National Steel & Agro Industries Ltd.

28th September, 2018
Ref. No.: NSAIL/SEC/2018

To,
Corporate Relationship Department,
BSE Limited.
Rotunda Building, P J Towers,
Dalal Street, Fort,
Mumbai – 400 001

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

Sub: Proceedings of the 32nd Annual General Meeting along with Voting Results, Scrutiniser's Report and Annual Report 2017-18

Dear Sir/Madam,

We are enclosing herewith following in relation to the 32nd Annual General Meeting (AGM) of the Company held on Friday, 28th September, 2018 at 9:00 A.M (IST) at Sai Palace Banquets, 2-3 Anand Nagar GTB Nagar Flank Road, Opposite Karmashetra Tower, Near Shanumukhanand Hall, Mumbai – 400037, Maharashtra.

(i) Proceedings of the 32nd AGM pursuant to the provisions of Regulation 30 read with Para A of Part A of Schedule III of the SEBI (LODR) Regulations, 2015;

(ii) Voting results pursuant to the provisions of Regulation 44 of SEBI (LODR) Regulations, 2015 in the specified format;

NATIONAL STEEL AND AGRO INDS. LTD.

(iii) Scrutiniser's Report pursuant to the provision of Section 108 of the Companies Act, 2013 read with Rule 20 & 21 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015;

(iv) Annual Report for the Financial Year 2017-18 pursuant to the provisions of Regulation 34 of SEBI (LODR) Regulations, 2015 duly approved and adopted by the Equity Shareholders (Members) of the Company as per the provisions of Companies Act, 2013.

This is for your information and records.

Thanking you,

Yours Sincerely

For **National Steel and Agro Industries Limited**

Anurag Gangrade
Company Secretary
Membership No. FCS 9187

NATIONAL STEEL AND AGRO INDS. LTD.

Proceedings of the 32nd Annual General Meeting of the Company

The 32nd Annual General Meeting (AGM) of the Equity Shareholders (Members) of National Steel and Agro Industries Limited ('the Company') was held on Friday, 28th September, 2018 at 9.00 A.M (IST) at the Sai Palace Banquets, 2-3 Anand Nagar GTB Nagar Flank Road, Opposite Karmashetra Tower, Near Shanumukhanand Hall, Mumbai – 400037, Maharashtra. Mr. Santosh Shahra - Executive Chairman of the Company, chaired the meeting. Mr. Nagalingam Goli - Managing Director, Mr. Rajesh Nema – Independent Director, Mr. Ashutosh Upadhyay - Independent Director, Ms. Neha Singhania – Independent Director, Mr. Vikas Rungta - Chief Financial Officer, Mr. Anurag Gangrade - Company Secretary, Mr. Suresh Saharia – Partner of Gupta Saharia & Co., Statutory Auditors of the Company and Mr. Ashish Garg – Secretarial Auditor of the Company were also present at the meeting. Mr Shrikant Tirpude – Nominee Director of IDBI Bank Limited could not attend the meeting due to his pre-occupations.

Mr. Anurag Gangrade - Company Secretary of the Company has introduced all the people on the dais. Thereafter, he requested the Chairman to begin the proceedings of the meeting.

The Chairman called the meeting to order as the requisite quorum being present. The Chairman delivered his speech.

The Chairman informed that the Company had provided the Members the facility to cast their vote electronically, on all resolutions set forth in the Notice. Members who were present at the AGM and had not cast their votes electronically were provided

an opportunity to cast their votes at Poll. It was further informed that there would be no voting by show of hands.

The following items of business, as per the Notice of AGM dated 24th August, 2018 were transacted at the meeting:

1. Receive, consider and adopt the Financial Statements of the Company for the financial year ended 31st March, 2018 including Audited Balance Sheet as at 31st March, 2018, 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. Appointment of Mr. Santosh Shahra (DIN: 00305846), who retires by rotation and offers himself for reappointment.

3. Confirm the interim dividend of ₹0.50/- per equity share, already paid during the year, for the financial year ended March 31, 2018.

4. Appointment of Mr. Ashutosh Upadhyay as an Independent Director of the Company.

5. Ratification and confirmation for payment of remuneration to M. Goyal and Co., Cost Accountants.

6. Enhancement of Borrowing Powers for the purpose of Business of the Company.

NATIONAL STEEL AND AGRO INDS. LTD.

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7. Authorisation to the Board of Directors for Mortgaging and/or creating Charges on the Assets of the Company for securing loan for the purpose of business of the Company.

Clarifications were provided to the queries raised by the members.

The Board of Directors had appointed Mr. Ashish Garg as the Scrutiniser to supervise the e-voting and ballot (Poll) voting process.

Based on the Scrutiniser's Report all the resolutions as set out in the notice of AGM have been duly approved by the Members with requisite majority.

NATIONAL STEEL AND AGRO INDS. LTD.

Date of the AGM/EGM	28th September, 2018
Total number of shareholders on record date	28,274
No. of shareholders present in the meeting either in person or through proxy:	77
Promoters and Promoter Group:	20
Public:	57
No. of Shareholders attended the meeting through Video Conferencing	Not Applicable
Promoters and Promoter Group:	
Public	

Resolution 1: Receive, consider and adopt the Financial Statements of the Company for the financial year ended 31st March, 2018 including Audited Balance Sheet as at 31st March, 2018, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date and the Reports of Board and Auditors thereon.

Resolution required: (Ordinary/ Special)	Ordinary
Whether promoter/ promoter group are interested in the agenda/resolution?	No

Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	22,193,562	20,012,306	90.1717	20,012,306	-	100.0000	-
	Poll		-	-	-	-	-	-
	Postal Ballot (if applicable)		N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
	Total		20,012,306	90.1717	20,012,306	-	100.0000	-
Public- Institutions	E-Voting	50,600	-	-	-	-	-	-
	Poll		-	-	-	-	-	-
	Postal Ballot (if applicable)		N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
	Total		-	-	-	-	-	-
Public- Non Institutions	E-Voting	22,255,838	4,360	0.0196	4,360	-	100.0000	-
	Poll		2,231,871	10.0282	2,231,871	-	100.0000	-
	Postal Ballot (if applicable)		N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
	Total		2,236,231	10.0478	2,236,231	-	100.0000	-
Total		44,500,000	22,248,537	49.9967	22,248,537	-	100.0000	-

Resolution 2: Appointment of Mr. Santosh Shahra (DIN: 00305846), who retires by rotation and offers himself for reappointment.

Resolution required: (Ordinary/ Special) Ordinary
Whether promoter/ promoter group are interested in the agenda/resolution? No

Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	22,193,562	19,992,306	90.0816	19,992,306	-	100.0000	-
	Poll		-	-	-	-	-	-
	Postal Ballot (if applicable)		N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
	Total		19,992,306	90.0816	19,992,306	-	100.0000	-
Public- Institutions	E-Voting	50,600	-	-	-	-	-	-
	Poll		-	-	-	-	-	-
	Postal Ballot (if applicable)		N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
	Total		-	-	-	-	-	-
Public- Non Institutions	E-Voting	22,255,838	4,360	0.0196	4,270	90	97.9358	2.06
	Poll		2,231,871	10.0282	2,231,871	-	100.0000	-
	Postal Ballot (if applicable)		N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
	Total		2,236,231	10.0478	2,236,141	90	99.9960	0.00
Total		44,500,000	22,228,537	49.9518	22,228,447	90	99.9996	0.00

Resolution 3: Confirm the interim dividend of ` 0.50/- per equity share, already paid during the year, for the financial year ended March 31, 2018

Resolution required: (Ordinary/ Special) Ordinary
Whether promoter/ promoter group are interested in the agenda/resolution? No

Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	22,193,562	20,012,306	90.1717	20,012,306	-	100.0000	-
	Poll		-	-	-	-	-	-
	Postal Ballot (if applicable)		N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
	Total		20,012,306	90.1717	20,012,306	-	100.0000	-
Public- Institutions	E-Voting	50,600	-	-	-	-	-	-
	Poll		-	-	-	-	-	-
	Postal Ballot (if applicable)		N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
	Total		-	-	-	-	-	-
Public- Non Institutions	E-Voting	22,255,838	4,360	0.0196	4,270	90	97.9358	2.0642
	Poll		2,231,871	10.0282	2,231,871	-	100.0000	-
	Postal Ballot (if applicable)		N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
	Total		2,236,231	10.0478	2,236,141	90	99.9960	0.0040
Total		44,500,000	22,248,537	49.9967	22,248,447	90	99.9996	0.0004

Resolution 4: Appointment of Mr. Ashutosh Upadhyay as an Independent Director of the Company.

Resolution required: (Ordinary/ Special) Ordinary
Whether promoter/ promoter group are interested in the agenda/resolution? No

Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	22,193,562	20,012,306	90.1717	20,012,306	-	100.0000	-
	Poll		-	-	-	-	-	-
	Postal Ballot (if applicable)		N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
	Total		20,012,306	90.1717	20,012,306	-	100.0000	-
Public- Institutions	E-Voting	50,600	-	-	-	-	-	-
	Poll		-	-	-	-	-	-
	Postal Ballot (if applicable)		N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
	Total		-	-	-	-	-	-
Public- Non Institutions	E-Voting	22,255,838	4,360	0.0196	4,270	90	97.9358	2.0642
	Poll		2,231,871	10.0282	2,231,871	-	100.0000	-
	Postal Ballot (if applicable)		N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
	Total		2,236,231	10.0478	2,236,141	90	99.9960	0.0040
Total		44,500,000	22,248,537	49.9967	22,248,447	90	99.9996	0.0004

Resolution 5: Ratification and confirmation for payment of remuneration to M. Goyal and Co., Cost Accountants.

Resolution required: (Ordinary/ Special) Ordinary
Whether promoter/ promoter group are interested in the agenda/resolution? No

Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	22,193,562	20,012,306	90.1717	20,012,306	-	100.0000	-
	Poll		-	-	-	-	-	-
	Postal Ballot (if applicable)		N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
	Total		20,012,306	90.1717	20,012,306	-	100.0000	-
Public- Institutions	E-Voting	50,600	-	-	-	-	-	-
	Poll		-	-	-	-	-	-
	Postal Ballot (if applicable)		N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
	Total		-	-	-	-	-	-
Public- Non Institutions	E-Voting	22,255,838	4,360	0.0196	4,270	90	97.9358	2.0642
	Poll		2,231,871	10.0282	2,231,871	-	100.0000	-
	Postal Ballot (if applicable)		N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
	Total		2,236,231	10.0478	2,236,141	90	99.9960	0.0040
Total		44,500,000	22,248,537	49.9967	22,248,447	90	99.9996	0.0004

Resolution 6: Enhancement of Borrowing Powers for the purpose of Business of the Company

Resolution required: (Ordinary/ Special) Special
Whether promoter/ promoter group are interested in the agenda/resolution? No

Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	22,193,562	20,012,306	90.1717	20,012,306	-	100.0000	-
	Poll		-	-	-	-	-	-
	Postal Ballot (if applicable)		N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
	Total		20,012,306	90.1717	20,012,306	-	100.0000	-
Public- Institutions	E-Voting	50,600	-	-	-	-	-	-
	Poll		-	-	-	-	-	-
	Postal Ballot (if applicable)		N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
	Total		-	-	-	-	-	-
Public- Non Institutions	E-Voting	22,255,838	4,360	0.0196	4,270	90	97.9358	2.0642
	Poll		2,231,871	10.0282	2,231,871	-	100.0000	-
	Postal Ballot (if applicable)		N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
	Total		2,236,231	10.0478	2,236,141	90	99.9960	0.0040
Total		44,500,000	22,248,537	49.9967	22,248,447	90	99.9996	0.0004

Resolution 7: Authorisation to the Board of Directors for Mortgaging and/or creating Charges on the Assets of the Company for securing loan for the purpose of business of the Company.

