



National Steel & Agro Industries Ltd.

26th December, 2016
Ref. No.: NSAIL/SEC/2016

To,
BSE Limited.
1st Floor, New Trading Ring,
Rotunda Building, P J Towers,
Dalal Street, Fort,
Mumbai – 400 001

To,
National Stock Exchange of India Limited
'Exchange Plaza', C-1, Block G,
Bandra - Kurla Complex,
Bandra (E)
Mumbai 400 051

Sub: SEBI Granted Interim Relief to the Company

Ref.: Our letter ref no. NSAIL/SEC/2016 dated 25th May, 2016

Dear Sir / Madam,

Pursuant to the provisions of Regulation 30, we would like to inform you that SEBI has granted interim relief to the Company to proceed with the QIP Issue vide its order ref. no. WTM/GM/ISD2/CDD/01/DEC/2016 dated 23rd December, 2016.

SEBI has also granted some more interim relief vide its order ref. no. WTM/GM/ISD2/CDD/03/DEC/2016 dated 23rd December, 2016.

The aforesaid SEBI Orders are attached herewith.

Kindly take the same on your record.

Thanking you,
Yours faithfully,
For National Steel and Agro Industries Limited

Pankaj Gupta
Company Secretary
Membership No: ACS-15649



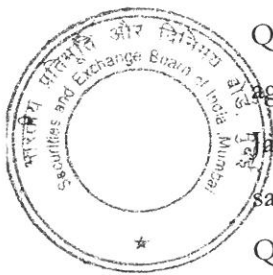
SECURITIES AND EXCHANGE BOARD OF INDIA
ORDER

In continuation of the order dated May 24, 2016 in the matter of trading in Castor Seed Contracts at NCDEX against National Steel & Agro Industries Limited (NSAIL) and another; Representation of NSAIL - Consideration of interim relief

1. Securities and Exchange Board of India ("SEBI") vide an *ad interim ex-parte order-cum-show cause notice* dated May 24, 2016 restrained NSAIL along with another entity, from accessing the securities market and further prohibited them from buying, selling or dealing in securities, either directly or indirectly, in any manner whatsoever, till further directions.
2. While the proceedings pursuant to the *interim order* are still in progress, NSAIL vide its letters dated July 28, 2016, August 19, 2016, October 27, 2016, November 15, 2016 and December 5, 2016 responded to the ex-parte order and has sought an interim relief that it may be allowed to go ahead with the Qualified Institutional Placement (QIP) Issue. During the personal hearing held on December 22, 2016, NSAIL pressed for the interim relief and in this regard made the following submissions:
 - a. that NSAIL is in two business segments, namely, manufacturing and commodity trading. In the commodity trading segment, it undertakes trading in agro-products including Castor Seeds and in the manufacturing segment, it is engaged in the business of manufacturing steel. It has 592 employees and its annual turnover is approximately Rs.3750 Crore;
 - b. that the Board of Directors of NSAIL in its meeting held on March 30, 2016, decided to issue equity shares by way of QIP Issue to Qualified Institutional Buyers in terms of Chapter VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ('ICDR Regulations') for an amount not exceeding Rs. 60 Crore, to meet the needs of growing business and other corporate purposes. This was duly communicated to the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE);
 - c. that the majority shareholders of the company have also approved the same on May 19, 2016 through Postal Ballot which was duly communicated to the stock exchanges;



- d. that the ex-parte order dated May 24, 2016, restrains the Company from proceeding with the QIP Issue;
 - e. that it will have to face financial crunch in its operations and its growth and its employees are at stake; and
 - f. that the Noticee may therefore be allowed to go ahead with the QIP Issue and the directions may kindly be suitably modified pending revocation of directions completely.
3. In support of the aforesaid claims, NSAIL has submitted the following documents:
- a. Copy of the resolution passed at the fifth meeting of financial year 2015-16 of the Board of Directors of the Company held on March 30, 2016,
 - b. Copy of outcome of Board Meeting held on March 30, 2016,
 - c. Copy of Notice of Postal Ballot,
 - d. Copy of declaration of result of Postal Ballot, and
 - e. Copy of consolidated scrutiniser's report on Postal Ballot and remote e-voting.
4. From the documents submitted by NSAIL, it is noted that the QIP Issue was approved by the Board of Directors and the shareholders of NSAIL. The outcome of board meeting held on March 30, 2016 was intimated to the NSE and BSE by NSAIL vide its letters dated March 30, 2016 and the same is also available on the website of respective stock exchanges. The proposal to go for a private placement and raise funds through QIP preceded the subject interim order. It was further submitted by NSAIL that if the QIP process is stalled, they will have to face financial crunch in its operations and the growth of the company and its employees will be adversely affected. In my view, NSAIL has sufficiently made out a case as to why the proposed QIP Issue, should not be stalled so as to allow it to meet the needs of its business. I do not find that the interim order dated May 24, 2016 had envisaged a specific restraint of the QIP issue floated by NSAIL. I note that the said interim order was part of the measure taken against several entities involved in the closing out of Castor Seed contracts at NCDEX in January 2016, due to the interplay of a group of entities and that the investigation into the same is being conducted separately. While I consider the proposal whether or not to allow the QIP of NSAIL, in the light of its submissions and the documents made available in this connection, I wish to keep all questions related to its role in the alleged fraudulent and manipulative activities open and the investigations pending in the matter may not be prejudiced in any manner by this order.



