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 [www.nsail.com](http://www.nsail.com) (under 'Investors' section). Members are requested to submit the said details to their depository participants ("DPs") in case the shares are held by them in electronic form and to Sarthak Global Limited in case the shares are held by them in physical form.
13. 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.
14. Investor Grievance Redressal: The Company has designated an exclusive e-mail ID i.e. [investor\\_relations@nsail.com](mailto:investor_relations@nsail.com) to enable the investors to register their complaints / send correspondence, if any.
15. 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](http://www.evotingindia.com) using the login credentials.



**National Steel & Agro Industries Ltd.**

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**16. INSTRUCTIONS FOR E-VOTING AND JOINING THE AGM ARE AS FOLLOWS:**

Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the SEBI Listing Regulations (as amended) and the MCA Circulars, 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 CDSL for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a Member using remote e-voting system as well as remote e-voting during the AGM will be provided by CDSL.

**A. THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

- (i) The voting period begins on 27<sup>th</sup> September, 2020 (10:00 a.m. IST) and ends on 29<sup>th</sup> September, 2020 (5:00 p.m. IST). 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 23<sup>rd</sup> September, 2020 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) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders" module.
- (v) 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.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasiusing your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below :



**National Steel & Agro Industries Ltd.**

	<b>For Shareholders holding shares in Demat Form and Physical Form</b>
<b>Permanent Account Number (PAN)</b>	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their names and the eight digit of the sequence number in the Pan field .</li> <li>In case the sequence number is less than eight digits, enter the applicable number of zero's before the number after two characters of the name in Capital letters. Example e.g. if your name is Ramesh Kumar with sequence number 1 than enter RA00000001 in the Pan field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<ul style="list-style-type: none"> <li>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.</li> <li>If both the details are not recorded with the depository or Company please enter the Member ID / Folio Number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) 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.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for <National Steel and Agro Industries Limited> on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.



**National Steel & Agro Industries Ltd.**

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(xviii) 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.

(xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

(xx) **Note for Non-Individual Members & Custodians:**

- ◆ Non Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to <https://www.evotingindia.com> and register themselves as Corporate.
- ◆ A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- ◆ After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- ◆ The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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 favor 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 Company at the email address viz; [secretarial\\_ho@nsail.com](mailto:secretarial_ho@nsail.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**B. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

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.



**National Steel & Agro Industries Ltd.**

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2. **For Demat shareholders** - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.
- C. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**
1. Shareholder will be provided with a facility to attend the 34<sup>th</sup>AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
  2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
  3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
  4. 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.
  5. 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 at least Seven (7) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [secretarial\\_ho@nsail.com](mailto:secretarial_ho@nsail.com) . The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance Seven (7) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [secretarial\\_ho@nsail.com](mailto:secretarial_ho@nsail.com) These queries will be replied to by the company suitably by email.
  6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- D. INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**
- 1). The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
  - 2). 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



**National Steel & Agro Industries Ltd.**

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- barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- 3). 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.
- 4). Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
17. 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.
18. 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.
19. The results declared along with the Scrutiniser's Report shall be posted on the Company's website i.e. [www.nsail.com](http://www.nsail.com) and on website of Central Depository Services (India) Limited ("CDSL") i.e. [www.cdslindia.com](http://www.cdslindia.com) besides communicating to the Stock Exchanges where the shares of the Company are listed.
20. All the documents referred in the Notice are available for inspection electronically from the date of dispatch of Notice till the date of AGM. Members seeking to inspect such documents are requested to write to the Company at [secretarial\\_ho@nsail.com](mailto:secretarial_ho@nsail.com).
21. If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting **System**, **you may refer the Frequently Asked Questions ("FAQs") and e-voting manual** available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).
22. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.





**National Steel & Agro Industries Ltd.**

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**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 pursuance of 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 (FRN 000051), Jaipur, for conducting Cost Audit of the cost records maintained by the Company at a remuneration of ₹ 80,000/- (Rupees Eighty Thousand only) plus applicable tax and reimbursement of actual travel and out-of pocket expenses for the financial year ending 31<sup>st</sup> March, 2021. Accordingly, consent of Members is sought for ratification of remuneration payable to Cost Auditor for the financial year ending 31<sup>st</sup> March, 2021.