Resolution required: (Ordinary/ Special) Special
Whether promoter/ promoter group are interested in the agenda/resolution? No

Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	22,193,562	20,012,306	90.1717	20,012,306	-	100.0000	-
	Poll		-	-	-	-	-	-
	Postal Ballot (if applicable)		N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
	Total		20,012,306	90.1717	20,012,306	-	100.0000	-
Public- Institutions	E-Voting	50,600	-	-	-	-	-	-
	Poll		-	-	-	-	-	-
	Postal Ballot (if applicable)		N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
	Total		-	-	-	-	-	-
Public- Non Institutions	E-Voting	22,255,838	4,260	0.0191	4,170	90	97.8873	2.1127
	Poll		2,231,871	10.0282	2,231,871	-	100.0000	-
	Postal Ballot (if applicable)		N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
	Total		2,236,131	10.0474	2,236,041	90	99.9960	0.0040
Total		44,500,000	22,248,437	49.9965	22,248,347	90	99.9996	0.0004

Ashish Garg
MA,M Com,LLB,FCS
Practicing Company Secretary
+91 98260 42902

Scrutinizer's Report-Combined

(Pursuant to Sections 108 and 109 of the Companies Act 2013 read with Rule 20 & 21 of the Companies (Management and Administrations) Rules 2014 as amended)

To,
The Chairman of 32nd Annual General Meeting / Authorised Person
NATIONAL STEEL AND AGRO INDUSTRIES LIMITED,
Registered Office: 621, Tulsiani Chambers, Nariman Point,
Mumbai - 400021, Maharashtra

Dear Sir,

Sub: **Passing of Resolution(s) through Poll conducted at the 32nd Annual General Meeting held on Friday, 28th September, 2018 and remote e-voting of National Steel And Agro Industries Limited.**

I, Ashish Garg, Practicing Company Secretary, Indore having been appointed as the Scrutinizer by the Board of Directors of National Steel and Agro Industries Limited (hereinafter referred to as "the Company") for the purpose of scrutinizing remote e-voting process and the poll to be conducted at the venue of the Annual General Meeting ("AGM"), pursuant to Section 108 & 109 of the Companies Act, 2013 read with Rule 20 & 21 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and in accordance with Regulation 44 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, do hereby submit my Report as under:-

(i) The Company had appointed Central Depository Services (India) Limited ("CDSL") as the Agency for providing the remote e-voting platform to the Equity Shareholders (Members) of the Company.

ASHISH GARG FCS-5181 CP-4423 COMPANYSECRETARY

107, Gold Arcade, 3/1, New Palasia, Opp. Curewell Hospital, Indore (MP), India 452003
E-mail : ashishgargcs@gmail.com | Phone : +91 731 2 53 58 41

(ii) The **Cut-off date** for the purpose of identifying the Members who were entitled to vote on the resolutions placed for approval of the Members was **Friday, 14th September, 2018.**

(iii) The remote e-voting facility was open from **Tuesday, 25th September, 2018 (10:00 a.m. IST) and ended on Thursday, 27th September, 2018 (5:00 p.m. IST)**

(iv) The Company completed the dispatch of the Notice of AGM along with Annual Report for the Financial Year 2017-18 to the members in the physical form at their registered address on 2nd September 2018 and sending of e-mail has been completed on Thursday, 6th September, 2018.

(v) As prescribed in clause (v) of sub rule 4 of Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, the Company also released an advertisement, which was published in English language in Active Times (having country-wide circulation) and in Marathi language in Mumbai Lakshadeep, both on **7th September 2018**.

(vi) At the end of the voting period on **Thursday, 27th September, 2018**, the voting portal of CDSL was blocked.

(vii) As prescribed under Rule 20(4)(xiii) of the Companies (Management and Administration) Rules, 2014 as amended for the purpose of ensuring that Members who have cast their votes through remote e-voting do not vote again at the AGM, I had access after closure of period of remote e-voting and before the start of AGM, to only such details relating to Members who have cast their votes through remote e-voting, such as their names, DP ID/ folio numbers, number of shares held but not the manner in which they have voted.

(viii) Accordingly, CDSL provided me the names, DP ID/ folio numbers and shareholding of Members who had cast their votes through remote e-voting.

(ix) At the venue of the AGM, at the end of discussion the Chairman ordered voting for those members present but had not cast their vote earlier through remote e-voting.

ASHISH GARG
FCS-5181
CP-4423
COMPANY SECRETARY

(x) On Friday, 28th September, 2018, after the conclusion of voting at the AGM, I first counted the votes cast at the meeting thereafter unblocked the votes cast through remote e-voting in the presence of Mr. Ashish Karodia and Mr. Kamlesh Purviya who acted as the witnesses, who are not in the employment of the Company.

(xi) The voting done through poll at the meeting and remote e-voting were reconciled with the records maintained by the Company and the authorizations /proxies lodged with the Company.

Thereafter, I as a Scrutinizer duly compiled the details of voting through poll done at the venue of the AGM and the remote e-voting carried out by the Members, the details of which are as follows:

Item No. 1-Ordinary Resolution

Adoption of the Audited Financial Statements of the Company for the financial year ended 31st March 2018, together with the Reports of the Board of Directors and Auditors thereon

Manner of Voting	Votes in favour of the Resolution			Votes against the Resolution			Total valid votes	No. of Invalid Votes	
	No. of Members*	No. of Shares	%	No. of Members*	No. of Shares	%		No. of Members*	No. of Shares
1	2	3	4= (3/8)*100	5	6	7=(6/8)*100	8=(3+6)	9	10
Poll at AGM	36	22,31,871	100.0000	-	-	-	22,31,871	4	311
Remote Evoting	57	2,00,16,666	100.0000	-	-	-	2,00,16,666	-	-
Total	93	2,22,48,537	100.0000	-	-	-	2,22,48,537	4	311

ASHISH GARG
FCS-5181
CP-4423
COMPANY SECRETARY

Item No. 2-Ordinary Resolution

Appointment of Mr. Santosh Shahra (DIN: 00305846), who retires by rotation and being eligible, offers himself for reappointment.

Manner of Voting	Votes in favour of the Resolution			Votes against the Resolution			Total valid votes No. of Shares	No. of Invalid Votes	
	No. of Members*	No. of Shares	%	No. of Members*	No. of Shares	No. of Members*		%	No. of Members*
1	2	3	4= (3/8)*100	5	6	7=(6/8)*100	8=(3+6)	9	10
Poll at AGM	36	22,31,871	100.0000	-		-	22,31,871	4	311
Remote Evoting	54	1,99,96,576	99.9995	1	90	0.0005	1,99,96,666	-	-
Total	90	2,22,28,447	99.9996	1	90	0.0004	2,22,28,537	4	311

Item No. 3 - Ordinary Resolution

Confirmation of the interim dividend of ` 0.50/- per equity share, already paid during the year, for the financial year ended 31st March, 2018.

Manner of Voting	Votes in favour of the Resolution			Votes against the Resolution			Total valid votes No. of Shares	No. of Invalid Votes	
	No. of Members*	No. of Shares	%	No. of Members*	No. of Shares	No. of Members*		%	No. of Members*
1	2	3	4= (3/8)*100	5	6	7=(6/8)*100	8=(3+6)	9	10
Poll at AGM	36	22,31,871	100.0000	-	-	-	22,31,871	4	311
Remote E voting	56	2,00,16,576	99.9996	1	90	0.0004	2,00,16,666	-	-
Total	92	2,22,48,447	99.9996	1	90	0.0004	2,22,48,537	4	311

ASHISH GARG COMPANY SECRETARY

Item No. 4 - Ordinary Resolution

Appointment of Mr. Ashutosh Upadhyay as an Independent Director of the Company.

Manner of Voting	Votes in favour of the Resolution			Votes against the Resolution			Total valid votes	No. of Invalid Votes	
	No. of Members*	No. of Shares	%	No. of Members*	No. of Shares	%		No. of Members*	No. of Shares
1	2	3	4= (3/8)*100	5	6	7=(6/8)*100	8=(3+6)	9	10
Poll at AGM	36	22,31,871	100.0000	-	-	-	22,31,871	4	311
Remote E voting	56	2,00,16,576	99.9996	1	90	0.0004	2,00,16,666	-	-
Total	92	2,22,48,447	99.9996	1	90	0.0004	2,22,48,537	4	311

Item No. 5 - Ordinary Resolution

Ratification and confirmation of payment of remuneration to M. Goyal & Co., Cost Accountants

Manner of Voting	Votes in favour of the Resolution			Votes against the Resolution			Total valid votes	No. of Invalid Votes	
	No. of Members*	No. of Shares	%	No. of Members*	No. of Shares	%		No. of Members*	No. of Shares
1	2	3	4= (3/8)*100	5	6	7=(6/8)*100	8=(3+6)	9	10
Poll at AGM	36	22,31,871	100.0000	-	-	-	22,31,871	4	311
Remote E voting	56	2,00,16,576	99.9996	1	90	0.0004	2,00,16,666	-	-
Total	92	2,22,48,447	99.9996	1	90	0.0004	2,22,48,537	4	311

ASHISH GARG COMPANY SECRETARY

Item No. 6- Special Resolution

Enhancement of Borrowing Powers for the purpose of Business of the Company.

Manner of Voting	Votes in favour of the Resolution			Votes against the Resolution			Total valid votes	No. of Invalid Votes	
	No. of Members*	No. of Shares	%	No. of Members*	No. of Shares	%		No. of Members*	No. of Shares
1	2	3	4= (3/8)*100	5	6	7=(6/8)*100	8=(3+6)	9	10
Poll at AGM	36	22,31,871	100.0000	-	-	-	22,31,871	4	311
Remote E voting	56	2,00,16,576	99.9996	1	90	0.0004	2,00,16,666	-	-
Total	92	2,22,48,447	99.9996	1	90	0.0004	2,22,48,537	4	311

Item No. 7- Special Resolution

Authorisation to the Board of Directors for Mortgaging and/or creating Charges on the Assets of the Company for securing loan for the purpose of business of the Company.

Manner of Voting	Votes in favour of the Resolution			Votes against the Resolution			Total valid votes	No. of Invalid Votes	
	No. of Members*	No. of Shares	%	No. of Members*	No. of Shares	%		No. of Members*	No. of Shares
1	2	3	4= (3/8)*100	5	6	7=(6/8)*100	8=(3+6)	9	10
Poll at AGM	36	22,31,871	100.0000	-	-	-	22,31,871	4	311
Remote E voting	55	2,00,16,476	99.9996	1	90	0.0004	2,00,16,566	-	-
Total	91	2,22,48,347	99.9996	1	90	0.0004	2,22,48,437	4	311

**No. of Members is equivalent to No. of folios/Accounts.*

(xii) The 311 Votes of 4 members have been considered invalid on account of signature mismatch.

(xiii) The list of Equity shareholders who voted "FOR"/"AGAINST" for each resolution through remote e-voting process and at the Poll in AGM is sent to Mr. Anurag Gangrade, Company Secretary of the Company for records.