5. In view of the aforesaid facts and circumstances, I find it appropriate to accede to the request of interim relief sought by NSAIL. Accordingly, NSAIL may proceed with the QIP Issue as approved by the Board of directors and shareholders of the company, in accordance with law.


G MAHALINGAM

PLACE: MUMBAI

WHOLE TIME MEMBER

DATE: December 23, 2016

SECURITIES AND EXCHANGE BOARD OF INDIA



SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

In continuation of orders dated March 2, 2016 and May 24, 2016 in the matter of trading in Castor Seed Contracts at National Commodity & Derivatives Exchange Limited (NCDEX)

In respect of:

Sr. No.	Noticee	PAN
Category : Commodities Trading Member		
1.	Neer-Ocean Multitrade Private Limited	AADCN3061E
2.	Investmart Commodities Limited	AAECM3447N
3.	Mid India Commodities Private Limited	AABCT1983F
4.	Leo Global Commodities Private Limited	AAACL6967A
Category : Clients/Trading Entities		
5.	Mr. Narsinpuria Korodimal	AGXPK2223Q
6.	Secunderabad Oils Limited	AACCS8208H
7.	UKS Oils Private Limited	AAACU4566C
8.	Ruchi Global Limited	AAACR7202A
9.	Sisne Polymers Private Limited	AAPCS4092L
10.	Mr. Anuj Jain	ABEPJ8083F
11.	Bharat Foods Co-Operative Limited	AAAAB3160D
12.	Tanisha Multitrading Private Limited	AAECT2559E
13.	Mr Vijay Saraf	AERPS2485J
14.	Vartika Trading Private Limited	AAECV0551G
15.	Piyali Trading Pvt Ltd	AABCR1604D
16.	Stride Multi Trade Pvt Ltd	AAGCS5768N
17.	National Steel and Agro Industries Limited	AAACN3548H
18.	Ruchi Soya Industries Limited	AAACR2892L

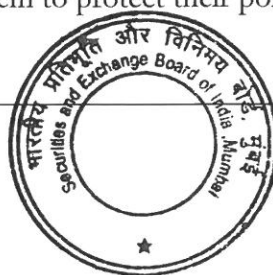
The aforesaid entities are hereinafter referred to by their respective names or collectively as "the noticees".

1. Securities and Exchange Board of India ("SEBI"), vide *ad interim ex-parte orders-cum-show cause*



notice dated March 2, 2016 and May 24, 2016 (hereinafter referred to as “interim order/s”), restrained 18 entities (16 entities vide order dated March 2, 2016 and 2 entities vide order dated May 24, 2016), from accessing the securities market and further prohibited them from buying, selling or dealing in securities, either directly or indirectly, in any manner whatsoever, till further directions.

2. All the noticees have filed their replies in the said matter and a few of them have availed opportunity of inspection of documents relied upon in the matter for passing the interim order. All entities were granted opportunity of personal hearing before me during December 20-23, 2016. In response to such opportunity granted to the noticees, Mid India Commodities Private Limited, Sisne Polymers Private Limited, Bharat Foods Co-operative Limited, Mr. Vijay Saraf, National Steel and Agro Industries Limited, Neer-Ocean Multitrade Private Limited, Ruchi Global Limited and Tanisha Multitrading Private Limited appeared for hearing and made submissions.
3. While the proceedings pursuant to the *interim order* are still in progress, from the written and oral submissions made by the entities, it is noted that most of the entities besides making out their respective defence with respect to the *prima facie* findings in the *ex-parte orders* have also requested for *interim reliefs*. I note that, majority of them raised a common concern over possible erosion of value of securities consequent to the directions effecting immediate freezing of their demat accounts. Among other interim reliefs many of the entities have sought permission to liquidate existing portfolio. Upon hearing the submission of the entities in general, I find it necessary and expedient in the interest of investors and the integrity of the securities market to address the issue of portfolio exposure to market volatility.
4. I, therefore, in exercise of the powers under sections 11(1), 11(4) and 11B of the SEBI Act, hereby, relax the interim orders dated March 2, 2016 and May 24, 2016 passed against the noticees to the limited extent to enable them to protect their portfolio from market volatility,



as indicated hereunder :

- (a) *The noticees may sell the securities lying in their demat accounts as on the date of the interim order, other than the shares of the companies which are suspended from trading by the concerned stock exchange, in an orderly manner under the supervision of the stock exchanges so as not to disturb the market equilibrium and deposit the sale proceeds in an interest bearing escrow account with a nationalized bank;*
 - (b) *the noticees may tender the shares lying in their demat account in any open offer / delisting offer / buyback offer under the relevant regulations of SEBI and deposit the sale proceeds in an interest bearing escrow account with a nationalized bank;*
 - (c) *the noticees shall avail the benefits of corporate actions like rights issue, bonus issue, stock split, dividend etc.*
 - (d) *the aforementioned window for sale of shares lying in respective portfolio shall stand withdrawn if any entity is found to execute any trade in breach of the above conditions.*
5. The aforesaid relaxations/reliefs shall be uniformly available to all the 18 entities covered in the interim orders dated March 2, 2016 and May 24, 2016.
 6. The above directions are general in nature and shall not prejudice the findings of investigations being conducted in the matter.
 7. This order shall continue to be in force till further directions.
 8. A copy of this order shall be served on all recognized stock exchanges and depositories to ensure compliance with above directions.



G. MAHALINGAM

PLACE : MUMBAI

WHOLE TIME MEMBER

DATE : December 23, 2016

SECURITIES AND EXCHANGE BOARD OF INDIA