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:**

Mr. Santosh Shahra (DIN: 00305846) is a promoter director of the Company and has been managing the affairs of the company since beginning.

The Members of the Company at their Thirtieth Annual General Meeting held on 3<sup>rd</sup> September, 2016 had approved appointment of Mr. Santosh Shahra for a period of three years w.e.f. 17<sup>th</sup> December, 2016. Since, Mr. Shahra has attained the age of 70 years and hence continuation of his employment requires the approval of Members by way of a special resolution.

Section 196(3) of the Companies Act, 2013, inter alia, provides that no company shall continue the employment of a person who has attained the age of 70 years as Whole-Time Director unless it is approved by the Members by passing a special resolution. Part I of Schedule V to the Act contains a similar relaxation.

Keeping in view the provisions of Companies Act, 2013 and his knowledge, experience and long association with the Company, the Board of Directors of the Company has approved the appointment of Mr. Shahra as Whole-Time Director (designated as Executive Chairman) for a period of three years w.e.f. 17<sup>th</sup> December, 2019 subject to the approval of the Members through Special Resolution, on terms and conditions as specified in the resolution at Item No. 4 of the Notice. These terms and conditions have



## National Steel & Agro Industries Ltd.

also been approved by the Nomination and Remuneration Committee of the Company. His re-appointment and remuneration in accordance with Section 196, 197 and Schedule V of the Companies Act, 2013.

The Information as required by clause (iv) of second proviso to Section- II of Part-II of Schedule V of the Act, are as under:

### **I. GENERAL INFORMATION:**

**(1) Nature of Industry:**

The Company is engaged in Manufacturing of Steel products { Cold Rolled Steel Sheets/ Coils, Galvanized Sheets/Coils/ Corrugated Sheets, Colour Coated (Pre-printed) Sheets/Coils/Profile Sheets, etc}. The plant of the Company is situated at Village Sejwaya, District Dhar, Madhya Pradesh.

**(2) Date of commencement of commercial production:**

The Company started its commercial production in the year 1987.

**(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**

Not Applicable.

**(4) Financial performance based on given indicators:**

Figures of revenue and profit recorded during last five financial years are as follows:

(₹ in Crores)

Financial Year	Revenue			Profit before Tax	Profit after Tax
	Manufacturing	Trading	Total		
2019-20	1,309.32	---	1,309.32	(237.72)	(290.83)
2018-19	723.92	357.79	1,081.72	(327.12)	(240.44)
2017-18	1,351.93	2,889.96	4,241.9	(223.76)	(142.89)
2016-17	1,643.44	2,470.58	4,114.03	32.54	20.61
2015-16	1,872.57	2,020.94	3,893.52	38.29	28.14

**(5) Foreign investments or collaborators, if any:**

The Company has not entered into any foreign collaboration. As per the shareholding pattern as on 31<sup>st</sup> March, 2020, 260 NRIs hold 681018 Equity Shares representing 1.52% of the paid-up equity share capital of the Company.



**National Steel & Agro Industries Ltd.**

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## **II. INFORMATION ABOUT THE APPOINTEE:**

**(1) Background Details:**

Mr. Shahra is BE (Mechanical) and MS (USA). He has over four decades Industrial and Management Experience. He is associated with the Company since 1986 and under his guidance and management the Company has come to a significant level in the map of India and World.

**(2) Past Remuneration:**

Mr. Shahra is Whole-Time Director of the Company. During his tenure of appointment, the Company committed default in payment of dues to Banks. Accordingly, the Company has paid remuneration to Mr. Shahra upto June, 2018 amounting to ₹ 48.97 Lakhs for the financial year 2018-19.

**(3) Recognition or Awards:**

Nil

**(4) Job Profile and his suitability:**

As a Whole-Time Director of the Company, he will be responsible for the overall management of the Company, subject to the superintendence, guidance and control of the Board of Directors. Taking into account his experience, educational background and knowledge; he is a fit and proper person to be appointed as the Whole-Time Director of the Company.

**(5) Remuneration Proposed:**

The remuneration details are provided in the resolution.