FCS-5181 COMPANY SECRETARY

(xiv) All relevant record of electronic voting will remain in my safe custody until the Chairman of the meeting considers, approves and signs the Minutes of 32nd Annual General Meeting and the same shall be handed over thereafter to the Chairman of the Meeting and the Company Secretary of the Company for safe keeping.

Based on the above information, you may kindly announce the result of voting by Poll at AGM and remote e-voting.

Thanking you,
Yours Faithfully,

ASHISH GARG FCS-5181 COMPANY SECRETARY

Scrutinizer
Name: ASHISH GARG
Practicing Company Secretary
Member Ship No.FCS 5181/ CP No. 4423

Counter signed by
For NATIONAL STEEL AND AGRO INDUSTRIES LIMITED

Anurag Gangrade
Company Secretary
Authorised by the Chairman of the 32nd Annual General Meeting

Place: Indore
Date: 29/09/2018

ANNUAL REPORT 2017-18

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. Nagalingam Goli, Managing Director
3. Mr. Rajesh Nema, Director
4. Mrs. Neha Singhania, Director
5. Mr. Shrikant Tirpude, Nominee Director
6. Mr. Ashutosh Upadhyay, Director (Appointed w.e.f. 02.05.2018)
7. Mr. Navin Khandelwal, Director (Resigned w.e.f. 20.12.2017)

CHIEF FINANCIAL OFFICER

Mr. Vikas Rungta
(Appointed w.e.f. 02.05.2018)
Mr. Mahesh Jain
(Resigned w.e.f. 02.04.2018)

COMPANY SECRETARY

Mr. Anurag Gangrade
(Appointed w.e.f. 02.05.2018)
Mr. Pankaj Gupta
(Resigned w.e.f. 10.04.2018)

STATUTORY AUDITORS

M/s. Gupta Saharia & Co.
Chartered Accountants, Mumbai

COST AUDITORS

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

BANKERS

1. IDBI Bank Ltd.
2. State Bank of India
3. Bank of Maharashtra
4. United Bank of India
5. Andhra Bank
6. Oriental Bank of Commerce
7. Central Bank of India
8. Punjab National Bank
9. Bank of India

SECRETARIAL AUDITOR

Mr. Ashish Garg
Company Secretary in Practice, Indore

STOCK EXCHANGES WHERE THE COMPANY'S EQUITY SHARES ARE LISTED

BSE Limited
National Stock Exchange of India 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

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

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

WORKS

Village - Sejwaya
Tehsil - Dhar
District - Dhar (M.P.)

WEBSITE

www.nsail.com
CIN - L27100MH1985PLC140379

CONTENTS

CONTENTS	PAGE NO.
Board's Report	1
Management Discussion and Analysis	29
Report on Corporate Governance	35
Auditors' Report	49
Balance Sheet	56
Statement of Profit & Loss	57
Cash Flow Statement	58
Significant Accounting Policies	60
Notes on Financial Statements	70
Notice	96

BOARD'S REPORT

Dear Members,

Your Directors have pleasure to present Thirty Second Annual Report on the business and operations of the Company along with the Audited Statement of Accounts for the Financial Year ended 31st March, 2018.

FINANCIAL RESULTS

(₹ in Lacs)

PARTICULARS	Year ended 31.03.2018	Year ended 31.03.2017
Revenue from Operations	**4,24,190**	4,11,403
Earning Before Interest, Tax, Depreciation and Amortisation (EBITDA)	**(4,007)**	9,968
Finance Cost	**13,417**	13,754
Depreciation	**4,952**	4,880
Profit Before Tax (PBT)	**(22,376)**	(8,667)
Provision for :-		
Income Tax/Adjusted for earlier years (Net)	**92**	433
Deferred Tax (Assets)/Liabilities	**(8,179)**	(887)
Profit / (Loss) After Tax (PAT)	**(14,289)**	(8,212)

FINANCIAL PERFORMANCE

During the year under review, your Company's Revenue from Operations has been ₹ 4,24,190 Lacs as against ₹ 4,11,403 Lacs for the previous year.

The Loss Before Tax has been ₹ 22,376 Lacs (₹ 8,666 Lacs in the previous year) and Loss After tax is ₹ 14,289 Lacs (₹ 8,212 Lacs in the previous year).

The Board after undertaking a detailed analysis on the operating parameters/ performance and taking into account the overall debt position of the company along with the various steps undertaken for improvement of performance is confident/optimistic that the Company would be able to implement effective measures in normal course of business to revive and strengthen the operations of the Company. Accordingly, the financial statements for the Financial Year 2017-18 have been prepared on a going concern basis.

Further the Company is also taking steps to utilise surplus manufacturing capacities by processing for third parties to ensure better capacity utilization, boost employee morale, recover costs and improve margins. This will enable us to utilize the unutilized and underutilized production capacities. With a firm and consistent focus on its manufacturing segment, the Company anticipates better operational performance in the current year.

INDIAN ACCOUNTING STANDARDS (Ind AS)

As mandated by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards ("Ind AS") from 1st April, 2017 with a transition date of 1st April, 2016. The financial statements of the Company for the financial year 2017-18 have been prepared in accordance with Ind AS, prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and the other recognized accounting practices and policies to the extent applicable.

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.

DIVIDEND

An interim dividend of ₹ 0.50 per share amounting to ₹ 222.50 Lacs was paid to equity shareholders during the year.

The Company has made provision of dividend @ 4% p.a. on 55,01,022 Redeemable Cumulative Preference Shares for the Financial Year 2017-18.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Navin Khandewal, Independent Director has resigned w.e.f. close of working hour on 20th December 2017, due to personal reasons.The Board has extended its deepest gratitude to Mr. Navin Khandelwal for his association, dedication and commitment towards Company as Independent Director. The Board has appointed Mr. Ashutosh Upadhyay as Additional Director in Independent category w.e.f. 2nd May, 2018 to hold office upto the date of ensuing Annual General Meeting.

Independent Directors have given declaration that they meet the criteria of independence as provided in the Section 149 of the Companies Act, 2013.

Mr. Mahesh Jain - Chief Financial Officer and Mr. Pankaj Gupta - Company Secretary and Compliance Officer of the Company have resigned w.e.f. close of working hours on 2nd April, 2018 and 10th April, 2018 respectively.

Mr. Vikas Rungta as Chief Financial Officer and Mr. Anurag Gangrade as Company Secretary & Compliance Officer of the Company have been appointed w.e.f. 2nd May, 2018.

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.

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 three Directors namely, Mr. Rajesh Nema, Ms. Neha Singhania and Mr. Nagalingam Goli. Mr. Rajesh Nema, Independent Director, is Chairman of the Audit Committee.

The composition of the Audit Committee meets the requirements of the provisions of Section 177 of the Companies Act, 2013 and of Regulation 18 of the SEBI (LODR) Regulations, 2015.

There are no recommendations of the Audit Committee which have not been accepted by the Board during the period 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.

BOARD MEETINGS

During the year under review 5 (Five) Board Meetings were held on 8th May 2017, 22nd May 2017, 4th September 2017, 28th November 2017 and 22nd January 2018. 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:

a) in the preparation of the annual accounts for the financial year ended 31st March, 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

b) the accounting policies had been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the financial year ended 31st March, 2018 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, to be followed by the Company, had been laid down and these controls are adequate and were 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. Prior omnibus approval of the Audit Committee has been obtained for the transactions which were repetitive in nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors. The policy on Related Party Transactions as approved by the Board, is available at the Company's website.

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. Nagalingam Goli : Member

CORPORATE SOCIAL RESPONSIBILITY

As part of its initiatives under "Corporate Social Responsibility" (CSR), the Company spent ₹7.81 Lacs for CSR Activities during the year under review.

During the year under review, the executives of the Company had series of meetings and detailed discussions with representatives of number of NGOs (Implementing Agencies) to actively support and channelise the activities / projects / programmes to be undertaken by the Company in line with its CSR Objectives. Your Company is working on the same.

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 Twenty Eighth Annual General Meeting held on 6th September, 2014 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 Gupta Saharia & Co., Chartered Accountants (FRN No. 103446W), as the Statutory Auditor of the Company for the period of five years commencing from the conclusion of Twenty Eighth Annual General Meeting until the conclusion of Thirty Third Annual General Meeting.

Any qualification, reservation or 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.

(b) Cost Auditors :

Pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act 2013, the Board of your Company has re-appointed M. Goyal & Co., Cost Accountants (FRN No. 000051) as the Cost Auditor of the Company for the financial year 2018-19. The said Auditors have confirmed that their appointment, if made, shall be within the limits as prescribed under Section 141(3) of the Companies Act, 2013. 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 31st March, 2017 was filed with the Central Government (Ministry of Corporate Affairs) vide SRN G5464702.

(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.

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:

i. In respect of appointment of Independent Director; the Company has fulfilled the vacancy by appointing Mr. Ashutosh Upadhyay as Independent Director of the Company w.e.f. 2nd May, 2018.

ii. In respect of presence of Chairperson of Audit Committee and Nomination & Remuneration Committee at the Annual General Meeting respectively; Due to the weather conditions, the flight of Mr. Navin Khandelwal, Chairperson of Audit Committee and Nomination & Remuneration Committee had been delayed, therefore he could not attend the meeting.

iii. In respect of delay in deposit of amount of interim dividend in a separate bank account; the Company had paid the interim dividend within the stipulated time period.

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".

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.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

The Internal Audit Department 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, Managing 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, Managing 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.

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".

MATERIAL CHANGES AND COMMITMENTS

There is no material change and commitment has occurred, affecting the financial position of the Company, between the end of the financial year of the Company i.e. 31st March, 2018 and the date of this report except devolvement of Letter of Credit worth ₹ 683.09 crores on the Company.

SIGNIFICANT AND MATERIAL ORDERS

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

(i) The Central Government, vide its letter dated 16th May, 2017, has approved remuneration paid / payable to Mr. Santosh Shahra for the financial year 2015-16.

(ii) An application/petition was filed before the National Company Law Tribunal, Mumbai Bench, Mumbai under Insolvency and Bankruptcy Code, 2016 by Operational Creditor against the Company in which vide its order dated 30th January 2017, NCLT dismissed the application/ petition. However, against the said NCLT Order, an appeal was preferred by the said operational creditor before the National Company Law Appellate Tribunal, New Delhi, (NCLAT), the hearing of which is concluded on 1st May, 2017 and vide its order dated 19th May 2017, NCLAT dismissed the appeal.

ACKNOWLEDGEMENT

The Board of Directors take this opportunity to express their deep sense of 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 the Company.

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	**Nagalingam Goli**	**Santosh Shahra**
Date : 24th August, 2018	Managing Director	Executive Chairman

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 arm's length transactions under third proviso.

