



National Steel & Agro Industries Ltd

August 24, 2021

Ref No.: NSAIL/SEC/2021-22

To,
Listing Department,
National Stock Exchange of India Limited
Exchange Plaza', C-1, Block G,
Bandra - Kurla Complex,
Bandra (E)
Mumbai - 400051

Sub: Clarification with respect to the Corporate Announcement dated June 8, 2020 and July 29, 2021.

Ref: E-mail dated August 13, 2021.

Dear Sir/Madam,

This has reference to your e-mail seeking clarification regarding Corporate Announcements made by National Steel and Agro Industries Limited ('NSAIL') dated June 8, 2020 and July 29, 2021. In this regard, followings are submitted:

1. Date of receipt of Demand by MPPKVVCL: NSAIL received the demand notice on April 17, 2015, through an assessment order, for retrospective payment of sum of Rs.49.31 Crores for alleged 'unauthorised' use of electricity from May, 2009 to February, 2015 which was revised to 61.73 Crores for the period May 2009 to July 2016 by a demand notice dated July 6, 2016.





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However, it is pertinent to note that during the Financial Year 2014-15, NSAIL was a profit-making company, with revenue of more than Rs.4,000 Crores, Profit After Tax of Rs. 30 Crores and Net Worth of more than Rs. 300 Crores. Also, NSAIL was confident of achieving even better performance in succeeding years.

Further, since the beginning of the dispute, NSAIL has adopted suitable legal recourse and accordingly challenged the alleged demand by filing a Writ Petition before High Court, Madhya Pradesh which was decided in favor of NSAIL.

Accordingly, NSAIL did not consider the demand raised to be substantial/ material and genuinely believed that the demand will not have an impact on NSAIL.

Furthermore, NSAIL has disclosed the same in its Annual Report pertaining to Financial Years 2018-19, 2019-20 and 2020-21 under the Head 'Significant and Material Orders Passed'.

2. **Chronology of events occurred:** The details of events are provided in Annexure-I.
3. **Status of Hearing on July 30, 2021:** On July 30, 2021, the Hon'ble High Court adjourned the matter for hearing to July 31, 2021 whereby the Court, having regard to the possibility of settlement between the parties, advised MPPKVVCL and NSAIL to settle the dispute amicably.

Further, on August 6, 2021, the Hon'ble High Court, after listening to the parties of dispute, kept the matter reserved for Order. Accordingly, NSAIL shall disclosure the event as soon as it is in receipt of the Order.

4. **Impact on the NSAIL:** Due to attachment of NSAIL's Bank Accounts/factory premises, the operations were severely affected for a period of Seventeen days i.e. from July 28,





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2021 to August 13, 2021, wherein the existing production capacity utilization (81%) which came down to 42% during the period of suspension of production.

Further, during the referred period, NSAIL has lost production opportunity of 14,000 Metric Tonnes (approx) which has resulted in loss of contribution of 4 Crores (approx). Simultaneously, NSAIL continued to bear its fixed overheads including but not limited to salary/wage expenses, cost of power supply, water supply and other administrative expenses.

Kindly take the same in your records and oblige.

Thanking you,

Yours sincerely,

For National Steel and Agro Industries Limited

Anusha
Anusha Chandwani

Company Secretary

Membership No: ACS-54977



Encl: as above

Annexure-I

Sr No	Date of Event	Particulars of the Event	If Disclosure is made under Regulation 30		Reasons for non-disclosure under Regulation 30 (In case the same is non-material, justify the non-materiality in terms of materiality policy)
			Date of Disclosure	Reasons for delay in disclosure (If it exceeds 24 hours)	
1.	April 17, 2015	A demand notice was received by NSAIL from MPPKVCL ('Notice') for recovery of Rs. 49.31 Crores for alleged "unauthorized" use of electricity from May 2009 to February 2015 which was revised to 61.73 Crores for the period May 2009 to July 2016 by their demand notice dated July 6, 2016.	-	-	The following points may be noted for Serial No. 1 to 5: • From the Financial Year 2014-15 onwards and upto 2016-17, NSAIL was a profit making Company attaining Revenue of Rs. 4,000 Crores (approx), Profit after tax of Rs. 30 Crores (approx), Net Worth of Rs. 400 Crores (approx).
2.	July 28, 2015	A Writ Petition was filed before Hon'ble High Court, Madhya Pradesh by NSAIL ('Court') challenging the demand, which was allowed by a learned Single Judge of the Court vide Order dated July 28, 2015 ('First Order').	-	-	• Since the beginning of the dispute, NSAIL has adopted suitable legal recourse and challenged the alleged demand by filing a Writ Petition before High Court, Madhya Pradesh which was decided in favor of NSAIL.



3.	June 22, 2016	A Writ Appeal was filed before a Division Bench of the Court by MPPKVVCL against the First Order which was allowed vide Order dated June 22, 2016 ('Second Order').	-	-	- During the continuation of proceedings, NSAIL has made a part payment of Rs. 30.27 Crores to MPPKVVCL upto 2018. Simultaneously, filed a writ petition before the Hon'ble High Court against MPPKVVCL, challenging the quantum of the demand. The Hon'ble High Court initially stayed the demand by its order dated December 21, 2017 and further by its final order dated October 22, 2018 exempted the amount of penalty of Rs. 37.85 Crores and directed MPPKVVCL to issue a fresh assessment order at the rate equal to the actual tariff rate instead of the rate equal to twice the actual tariff rate. - Further, it may be noted after the receipt of Hon'ble High Court Order dated May 13, 2020, NSAIL has further deposited Rs. 12.40 Crores in addition to the aforesaid payment to MPPKVVCL.
4.	August 16, 2016	A Special Leave Petition (SLP) was filed by NSAIL before the Hon'ble Supreme Court which was dismissed vide its Order dated August 16, 2016 ('Third Order').	-	-	
5.	October 22, 2018	A Writ Petition was filed by NSAIL wherein the Court has granted relief by exempting the amount of Penalty by its order dated October 22, 2018 ('Fourth Order').	-	-	
6.	May 13, 2020	A Review Petition was filed by MPPKVVCL wherein	June 8, 2020	Due to the outbreak of the	



		'Fourth Order' recalled and the Review Petition was allowed vide Order dated May 13, 2020.		coronavirus (COVID-19) pandemic and the restrictions imposed by the Government Authorities, there was a delay in the receipt of a copy of Order. Therefore, there was a genuine delay in the intimation.	
7.	July 28, 2021 and July 29, 2021	A SLP was filed by NSAIL before Hon'ble Supreme Court wherein MPPKVVCL was directed to consider the representations of NSAIL. However, on the basis of rejection of representations, NSAIL challenged the said Decision by filing Writ Petition before Hon'ble High Court, Madhya Pradesh.	July 29, 2021	-	-



		During the pendency of said Writ Petition, MPPKVVCL initiated recovery proceeding against NSAIL by disconnecting the power supply and attaching the NSAIL's Bank Accounts/ factory premise on July 28, 2021 and July 29, 2021 respectively.			
8.	August 13, 2021	Pending Settlement and legal proceedings, NSAIL has further made an upfront payment of Rs. 8 Crores to MPPKVVCL on the basis of several discussions between the parties. Further, the Bank Accounts of NSAIL has been unfrozen following with the restoration of power supply at the factory premise on August 13, 2021.	August 13, 2021	-	-