**(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:**

At present, the company is not entitled to pay any remuneration. However, on and after settlement of the dues of Banks, the Company shall pay remuneration considering the size of the Company, the responsibilities shouldered on the appointee and the industry benchmarks that would be justified and commensurate with the remuneration packages paid in the comparable companies.

**(7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:**

Mr. Shahra is Promoter of the Company. Mr. Shahra has no pecuniary relationship directly or indirectly with the Company or key managerial personnel of the Company except (a) he holds 1,00,55,257 equity shares amounting to 22.60% of the paid up share capital; and (b) related party transactions as mentioned in the notes to accounts.

## **III. OTHER INFORMATION:**

**(1) Reasons for loss or inadequate profits:**

During the previous years, the Company incurred huge losses. Major reasons includes underutilization of plant capacity due to insufficient working capital followed by suspension of agro business on account of changes in the government policies.



**National Steel & Agro Industries Ltd.**

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- (2) **Steps taken or proposed to be taken for improvement improved productivity and cost control measures have been put in place.**

The Company has initiated various steps includes rationalization of man power, close down of various branch offices, utilization of manufacturing facility to improve its operational performance.

- (3) **Expected increase in productivity and profit in measurable terms:**

Considering the prevalent volatile conditions in the steel industry followed by the current outbreak of Covid-19 pandemic across the globe, it is impractical to assess the profitability of the Company. However, based on the current business plans, strict cost control measures, the Company believes that it would be able to sustain and emerge successfully in terms of good turnover and profits in the days to come.

Except Mr. Shahra and his relatives, none of the Directors or Key Managerial Personnel of the Company or their relative(s) is / are, in any way, concerned or interested financially or otherwise in the Special Resolution set out at Item No. 4 of the Notice. The Board considers it in the interest of the Company to re-appoint Mr. Shahra as Whole-Time Director of the Company and accordingly, recommends the Special Resolution set out in Item No. 4 of the Notice for approval by the Members.

**Item No. 5:**

On the basis of recommendation of Audit Committee & Nomination and Remuneration Committee, the Board of the Company has appointed Mr. Manoj Khetan as Chief Financial Officer of the Company w.e.f 14<sup>th</sup> November, 2018.

Considering the rich experience, expertise, and insights brought to the Company by Mr. Khetan and further taking into account the recommendation of Nomination and Remuneration Committee, the Board at its meeting held on 30<sup>th</sup> December, 2019 has approved the appointment of Mr. Manoj Khetan as a Whole-time Director of the Company for a period of three years, with effect from 30<sup>th</sup> December, 2019. Mr. Manoj Khetan has also been designated as 'Whole Time Director & CFO' of the Company.

The Information as required by clause (iv) of second proviso to Section- II of Part-II of Schedule V of the Act, are as under:

**I. GENERAL INFORMATION:**

- (1) **Nature of Industry:**

The Company is engaged in Manufacturing of Steel products {Cold Rolled Steel Sheets/ Coils, Galvanized Sheets/Coils/ Corrugated Sheets, Colour Coated (Pre-printed) Sheets/Coils/Profile Sheets, etc}. The Company is engaged in Steel Manufacturing. The plant of the Company is situated at Village Sejwaya, District Dhar, Madhya Pradesh.

- (2) **Date of commencement of commercial production:**

The Company started its commercial production in the year 1987.



**National Steel & Agro Industries Ltd.**

- (3) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**

Not Applicable.

- (4) **Financial performance based on given indicators:**

Figures of revenue and profit recorded during last five financial years are as follows: (₹ in Crores)

Financial Year	Revenue			Profit before Tax	Profit after Tax
	Manufacturing	Trading	Total		
2019-20	1,309.32	---	1,309.32	(237.72)	(290.83)
2018-19	723.92	357.79	1,081.72	(327.12)	(240.44)
2017-18	1,351.93	2,889.96	4,241.9	(223.76)	(142.89)
2016-17	1,643.44	2,470.58	4,114.03	32.54	20.61
2015-16	1,872.57	2,020.94	3,893.52	38.29	28.14

- (5) **Foreign investments or collaborators, if any:**

The Company has not entered into any foreign collaboration. As per the shareholding pattern as on 31<sup>st</sup> March, 2020, 260 NRIs hold 681018 Equity Shares representing 1.52% of the paid-up equity share capital of the Company.