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

There were no contracts or arrangements or transactions entered into during the Financial year ended 31st March, 2018, 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. Santosh Shahra HUF	Executive Chairman is Karta of HUF	Office Rent	On-going	On the basis of Rent Agreement	15,51,216	N.A.	N.A.
2. Ushadevi Shahra	Wife of Executive Chairman	Office, Bunglow & Godown Rent	On-going	=Do=	1,05,31,979	N.A.	N.A.
3. Vishesh Shahra	Son of Executive Chairman	Office Rent	On-going	=Do=	57,72,216	N.A.	N.A.
4. Kailash Chandra Shahra HUF	Karta of Kailash Chandra Shahra HUF is Brother of Executive Chairman	Office Rent	On-going	=Do=	3,08,489	N.A.	N.A.
5. Shri Mahadeo Shahra Sukrat Trust	Executive Chairman is one of the Trustee	Sale of Goods	On-going	=Do=	18,390	N.A.	N.A.
6. Samidha Foods Private Limited	Relatives of Executive Chairman are Directors in the Company	Sale and Purchase of Goods and Godown Rent	On-going	=Do=	10,99,37,349	N.A.	N.A.

For and on behalf of the Board of Directors

Place : Indore
Date : 24th August, 2018

Nagalingam Goli
Managing Director

Santosh Shahra
Executive Chairman

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 28th June, 2014 and modified time to time and has been uploaded on the Company's website 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. Nagalingam Goli : Member (Managing Director)

(iii) Mr. Rajesh Nema : Member (Independent Director)

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

Average Net Profit : ₹ 3,403.28 Lacs

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

The Company was required to spend ₹ 68.07 Lacs towards CSR, during the year under review.

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

(a) Total amount spent for the financial year: ₹ 7.81 Lacs

(b) Amount unspent, if any: ₹ 60.14 Lacs

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

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 at various Mandis	Health of People	Indore and nearby areas, (Madhya Pradesh)	₹ 4,10,953/-	₹ 4,10,953/- Direct expenditure	₹ 4,10,953/-	Direct
2.	Medical Facilities for Kawar Yatries	Health of People	Omkareshwar and Ujjain, (Madhya Pradesh)	₹ 1,54,377/-	₹ 1,54,377/-	₹ 5,65,330/-	Direct
3.	Shree Anand Hindu Anathashram	Promoting Healthcare and Education	Dhar (Madhya Pradesh)	₹ 28,000/-	₹ 28,000/-	₹ 5,93,330/-	Through Implementing Agency
4.	Paramanand University	Health of People		₹ 2,00,000/-	₹ 2,00,000/-	₹ 7,93,330/-	Through Implementing Agency

- Implementing Agency : i) Shree Anand Hindu Anathashram ii) Paramanand University, Indore, Madhya Pradesh.
- During the year under review, the executives of the Company had series of meetings and detailed discussions with representatives of number of NGOs (Implementing Agencies) to actively support and channelise the activities / projects / programmes to be undertaken by the Company in line with its CSR Objectives. Your Company is working on the same.
- Implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Santosh Shahra
Chairman of the CSR Committee

Nagalingam Goli
Managing Director

Annexure – C to Board's Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies *(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **National Steel and Agro Industries Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder (in so far as they are made applicable);

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder (in so far as they are made applicable);

(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, 2009;

   d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; *which is not applicable to the Company during the Audit Period*;

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* ;

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; *which is not applicable to the Company during the Audit Period;*

i) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;(in so far as they are made applicable from time to time).

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 and Independent Directors except during the period from 21st December 2017 to 31st March 2018 relating to appointment of independent director as per Regulation 17(1)(b) of the SEBI (LODR) Regulations, 2015.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 not complied with the Regulation 18(1)(d) and 19(3)of the SEBI (LODR) Regulations, 2015 in respect of the presence of Chairperson of Audit Committee and Nomination & Remuneration Committee at the Annual General Meeting respectively.

iii. The Company has not complied with the provisions of Section 123(4) in respect of the deposit of amount of interim dividend in a separate account within a period of five days from the date of declaration of such dividend. The Company transferred the amount of dividend in a separate account after a delay of 18 days over the due date.

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

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

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : Indore

Date : 24th August, 2018

Ashish Garg

FCS No. : 5181

CP No. : 4423

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 our different lines by:
  - (i) Software modification.
  - (ii) Converting of conventional street light into LED Energy efficient light.
- Efforts were also made to reduce the consumption of Re-liquefied Natural Gas (RLNG) gas 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:

- ₹ 1,30,28,818/- by use of HRU system in GGPP against hot water generator;
- ₹ 28,21,065/- by use of VAM system in GGPP against Air Conditioners;
- ₹ 2,57,414/- by reducing Mill-2 power consumption through running at 100% speed, reduction of break down through TBM & CBM and utilizing Idle time;
- ₹ 4,88,327/- Cooling Tower power consumption reduced during idle time by connect of VAM line and stopping of cooling tower;
- ₹ 8,35,340/- by replacing of Cold well old pump with new Energy efficient pump;
- ₹ 4,88,218/- by reducing (RLNG) Consumption at CGL-3 line;
- Around ₹ 57,006/- by various other steps taken by the Company.

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 utilising 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.

B) TECHNOLOGY ABSORPTION

The efforts made towards technology absorption

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

- Technology up gradation and new product addition in CGL1 by modifying line width capability to 1450 mm and introduced 1200 mm width PPGL and GL profile in market.
- Technology up gradation and new product addition in CGL3 by addition of new online Skin pass Mill to meet the demand of CCL & OEM market.
- Producing dual spangle (mini & large) from same molten zinc was started by NSAIL in 2017-18.
- Developed vendors to get applicator roll rubberizing indigenously.

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

The quality of the Company's products improved and also there was reduction in the cost of the Company's products, whenever the Company took steps towards technology absorption. There is a perennial effect of technology absorption in the quality of and on the cost of the Company's products.

Imported Technology

The Company has not imported any technology during the last three years.

The expenditure incurred on Research and Development

Your Company has separate "Research and Development Department" working on some projects. During the year under review, infrastructure was created to develop and produce lead free coating on CR & GP coils, Spangle reduction with regular bath composition etc as per below details. However, 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 ₹ 42,831 Lacs as compared to ₹ 36,320 Lacs for the previous year.

The Company has imported certain Components, Spare Parts and Raw Materials. The details of these expenses are as below:

(₹ in Lacs)

S. No.	Particulars	31.03.2018	31.03.2017
1.	Raw Materials (CIF Value)	**48,485.69**	35,048.34
2.	Capital Goods and Consumables	**14.96**	174.28
3.	Traded Goods	**44,155.86**	46,773.37
4.	Expenses towards Travelling, Commission and Others	**66.79**	281.15
5.	Remittance towards Dividend	**21.58**	220.04

Annexure – E to Board's Report

EXTRACT OF ANNUAL RETURN

As on financial year ended 31st March, 2018

[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 : 9th 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	15.87%
2	Color Coated Coil/ Sheet	27171	16.00%
3	Agro Commodities	51211	68.13%

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

S. No.	Category of Shareholders	No. of Shares held at the beginning of the year i.e. on 1st April, 2017				No. of Shares held at the end of the year i.e. on 31st March, 2018				% Change during the year
		Demat Form	Physical Form	Total	% of Total Shares	Demat Form	Physical Form	Total	% of Total Shares	
(A)	**Promoter and Promoter Group**									
(1)	**Indian**									
(a)	Individuals/ HUF	6661917	-	6661917	14.97	6617167	-	6617167	14.87	-0.10
(b)	Central Govt./ State Govt.(s)	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
(d)	Any Other (specify)	-	-	-	-	-	-	-	-	-
(i)	Bodies Corporate	11348216	272800	11621016	26.11	11621016	-	11621016	26.11	-
(ii)	Trust	3750	-	3750	0.01	48500	-	48500	0.11	0.10
	Sub - Total (A)(1)	**18013883**	**272800**	**18286683**	**41.09**	**18286683**	**-**	**18286683**	**41.09**	**0.00**
(2)	**Foreign**									
(a)	NRI - Individuals/ Other - Individuals	3257000 -	650000 -	3907000 -	8.78 -	3907000 -	- -	3907000 -	8.78 -	0.00 -
(b)	Government	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-
(i)	Bodies Corporate	-	-	-	-	-	-	-	-	-
	Sub - Total (A)(2)	**3257000**	**650000**	**3907000**	**8.78**	**3907000**	**-**	**3907000**	**8.78**	**0.00**
	Total shareholding of Promoter & Promoters Group (A) =(A)(1)+(A)(2)	**21270883**	**922800**	**22193683**	**49.87**	**22193683**	**-**	**22193683**	**49.87**	**0.00**
(B)	**Statement showing shareholding pattern of Public Shareholder**									
(1)	**Institutions**									
(a)	Mutual Funds	100	61200	61300	0.14	100	50100	50200	0.11	-0.03
(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)	-	-	-	-	-	-	-	-	-
	Sub - Total (B)(1)	**100**	**61600**	**61700**	**0.14**	**100**	**50500**	**50600**	**0.11**	**-0.03**
(2)	**Central Govt./State Govt./President of India**	-	-	-	-	-	-	-	-	-
	Sub - Total (B)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(3)	**Non -Institutions**									
(a(i)	Individuals - i) Individual share-holders holding nominal share capital upto Rs. 2 Lac	7137427	2556974	9694401	21.79	7492572	2497612	9990184	22.45	0.66
(a(ii)	Individuals - ii) Individual share-holders holding nominal share capital in excess of Rs. 2 Lac	4786646	-	4786646	10.76	4554303	-	4554303	10.24	-0.51
(b)	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-

S. No.	Category of Shareholders	No. of Shares held at the beginning of the year i.e. on 1st April, 2017				No. of Shares held at the end of the year on 31st March, 2018				% 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	304979	100674	405653	0.91	347337	99724	447061	1.00	0.09
(ii)	Clearing Members	150711	-	150711	0.33	24212	-	24212	0.05	-0.28
(iii)	H.U.F.	444513	-	444513	1.00	538373	-	538373	1.21	0.21
(iv)	Bodies Corporate	5736993	1025700	6762693	15.20	5675884	1025700	6701584	15.06	-0.14
	Sub - Total (B)(3)	**18561269**	**3683348**	**22244617**	**49.99**	**18632681**	**3623036**	**22255717**	**50.01**	**0.03**
	Total Public Shareholding(B) = (B)(1)+(B)(2) +(B)(3)	**18561369**	**3744948**	**22306317**	**50.13**	**18632781**	**3673536**	**22306317**	**50.13**	**0.00**
(C)	**Statement showing Shareholding Pattern of the Non Promoter-Non Public Shareholder**									
(1)	Custodian/ DR Holder-Name of DR Holders (If Available)	-	-	-	-	-	-	-	-	-
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-
	TOTAL Non Promoter - Non Public Shareholding C = (C)(1)+(C)(2)	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A+B+C)	**39832252**	**4667748**	**44500000**	**100.00**	**40826464**	**3673536**	**44500000**	**100.00**	**-**

(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	-	302744	0.68	-	-
3	Dinesh Shahra	104000	0.23	-	104000	0.23	-	-
4	Manish Shahra	8000	0.02	-	8000	0.02	-	-
5	Mraduladevi Shahra	25750	0.06	-	25750	0.06	-	-
6	Nitesh Shahra	8000	0.02	-	8000	0.02	-	-
7	Neetadevi Shahra	12000	0.03	-	-	-	-	-0.03
8	Navneet Zalani	200	0.00	-	200	0.00	-	-
9	Navneet D. Zalani (HUF)	300	0.00	-	300	0.00	-	-
10	Ruchi Mohan	133036	0.30	-	133036	0.30	-	-
11	Santosh Kumar Shahra (HUF)	1512387	3.40	-	1512387	3.40	-	-
12	Bhavna Goel	5786568	13.00	-	6436568	14.46	-	1.46
13	Ushadevi Shahra	760950	1.71	-	760950	1.71	-	-
14	Savitridevi Shahra	32750	0.07	-	-	-	-	-0.07
15	Sandhya Khandelwal	12600	0.03	-	12600	0.03	-	-
16	Suresh Shahra (HUF)	10000	0.02	-	10000	0.02	-	-
17	Suresh Shahra	10000	0.02	-	10000	0.02	-	-
18	Umesh Shahra	17000	0.04	-	17000	0.04	-	-
19	Vishesh Shahra	909693	2.04	-	909693	2.04	-	-
20	Mahakosh Family Trust	3750	0.01	-	3750	0.01	-	-
21	Shashwat Trust	-	-	-	44750	0.10	-	0.10
22	Ankesh Shahra	59900	0.13	-	59900	0.13	-	-
23	Sarvesh Shahra	60000	0.13	-	60000	0.13	-	-
24	APL International Private Limited	2957500	6.65	-	2957500	6.65	-	-
25	Mahakosh Holdings Private Limited	150000	0.34	-	150000	0.34	-	-
26	Anik Industries Limited	30000	0.07	-	30000	0.07	-	-
27	NSIL Infotech Limited	1035900	2.33	-	1035900	2.33	-	-

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	Ruchi Acroni Industries Limited	30600	0.07	-	30600	0.07	-	-
29	Nutrela Marketing Private Limited	1220000	2.74	-	1220000	2.74	-	-
30	Ruchi Infrastructure Limited	1371800	3.08	-	1371800	3.08	-	-
31	Ruchi Soya Industries Limited	883500	1.99	-	883500	1.99	-	-
32	Ruchi Power Corporation Limited	600000	1.35	-	600000	1.35	-	-
33	Shahra Brothers Private Limited	201667	0.45	-	201667	0.45	-	-
34	Sarthak Global Limited	167150	0.38	-	167150	0.38	-	-
35	Vishal Soyamool Private Limited	472800	1.06	-	472800	1.06	-	-
36	Ruchi Integrated Steels (India) Limited	500000	1.12	-	500000	1.12	-	-
37	NSIL Finance Limited	500000	1.12	-	500000	1.12	-	-
38	NSIL Power Limited	1000000	2.25	-	1000000	2.25	-	-
39	Divine Infracreation & Trading Private Limited	99	0.00	-	99	0.00	-	-
40	Morya Erectors Private Limited	500000	1.12	-	500000	1.12	-	-
41	Mathew Kurian	325000	0.73	-	-	-	-	-0.73
42	Sharon Marie Mathew	325000	0.73	-	-	-	-	-0.73
	Total	**22193683**	**49.87**	**-**	**22193683**	**49.87**	**-**	**0.00**

(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	Bhavna Goel				
	Opening Balance	5786568	13.00	5786568	13.00
	6,50,000 shares acquired on 26th April, 2017	-	-	6436568	14.46
	Closing Balance			6436568	14.46
2	Mathew Kurian				
	Opening Balance	325000	0.73	325000	0.73
	3,25,000 shares transferred on 26th April, 2017	-	-	-	-
	Closing Balance			-	-
3	Sharon Marie Mathew				
	Opening Balance	325000	0.73	325000	0.73
	3,25,000 shares transferred on 26th April, 2017	-	-	-	-
	Closing Balance			-	-
4	Savitridevi Shahra				
	Opening Balance	32750	0.07	32750	0.07
	32,750 shares transferred on 08th November, 2017	-	-	-	-
	Closing Balance			-	-
5	Neetadevi Shahra				
	Opening Balance	12000	0.03	12000	0.03
	12,000 shares transferred on 13th November, 2017	-	-	-	-
	Closing Balance			-	-
6	Shashwat Trust				
	Opening Balance	-	-	-	-
	32,750 shares acquired on on 08th November, 2017	-	-	32,750	0.07
	12,000 shares acquired on on 13th November, 2017	-	-	44,750	0.10
	Closing Balance			44,750	0.10

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

(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	Shubhamangal Traders Private Limited				
	Opening Balance	1547659	3.48	1547659	3.48
	1,08,782 shares acquired during the year	-	-	1656441	3.72
	10,000 shares sold during the year	-	-	1646441	3.70
	Closing Balance			1646441	3.70
2	Subramanian P				
	Opening Balance	1479270	3.32	1479270	3.32
	Closing Balance	-	-	1479270	3.32
3	Yaksha Infrastructure Company Private Limited				
	Opening Balance	1066058	2.40	1066058	2.40
	10,66,058 shares sold during the year	-	-	-	-
	Closing Balance			-	-
4	Bhagyashree Infrastructure Private Limited				
	Opening Balance	1000000	2.25	1000000	2.25
	Closing Balance			1000000	2.25
5	Ruchi Agrotech Private Limited				
	Opening Balance	667072	1.50	667072	1.50
	2,30,840 Shares acquired during the year	-	-	897912	2.02
	65,970 shares sold during the year	-	-	831942	1.87
	Closing Balance			831942	1.87
6	Abhikaran Trading Private Limited				
	Opening Balance	636200	1.43	636200	1.43
	25,400 shares sold during the year	-	-	610800	1.37
	Closing Balance			610800	1.37
7	Harsha Hitesh Javeri				
	Opening Balance	560000	1.26	560000	1.26
	Closing Balance			560000	1.26

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
8	Udesh Singh				
	Opening Balance	431736	0.97	431736	0.97
	4,97,301 Shares acquired during the year	-	-	929037	2.18
	3,70,451 Shares sold during the year	-	-	558586	1.26
	Closing Balance			558586	1.26
9	Reena Deepak Partani				
	Opening Balance	390000	0.88	390000	0.88
	58,000 shares acquired during the year	-	-	448000	1.01
	4,48,000 shares sold during the year	-	-	-	-
	Closing Balance			-	-
10	Hitesh Ramji Jhaveri				
	Opening Balance	359878	0.81	359878	0.81
	30,122 Shares acquired during the year	-	-	390000	0.88
	Closing Balance			390000	0.88
11	Viksit Engineering Limited				
	Opening Balance	282274	0.63	282274	0.63
	1,44,440 Shares acquired during the year	-	-	426714	0.96
	37,500 shares sold during the year	-	-	389214	0.87
	Closing Balance			389214	0.87
12	Bunkim Finance & Investment Private Limited				
	Opening Balance	266451	0.60	266451	0.60
	78,949 Shares acquired during the year	-	-	345400	0.78
	1,00,000 shares sold during the year	-	-	245400	0.55
	Closing Balance			245400	0.55
13	Maxworth Leafin & Investment Private Limited				
	Opening Balance	-	-	-	-
	7,74,258 Shares acquired during the year	-	-	774258	1.74
	Closing Balance			774258	1.74

The Company is listed and 91.75% 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.

(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	-	-	-	-
	Closing Balance	-	-	-	-
2	Mr. Nagalingam Goli				
	Opening Balance	5001	0.01	5001	0.01
	1,000 Shares acquired on 4th August, 2017	-	-	6001	0.01
	3,000 Shares acquired on 25th August, 2017	-	-	9001	0.02
	10 Shares acquired on 30th September, 2017	-	-	9011	0.02
	200 Shares acquired on 9th February, 2018	-	-	9211	0.02
	100 Shares acquired on 23rd February, 2018	-	-	9311	0.02
	100 Shares acquired on 16th March, 2018	-	-	9411	0.02
	200 Shares acquired on 30th March, 2018	-	-	9611	0.02
	Closing Balance	-	-	9611	0.02
3	Mr. Navin Khandelwal (Ceased w.e.f. 20th Dec. 2017)				
	Opening Balance	-	-	-	-
	Closing Balance			-	-
4	Mr. Rajesh Nema				
	Opening Balance	-	-	-	-
	Closing Balance			-	-
5	Ms. Neha Singhania				
	Opening Balance	-	-	-	-
	Closing Balance			-	-
6	Mr. Shrikant Tirpude				
	Opening Balance	-	-	-	-
	Closing Balance			-	-
7	Mr. Mahesh Jain (Chief Financial Officer)				
	Opening Balance	-	-	-	-
	Closing Balance			-	-
8	Mr. Pankaj Gupta (Company Secretary)				
	Opening Balance	10	0.00	10	0.00
	Closing Balance			10	0.00

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtednes
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	19,769.90	-	-	19,769.90
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**19,769.90**	**-**	**-**	**19,769.90**
Changes in Indebtedness during the Financial Year				
Addition	134.80	142.47	-	277.27
Reduction	-	-	-	-
Net Change	**134.80**	**142.47**	**-**	**277.27**
Indebtedness at the end of the Financial Year				
i) Principal Amount	19,904.70	142.47	-	20,047.17
ii) Interest due but not paid	-	-	-	-
iii) interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**19,904.70**	**142.47**	**-**	**20,047.17**

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lacs)

S.No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mr. Santosh Shahra	Mr. Nagalingam Goli	
1	**Gross Salary** (a) Salary u/s 17(1) of Income Tax Act,1961	216.00	145.98	361.98
	(b) Value of perquisites u/s 17(2) of the Income Tax Act,1961	35.43	6.32	41.75
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act,1961	17.99	0.80	18.79
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- Others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	**269.42**	**152.71**	**422.13**
	Ceiling as per the Act			**485.93**

B. Remuneration to other Directors : **(₹ in Lacs)**

S.No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Navin Khandelwal (ceased w.e.f. 20.12.2017)	Mr. Rajesh Nema	Ms. Neha Singhania	Mr. Shrikant Tirpude*	
1	**Independent Directors**					
	- Fee for attending board /committee meetings	0.79	1.11	0.43	-	2.33
	- Commission	-	-	-	-	-
	- Others, please specify	-	-	-	-	-
	Total (1)	**0.79**	**1.11**	**0.43**	**-**	**2.33**
2	**Other Non-Executive Directors**					
	- Fee for attending board/ /committee meetings	-	-	-	0.30	0.30
	- Commission	-	-	-	-	-
	- Others, please specify	-	-	-	-	-
	Total(2)	**-**	**-**	**-**	**0.30**	**0.30**
	Total(B)=(1+2)	**0.79**	**1.11**	**0.43**	**0.30**	**2.63**

* 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 apply.

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	**Gross Salary** (a) Salary u/s 17(1) of the Income Tax Act, 1961	40.80	42.02	82.82
	(b) Value of perquisites u/s 17(2) of the Income Tax Act,1961	-	0.33	0.33
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act,1961	0.80	0.80	1.60
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- Others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	**41.60**	**43.15**	**84.75**

(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)
A. Company					
- Penalty					
- Punishment					
- Compounding					
B. Directors					
- Penalty					
- Punishment					
- Compounding					
C. Other Officers in default					
- Penalty					
- Punishment					
- Compounding					

N A

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 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	75.64:1
2	Mr. Nagalingam Goli	42.87:1
3	Mr. Navin Khandelwal (ceased w.e.f. 20/12/2017)	0.22:1
4	Mr. Rajesh Nema	0.31:1
5	Ms. Neha Singhania	0.12:1
6	Mr. Shrikant Tirpude	0.08:1

(ii) The percentage increase in remuneration of Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year: **(₹ in Lacs)**

S. No.	Name	2017-18	2016-17	% increase in remuneration
1	Mr. Santosh Shahra, Executive Chairman	269.42	219.58	23
2	Mr. Nagalingam Goli, Managing Director	152.71	98.92	54
3	Mr. Navin Khandelwal, Independent Director*	0.79	0.84	-
4	Mr. Rajesh Nema, Independent Director	1.11	0.93	20#
5	Smt. Neha Singhania, Independent Director	0.43	0.44	-
6	Mr. Mahesh Jain, CFO	41.60	34.65	20
7	Mr. Pankaj Gupta, Company Secretary	43.15	31.94	35

* Mr. Navin Khandelwal was ceased w.e.f. 20th December, 2017.