## **II. INFORMATION ABOUT THE APPOINTEE:**

- (1) **Background Details:**

Mr. Manoj Khetan is a Fellow Chartered Accountant, having industrial experience of more than three decades in the field of Finance, Taxation, Accounts, Costing and allied activities.

- (2) **Past Remuneration:**

Not Applicable

- (3) **Recognition or Awards:**

Nil

- (4) **Job Profile and his suitability:**

As a Whole-Time Director of the Company, he will be responsible for the overall management of the Company, subject to the superintendence, guidance and control of the Board of Directors. Taking into account his experience, educational background and knowledge; he is a fit and proper person to be appointed as the Whole-Time Director of the Company.

- (5) **Remuneration Proposed:**

The remuneration details are provided in the resolution.

- (6) **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:**

At present, the company is not entitled to pay any remuneration. However, on and after settlement of the dues of Banks, the Company shall pay remuneration considering the size of the Company,



**National Steel & Agro Industries Ltd.**

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the responsibilities shouldered on the appointee and the industry benchmarks that would be justified and commensurate with the remuneration packages paid in the comparable companies.

**(7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:**

Mr. Khetan has no pecuniary relationship directly or indirectly with the Company or key managerial personnel of the Company.

**III. OTHER INFORMATION:**

**(1) Reasons for loss or inadequate profits:**

During the previous years, the Company incurred huge losses. Major reasons includes underutilization of plant capacity due to insufficient working capital followed by suspension of agro business on account of changes in the government policies.

**(2) Steps taken or proposed to be taken for improvement improved productivity and cost control measures have been put in place.**

The Company has initiated various steps includes rationalization of man power, close down of various branch offices, utilization of manufacturing facility to improve its operational performance.

**(3) Expected increase in productivity and profit in measurable terms:**

Considering the prevalent volatile conditions in the steel industry followed by the current outbreak of Covid-19 pandemic across the globe, it is impractical to assess the profitability of the Company. However, based on the current business plans, strict cost control measures, the Company believes that it would be able to sustain and emerge successfully in terms of good turnover and profits in the days to come.

Except Mr. Khetan and his relatives, none of the Directors or Key Managerial Personnel of the Company or their relative(s) is / are, in any way, concerned or interested financially or otherwise in the Special Resolution set out at Item No. 5 of the Notice. The Board considers it in the interest of the Company to appoint Mr. Shahra as Whole-Time Director of the Company and accordingly, recommends the Special Resolution set out in Item No. 5 of the Notice for approval by the Members.

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By Order of the Board of Directors

Place : Indore

Date : 2<sup>nd</sup> September, 2020

Anurag Gangrade  
Company Secretary  
M. No. : FCS-9187



**National Steel & Agro Industries Ltd.**

**Brief Profile of Directors seeking Appointment /Reappointment at the 34<sup>th</sup> 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	<b>Mr. Santosh Shahra</b>	<b>Ms. Manoj Khetan</b>
DIN	00305846	006395265
Age	73	56
Qualification	BE (Mech), MS (USA)	Fellow member of The Institute of Chartered Accountants of India.
Date of Appointment	8 <sup>th</sup> November, 2019	30 <sup>th</sup> December, 2019
Expertise	Industrial and Operational Excellence, Business Development, Finance Management and General Management;	Mr. Khetan is having rich industrial experience of more than three decades. His areas of specialization is finance and accounting.
Directorships as on 31 <sup>st</sup> March, 2020 in Other Listed Companies	Shreeyam Power and Steel Industries Limited	Nil
Chairmanship/Membership of the Committees of other Companies	Member of Nomination and Remuneration Committee in Shreeyam Power and Steel Industries Limited	Nil
Shareholding of the Company	1,00,55,257	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.**

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**National Steel & Agro Industries Ltd.**

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**National Steel & Agro Industries Ltd.**

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**National Steel & Agro Industries Ltd.**

*Certified ISO 9001 : 2008*  
*Certified ISO 14001 : 2004*

If Undelivered Please Return to :

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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](mailto:sgl@sarthakglobal.com)

Arise : 98270-63937