\# The Company pays only sitting fee to Independent Directors for attending Board and Committee Meetings. During the year under review, Mr. Rajesh Nema attended 26 (twenty six) Board and Committee meetings whereas in the previous year, he had attended 25 (twenty five) Board and Committee meetings.

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

Median Remuneration (2017-2018) (Amount in ₹)	Median Remuneration (2016-2017) (Amount in ₹)	Increase in the Median Remuneration (in %)
3,56,196	3,31,119	7.57%

* Please read this in conjunction with (A) (v). Also, the total number of permanent employees on the rolls of the Company as on 31st March, 2018 were 565 whereas as on 31st March, 2017 were 594.

(iv) The number of permanent employees on the roll of the Company : 565 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 2017-18 is 7%.

The increase in the salary of KMPs for Financial Year 2017-18 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.

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

S. No.	Name of the Employee	Designation	Remuneration Received (₹ in Lacs)	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. Santosh Shahra	Executive Chairman	269.42	Contractual	Mechanical Engineer, MS (USA) and rich and vast hands-on experience of around five decades.	03-03-1986	71 Years	Director, Ruchi Private Limited		No
2	Mr. Nagalingam Goli	Managing Director	152.71	Contractual	B. Tech in Mechanical Engineering with Post Graduate Diploma in Management and Post Graduate Diploma in Financial Management, having more than 2 decades of rich experience	31-08-2015	48 Years	CEO-South Asian Operations, EIRICH India Private Limited	-	No

MANAGEMENT DISCUSSION AND ANALYSIS

A) Steel

I) Industry Structure and Developments

- **World Steel Scenario**

The global steel industry has seen an accelerated growth over the years and is expected to grow even further in the times to come.

- The **world crude steel production** has increased to around 1,689 Million Tonnes (MT) in the year 2017 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 214.5 kilograms for the year 2017.

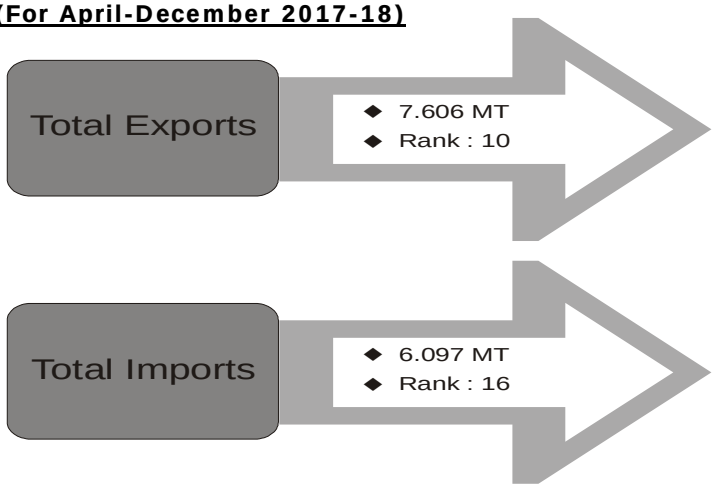
Steel consumption also shows a strong link with the economic growth, for steel has become an essential material in almost every aspect of the economy, right from infrastructure, transportation to food packaging and consumption.

Global steel sector has over the years seen 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.

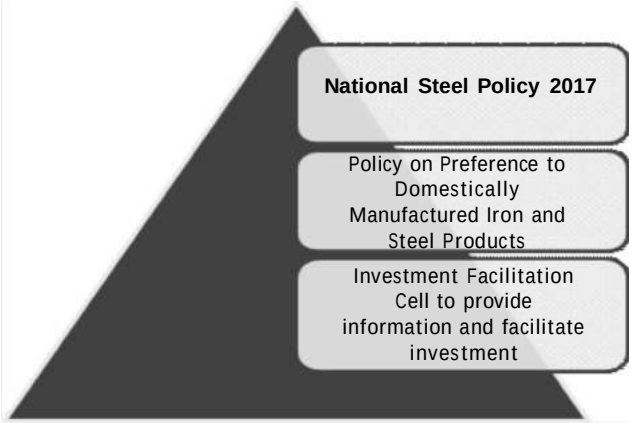
- **Indian Steel Scenario**

- India has once again retained **Third Position** among the **major steel producing countries** with a crude steel production of **101.4 MT** in the year 2017 and based on the growth patterns in the industry over the years, it is expected to become the second largest producer of crude steel soon.
- The **apparent steel use per capita** has also increased, the same being **65.2 kilograms** for the year 2017 as per the data provided by World Steel Association.
- The steel sector contributes to over 2% of the Country's GDP and provides employment to around 25 Lacs individuals in the steel and allied sectors.

Indian Export Related Data (For April-December 2017-18)



Major Initiatives by the Ministry of Steel for Indian Steel Sector



II) Opportunities and Threats

- **Opportunities**

  - India is expected to become the second largest producer of steel in the world.
  - Exports stood at 7.606 MT (April-December 2017-18), a growth of 52.9% compared to last year. India was a net exporter of total finished steel. Growth in exports ensures greater access to far out markets.
  - Intention of Government to increase funding in infrastructure, affordable housing (Prime Minister Awas Yojana), strengthening of Real Estate norms through 'Real Estate (Regulation and Development) Act, 2016' etc. will generate positive demand for steel.
  - In line with Central Government's announcement of various road/rail infrastructure projects, the market for local manufacturers is expected to improve.
  - Two **National landmark policies** have been rolled out by the government –

1) National Steel Policy 2017

Expected Impact:

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) 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.

- **Threats**
  - Improper supply-demand balance.
  - 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

- Post the rollout of new Steel Policy in 2017, forex of ₹ 5,000 crores was saved since last year while around 24 MT of crude steel capacity was added during past four years.
- At the current pace and outlook of the industry, steelmaking capacity is expected to reach 150 MT mark by 2020.
- The policy aims at generating additional employment for 36 Lacs people directly or indirectly in the sector.
- Infrastructure, oil and gas and automotives are expected to drive the growth of the industry.
- Identification of the issue of Non-Performing Assets (NPAs) has helped in efficient steps to be taken to resolve them on timely basis.
- Ministry of Steel also plans to set up **'Steel Research and Technology Mission'** in India to promote R&D activities in the sector.
- Government initiatives such as 'Make in India' and 'Smart City Mission' have further made the industrial environment favourable for the steel industry.
- There are opportunities available in the industry provided by the Indian economy to take advantage of and grow further.

IV) Risks and Concerns

Sr.No.	Type	Impact	Mitigation Strategies
1.	**Macroeconomic Risk**	◆ Overcapacity and oversupply in global steel industry may affect steel prices. ◆ Newer developments in competitive global business. ◆ Cheaper imports and raw material deficiencies may lead to low capacity utilization despite of the ability of Indian steel sector to work at full capacity level.	◆ Diversification of product portfolio. ◆ Development of alternate techniques to ensure better capacity utilization.

Sr.No.	Type	Impact	Mitigation Strategies
2.	**Operational Risk**	◆ Risk of limitation or disruption in the supply of raw materials.	◆ Establishing sources of supplies from alternate geographies.
3.	**Market Related Risk**	◆ Excess volatility in steel and raw material markets may affect financial condition. ◆ Competition from substitute materials may lead to change in demand pattern.	◆ Enhanced product development and focus on value addition.
4.	**Environmental Risk**	◆ Share of iron and steel industry in CO_2 emissions is around 7%. ◆ Stringent international and domestic regulations relating to climate control.	◆ Innovation in products and methods to ensure sustainable development. ◆ Investment in environmental related projects.
5.	**Regulatory Risk**	◆ Non-compliance to increasing stringent regulatory norms. ◆ Removal of favourable trade measures.	◆ Focus on compliance and fulfilling regulatory requirements.

B) Agro Business

I) About the Industry

India is an agriculture centred economy and one of the highest-ranking countries in production volume for various commodities like rice, cotton, spices, pulses etc. The agricultural sector plays a vital role in the Indian economy, its growth and development.

There has been a trend of global trade in agro commodities and the same has gained pace over time. The Company continues to be an importer of pulses and beans and trader of yellow peas and other pulses.

Agriculture sector all over the world has seen a lot of innovative developments including organic productions and the same has impacted the trading as well, resulting in increasing demand of quality products across the globe.

II) Outlook

Global demand for food is estimated to double by 2050.

However with overall market growth projected to be slow, agricultural trade is expected to expand at about half the rate of the previous decade.

For most commodities, a constant share of production continues to be traded on world markets.

If a good monsoon happens, it adds to the benefit of the agro industry as better yields would foster agro trading at global level.

III) Risks and Concerns

The direction of commodity prices for trading purpose is difficult to predict.

Good weather and good growing seasons lead to excess supply while poor yields lead to increase in prices.

Agro trading is a cyclical business; every commodity having its own cyclical pattern.

There also arises a need for agricultural commodity risk to be managed properly. Naturally, agricultural commodities in general are prone to spoilage and their prices are affected by several factors including transportation and storage.

Thus all such factors are equally to be taken into consideration for agro trading.

Government policies are concerned taking corrective steps as and when necessary.

Due to back to back production boom, product prices have seen a sharp decline.

Government started procurement through agencies like 'NAFED - National Agricultural Cooperative Marketing Federation of India Ltd' and 'FCI – Food Corporation of India' in the last two years, which has resulted in piling up of large stock of pulses.

Further, government has in the recent past focused on restrictive trade and tariff policies to choke supplies from abroad by imposing heavy import duties.

As a trader, the Company faces the fluctuation risk of price and currencies as well.

C) Segment Wise or Product Wise Performance

The Segments identified by the Company are as under :

1) Manufacturing Segment

2) Trading Segment

The Segment wise performance in detail is given in Note 35 to the audited accounts of the Company.

D) 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.

Internal Audit is an ongoing activity in the Company and the internal audit team so formed regularly reports to the members of the Audit Committee in their meeting.

E) 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 31st March, 2018 was 565.

F) Discussion on financial performance with respect to operational performance

During the year under review, the Company's Revenue from Operations has been ₹ 4,24,190 lacs as against ₹ 4,11,403 lacs in the previous year.

The Loss Before Tax has been ₹ 22,376 lacs as against ₹ 8,666 lacs in the previous year.

The Loss After Tax has been ₹ 14,289 lacs as compared to a loss of ₹ 8,212 lacs for the previous year.

Operational Loss for the year under review has increased to ₹ 22,376 lacs as compared to ₹ 8,666 lacs in the previous year.

The Company has been facing various issues relating to erosion of net worth and increase in Current Liabilities. However the Management is taking appropriate steps to rectify the issues by improving the operational performance of the steel business, having tie-ups with different companies for job work and implementing a restructuring exercise among others.

Also, the improved market condition in steel industry over the globe would further help your Company to regain its market share in subsequent years.

G) 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.

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

H) 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.

REPORT ON CORPORATE GOVERNANCE

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

1. Company's Philosophy on Corporate Governance

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

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

2. Board of Directors

The Board of Directors of the Company has combination of Executive and Non-Executive Directors. The Company has an Executive Chairman. As on 31st March, 2018, the board consists of 5 (Five) Directors, out of which 2 (Two) are Executive Directors, 1 (One) is Nominee Director and remaining 2 (Two) are Independent Directors. 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

S. No.	Category	Name of Director
1	Promoter and Executive Director	Mr. Santosh Shahra
2	Executive Director	Mr. Nagalingam Goli
3	Independent Directors	Mr. Rajesh Nema Ms. Neha Singhania Mr. Navin Khandelwal*
4	Nominee Director	Mr. Shrikant Tirpude

* Mr. Navin Khandelwal, Independent Director, has resigned w.e.f. closing working hours of 20th December, 2017.

The Board of Directors met 5 (Five) times during the Financial Year 2017- 18 on 8th May 2017, 22nd May 2017, 4th September 2017, 28th November 2017 and 22nd January 2018.

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 of Directors at the Meetings of Board of Directors held during the Financial Year 2017- 18 and the last Annual General Meeting (AGM) held on 21st September, 2017, as also the number of Directorships and Committee positions held by them in other public limited companies as on 31st March, 2018 are given below:

Name of Director	No. of Board Meetings attended during 2017-18	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 31.03.18
				as Chairman	as Member	
Mr. Santosh Shahra	4	No	1	-	-	-
Mr. Nagalingam Goli	5	Yes	-	-	-	9,611
Mr. Rajesh Nema	5	No	1	-	-	-
Ms. Neha Singhania	3	Yes	2	2	1	-
Mr. Shrikant Tirpude	3	No	-	-	-	-
Mr. Navin Khandelwal*	4	No	5	3	-	-

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

* Mr. Navin Khandelwal, Independent Director, has resigned w.e.f. closing working hours of 20th December, 2017.

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 familiarisation programmes imparted to independent directors are available at the website of the Company.

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

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 5 (Five) times on 8th May 2017, 22nd May 2017, 4th September 2017, 28th November 2017 and 22nd January 2018 and the gap between two meetings did not exceed one hundred and twenty days.

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	5
Ms. Neha Singhania**	Independent Director	1
Mr. Nagalingam Goli	Executive Director	5
Mr. Navin Khandelwal#	Independent Director	4

* Mr. Rajesh Nema, Independent Director, appointed as Chairman of Audit Committee w.e.f. 21st December, 2017. He was member of the Committee till 20th December, 2017.

** Ms. Neha Singhania, Independent Director, appointed as member of Audit Committee w.e.f. 21st December, 2017.

\# Mr. Navin Khandelwal, Independent Director, ceased as Chairman of the Audit Committee w.e.f. 20th December, 2017.

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.

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 22nd January, 2018 and 26th March, 2018. 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
Ms. Neha Singhania	Independent Director	2
Mr. Santosh Shahra**	Executive Director	1
Mr. Navin Khandelwal#	Independent Director	0

* Mr. Rajesh Nema, Independent Director, appointed as Chairman of Nomination and Remuneration Committee w.e.f. 21st December, 2017. He was member of the Committee till 20th December, 2017.

** Mr. Santosh Shahra, Executive Director, appointed as member of Nomination and Remuneration Committee w.e.f. 21st December, 2017

Mr. Navin Khandelwal, Independent Director, ceased as Chairman of the Nomination and Remuneration Committee w.e.f. 20th December, 2017.

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

Performance Evaluation

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

Structured performance evaluation questionnaire were circulated to the Directors for:

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

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

Details of Remuneration paid to Directors

During the Financial Year 2017-18, the Company paid to Non-executive Directors only sitting fee for attending Board and Committee Meetings.

Details of remuneration paid to Directors for the year ended 31st March, 2018 are as follows:

(₹ in Lacs)

Directors	Sitting Fees	Salary and perquisites	Total
Mr. Santosh Shahra	N.A.	269.42	269.42
Mr. Nagalingam Goli	N.A.	152.71	152.71
Mr. Navin Khandelwal	0.79	Nil	0.79
Mr. Rajesh Nema	1.11	Nil	1.11
Ms. Neha Singhania	0.43	Nil	0.43
Mr. Shrikant Tirpude*	0.30	Nil	0.30

* Sitting Fee cheques issued 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. Nagalingam Goli – Managing Director is three years w.e.f. 17th December, 2016 and 1st April, 2016 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. However, pursuant to the applicable provisions of Companies Act, 2013 the matter of re-appointment of Mr. Santosh Shahra as Director will be considered by the Equity Shareholders in the ensuing Annual General Meeting.

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 4 (Four) times during the year under review on 8th May 2017, 4th September 2017, 28th November 2017 and 22nd January 2018. 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
Ms. Neha Singhania**	Independent Director	1
Mr. Nagalingam Goli	Executive Director	4
Navin Khandelwal#	Independent Director	3

* Mr. Rajesh Nema, Independent Director, appointed as Chairman of Stakeholders Relationship Committee w.e.f. 21st December, 2017. He was member of the Committee till 20th December, 2017.

** Ms. Neha Singhania, Independent Director, appointed as member of Stakeholders Relationship Committee w.e.f. 21st December, 2017.

\# Mr. Navin Khandelwal, Independent Director, ceased as Chairman of Stakeholders Relationship Committee w.e.f. 20th December, 2017.

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 12 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	2	-	1	3
Non-receipt of Share Certificates	-	-	1	1
Non-receipt of Dividend	4	-	2	6
Dematerialisation & Rematerialisation	-	-	2	2
Total	**6**	**-**	**6**	**12**

Mr. Pankaj Gupta, Company Secretary of the Company was 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. Nagalingam Goli	Executive Director
Mr. Rajesh Nema	Independent Director

The Committee met on 28th November, 2017 during the year under review. All the members of the Committee attended the meeting.

7. Independent Directors' Meeting

During the year under review, the Independent Directors met on 26th March, 2018, *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
22.09.2015 (29th AGM)	12:00 Noon	M. C. Ghia Hall of Indian Textile Accessories & Machinery Manufacturers' Association, Bhogilal Hargovindas Building, 4th Floor, Kala Ghoda, 18/20, K. Dubash Marg, Mumbai - 400 001	Yes
03.09.2016 (30th AGM)	11:00 A.M.	M. C. Ghia Hall of Indian Textile Accessories & Machinery Manufacturers' Association, Bhogilal Hargovindas Building, 4th Floor, Kala Ghoda, 18/20, K. Dubash Marg, Mumbai - 400 001	Yes
21.09.2017 (31st AGM)	12:00 Noon	M. C. Ghia Hall of Indian Textile Accessories & Machinery Manufacturers' Association, Bhogilal Hargovindas Building, 4th Floor, Kala Ghoda, 18/20, K. Dubash Marg, Mumbai - 400 001	Yes

(ii) Postal Ballot :

No special resolution was passed through Postal Ballot during the Financial Year 2017-18 or is being proposed through Postal Ballot.

9. Disclosures

a) Details of Director seeking appointment / re-appointment at the Annual General Meeting:

Name of Director: Mr. Santosh Shahra (DIN: 00305846); **Age** : 71 Years; **Qualification**: BE (Mechanical) and MS (USA); **Date of Appointment:** 17th December, 2016; **Expertise**: Industrial and Operational Excellence, Business Development, Finance Management and General Management; Operational Excellence, Business Development, Finance Management and General Management; **Directorships as on 31st March, 2018 in other Listed Companies**: NIL; **Chairmanship / Membership of the Committees of other Companies**: NIL; **Shareholding in the Company**: NIL.

b) 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.

c) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or Securities and Exchange Board of India (SEBI) or any statutory authority, on any matter related to capital markets, during the last three years:

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the SEBI or by any statutory authority on any matters related to capital markets during the last three years except the following:

The Securities and Exchange Board of India (SEBI) has issued an ex-parte ad-interim order on 24th May, 2016 against the Company and restrained the Company from buying, selling or dealing in the securities market, either directly or indirectly, in any manner whatsoever, till further directions. Further, SEBI vide its order dated 8th March, 2017 has confirmed the directions issued in the ex-parte ad-interim order dated 24th May, 2016 subject to certain relaxations granted by SEBI to the Company inter alia to trade in commodity derivatives markets for limited purpose of hedging its physical market positions under the supervision of the exchanges. However, the investigation is in process and final order from SEBI is awaited in the matter.

d) 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.

e) 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.

f) Web link where policy for determining 'material' subsidiaries is disclosed:

The Company does not have any subsidiary.

g) Web link where policy on dealing with related party transactions is disclosed:

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

h) Disclosure of commodity price risks and commodity hedging activities:

The Company imports and exports commodities. The management of the Company takes effective steps timely to minimise commodity price risks and also hedges its exposure.

i) Disclosures of relationships between Directors inter-se:

None of the Directors have any relation inter-se.

j) Regulations for Prevention of Insider Trading:

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

Mr. Pankaj Gupta, Company Secretary was the Compliance Officer under the said Code.

k) 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.

10. 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 dematerialised shares held with NSDL and CDSL.

11. 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**

  Business Standard and Mumbai Lakshadeep (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.

12. General Shareholder Information

a) Annual General Meeting :

Day, Date and Time	:	Friday, 28th September, 2018 at 09:00 A.M.
Venue	:	Sai Palace Banquets, 2-3 Anand Nagar GTB Nagar Flank Road, Opposite Karmashetra Tower, Near Shanumukhanand Hall, Mumbai – 400037, Maharashtra
b) Financial Year	:	1st April to 31st March.
c) Date of Book Closure	:	Friday, 21st September, 2018 to Friday, 28th September, 2018 (Both days inclusive)
d) Dividend Payment date	:	The Interim Divided has been paid on 27th September, 2017. No further dividend has been recommended by the Board of Directors for the year ended 31st March, 2018.

e) 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).

STOCK EXCHANGE	STOCK CODE
National Stock Exchange of India Limited (NSE)	NATNLSTEEL
BSE Limited (BSE)	513179

The Listing Fee for the financial year 2017-18 has been paid to NSE and BSE.

f) Corporate Identification Number (CIN) the Company : L27100MH1985PLC140379.

g) Market Price Data :

The High & Low price during each month is as under :

Month	SHARE PRICE (BSE)		BSE SENSEX	
	High (₹)	Low (₹)	High	Low
April, 2017	29.60	25.60	30184.22	29241.48
May, 2017	27.25	21.50	31255.28	29804.12
June, 2017	25.70	22.00	31522.87	30680.66
July, 2017	30.00	24.35	32672.66	31017.11
August, 2017	30.25	23.65	32686.48	31128.02
September, 2017	41.50	31.00	32524.11	31081.83
October, 2017	43.45	33.35	33340.17	31440.48
November, 2017	51.50	35.50	33865.95	32683.59
December, 2017	46.80	38.00	34137.97	32565.16
January, 2018	47.95	40.00	36443.98	33703.37
February, 2018	41.90	32.00	36256.83	33482.81
March, 2018	38.00	26.50	34278.63	32483.84

Month	SHARE PRICE (NSE)		NSE NIFTY	
	High (₹)	Low (₹)	High	Low
April, 2017	30.20	25.20	9367.15	9075.15
May, 2017	27.50	21.40	9649.60	9269.90
June, 2017	25.70	22.25	9709.30	9448.75
July, 2017	29.95	24.50	10114.85	9543.55
August, 2017	29.85	23.45	10137.85	9685.55
September, 2017	41.90	31.20	10178.95	9687.55
October, 2017	43.45	33.40	10384.50	9831.05
November, 2017	51.60	35.10	10490.45	10094.00
December, 2017	46.45	36.40	10552.40	10033.35
January, 2018	47.90	40.20	11171.55	10404.65
February, 2018	41.75	33.00	11117.35	10276.30
March, 2018	38.00	25.50	10525.50	9951.90

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

	1st April, 2017	31st March, 2018	% Change
Company Share Price (BSE)(₹)	26.30	28.80	9.51
Company Share Price (NSE)(₹)	26.00	28.60	10.00
BSE Sensex	29,737.73	32,968.68	10.86
NSE Nifty	9,220.60	10,113.70	9.69

i) 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

j) Share Transfer System :

To expedite the process of share transfers, the Board of the Company has delegated the power of share transfer to M/s Sarthak Global Ltd., Registrar and Share Transfer Agent of the Company. The delegated authority attends to share transfer formalities fortnightly. Shares lodged in physical form with the Company/its Registrars & Share Transfer Agent are processed and generally returned within fifteen days from the date of receipt so long as the documents have been clear in all respects. Shares under objection are returned within fifteen days from receipt of the documents.

k) Distribution of Shareholding as on 31st March, 2018

Slab of Shareholding	Shareholders	%	in Lacs	%
1 - 250	18,041	66.73	215.52	4.84
251 - 500	5,139	19.01	199.83	4.49
501 - 1,000	2,130	7.88	173.51	3.90
1,001 - 2,000	843	3.12	132.75	2.98
2,001 - 3,000	283	1.05	74.69	1.68
3,001 - 4,000	110	0.41	39.35	0.88
4,001 - 5,000	131	0.48	62.12	1.40
5,001 - 10,000	169	0.63	126.10	2.83
10,001 and above	188	0.70	3,426.15	76.99
Total	**27,034**	**100.00**	**4,450.00**	**100.00**

Categories of Shareholders as on 31st March, 2018

	Category	No. of Shares held	% of Shareholding
A.	**Promoters' holding**		
1	Promoters	2,21,93,683	49.87
	Sub Total (1)	**2,21,93,683**	**49.87**
B.	**Non Promoters' holding**		
2	Institutional Investors		
a.	Mutual Funds and UTI	50,200	0.11
b.	Banks, Financial Institutions, Insurance Companies (Central/State Govt. / Non-Govt. Institutions)	400	0.00
	Sub Total (2)	**50,600**	**0.11**
3	**Others**		
a.	Private Corporate Bodies	67,01,584	15.06
b.	Indian Public	1,45,44,487	32.68
c.	NRIs	4,47,061	1.00
d.	Clearing Members	24,212	0.05
e.	Hindu Undivided Family	5,38,373	1.21
	Sub Total (3)	**2,22,55,717**	**50.01**
	Grand Total (1+2+3)	**4,45,00,000**	**100.00**

l) Dematerialisation of shares and liquidity :

4,08,26,464 Equity Shares of the Company representing 91.74% of the Company's Share Capital are dematerialised as on 31st March, 2018 as compared to 3,98,32,252 Equity Shares (89.51%) as on 31st March, 2017 with NSDL and CDSL (ISIN Code : INE 088B01015).

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

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

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

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

p) Address for Correspondence

(i) Investor Correspondence

For Shares held in Physical 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

For Shares held in Demat Form

Investors' concerned Depository Participant (DP) and/or

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

Investors may lodge complaint at Email ID : investor_relations@nsail.com

(ii) Administrative Office

National Steel and Agro Industries Limited

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

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

Email ID : nsail_indore@nsail.com

13. **Managing Director and CFO Certification**

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

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

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

We confirm that the Company has in respect of the Financial Year ended 31st March, 2018, 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

Nagalingam Goli
Managing Director

Place : Indore
Date : 24th August, 2018

CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

To

The Members,

National Steel and Agro Industries Limited

(L27100MH1985PLC140379)

621, Tulsiani Chambers,

Nariman Point,

Mumbai-400021

I have examined the compliance of conditions of Corporate Governance by **National Steel and Agro Industries Limited** (hereinafter called the Company), for the year ended on 31st March, 2018 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 1st April, 2017 to 31st March, 2018.

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 compliance of appointment of independent director as per Regulation 17 (1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the tenure from 21st December 2017 to 31st March 2018.*

I further report that the Company has not complied with the Regulation 18(1)(d) and 19(3) of the SEBI (LODR) Regulations, 2015 in respect of the presence of Chairperson of Audit Committee and Nomination & Remuneration Committee at the Annual General Meeting respectively.

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 : 24th August, 2018

Ashish Garg
FCS No. : 5181
C.P. No. : 4423

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NATIONAL STEEL AND AGRO INDUSTRIES LIMITED

REPORT ON THE IND AS FINANCIAL STATEMENTS

We have audited the accompanying Ind AS financial statements of National Steel And Agro Industries Limited ('the Company'), which comprise the balance sheet as at 31st March 2018, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE 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 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) prescribed under Section 133 of the Act read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give at true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at 31st March 2018, and its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis Of Matter

(a) **Material Uncertainty regarding Going Concern**

We refer to Note 29 of the Ind AS financial statements, wherein it is mentioned that the Ind AS financial statements are prepared on going concern basis for the reasons mentioned in the said note.

Our report is not modified for the above as we are unable to comment on the ultimate outcome of the above.

(b) As mentioned in Note 30 to the Ind AS financial statement, letter of Credits have devolved on the Company, subsequent to the balance sheet date. The Company is however confident of meeting the liabilities. We are unable to comment on the said matter.

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 section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 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 other comprehensive income), the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
   d. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;
   e. On the basis of the written representations received from the directors as on 31st March 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018, from being appointed as a director in terms of Section 164(2) of the Act;
   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
   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, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 31 to the Ind AS financial statements;
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any foreseeable losses; and
      iii. There were no amounts which were required to be transferred to the Investors Education and Protection Fund by the Company.

For **Gupta Saharia & Co.**
Chartered Accountants
ICAI FRN-103446W

Place : Indore
Dated : 24th August, 2018

CA Suresh Saharia
(Partner)
Membership No. 040180

ANNEXURE A TO THE AUDITORS' REPORT

(Referred to in paragraph (1) of our report of even date)

(i) (a) As explained to us, In respect of fixed assets, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) As explained to us, the fixed assets have been physically verified by the management, in accordance with the program of verification adopted by the Company. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. To the best of our knowledge, no material discrepancies have been noticed on such verification.

(c) In respect of immovable property, title deeds of all the immovable properties are in the name of the company.

(ii) As explained to us, the inventory of the Company has been physically verified during the year by the management. In respect of materials lying with third parties, these have been confirmed by them. In our opinion the frequency of the verification is reasonable. In our opinion, the discrepancies noticed on verification between the physical stocks and book records were not material, having regard to the size of the operations of the Company.

(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) According to the records of the company examined by us, the company has given corporate guarantee on behalf of NSIL Exports Ltd. and full particulars of the guarantee have been disclosed in the Ind AS financial statement.

(v) The Company has not accepted any deposits from the public within the meaning of Section 73 and 76 of the Companies Act, 2013 and the rules framed there under to the extent notified.

(vi) On the basis of records produced we are of the opinion that prima facie cost records and accounts prescribed by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 in respect of products of the company covered under the rules under said section have been made and maintained. However we are neither required to carry out nor have carried out any detailed examination of such accounts and records.

(vii) (a) According to the records of the Company examined by us and the information and explanations given to us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of Sales Tax, Entry Tax, Service Tax, Customs Duty, Excise Duty, VAT, Goods & Service Tax and Cess as at March 31, 2018 which have not been deposited on account of disputes are as follows:

Statement of Disputed Dues

Name of Statute	Nature of Dues	Amount Disputed (₹)	Period	Forum where dispute is pending
The Central Excise Act	Excise Duty	12,50,482	2013-14	Central Excise and Service Tax Appellate Tribunal, New Delhi
	Penalty	5,00,000	2014-15	Commissioner (Appeals), Bhopal - In similar case appeal allowed but Deptt. goes to appeal in tribunal, the order is pending.
		5,00,000	2014-15	Commissioner (Appeals), Bhopal - In similar case appeal allowed but Deptt. goes to appeal in tribunal, the order is pending.
	CENVAT Credit	1,47,91,017	2014-15	Commissioner (Appeals), Bhopal
	Differential Duty	11,63,22,636	2014-15	Central Excise and Service Tax Appellate Tribunal, New Delhi
	Differential Duty	1,03,04,238	2015-16	Commissioner (Appeals), Bhopal
	Customs Duty	1,92,99,130	2014-15	Central Excise and Service Tax Appellate Tribunal, Ahmedabad
	Customs Duty	1,02,50,000	2016-17	Commissioner Nhavasheva, Mumbai
	Differential Duty	3,14,91,626	2015-16 & 2016-17	Commissioner Central Excise, Ujjain
	Service Tax	2,19,617	2006-07	Assistant Commissioner Central, Pithampur
	Service Tax	13,84,44,474	2015-16	Commissioner Central Excise, Ujjain
Sales Tax Act	Entry Tax	50,47,197	2004-05	M.P. Commercial Tax Appellate Board, Bhopal
	State Case	5,19,604	2004-05	M.P. Commercial Tax Appellate Board, Bhopal
	State Case	18,68,541	2005-06	M.P. Commercial Tax Appellate Board, Bhopal
Sales Tax (Commercial Tax)	Entry Tax	5,49,730	2008-09	Commercial Tax Tribunal, Ghaziabad
	Entry Tax	14,79,228	2009-10	Commercial Tax Tribunal, Ghaziabad
	Central Sales Tax	51,158	2010-11	Sales Tax (Ghaziabad)
	Entry Tax	11,93,371	2010-11	Sales Tax (Ghaziabad)
	Vat Tax	1,51,500	2014-15	Sales Tax (Ghaziabad)
	Vat Tax	3,83,187	2016-17	Sales Tax (Ghaziabad)
	VAT Tax	4,46,269	2016-17	Sales Tax (Ghaziabad)
	VAT Tax	8,32,935	2010-11	Sales Tax (Ghaziabad)
	VAT Tax	4,09,935	2016-17	Sales Tax (Ghaziabad)

(viii) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution, bank, Government or any dues to debenture holders as at balance sheet date.

(ix) According to the records of the company examined by us and the information and explanation given to us, the company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loan.

(x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the company or any fraud on the company by its officers or employees, noticed or reported during the year.

(xi) According to the records of the company examined by us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Companies Act, 2013.

(xii) The Company is not a Nidhi company.

(xiii) According to the records of the company examined by us and the information and explanation given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statement as required by applicable accounting standards.

(xiv) According to the records of the company examined by us, the company has not made any preferential allotment or private allotment of shares or fully or partly convertibles debenture during the year.

(xv) According to the records of the company examined by us and the information and explanation given to us, the company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) According to the records of the company examined by us the company is not required to be registered under section 45 IA of the Reserve Bank of India Act.1934.

For **Gupta Saharia & Co.**
Chartered Accountants
FRN-103446W

Place : Indore
Dated : 24th August, 2018

CA Suresh Saharia
(Partner)
Membership No. 040180

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of National Steel And Agro Industries Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS 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 the 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 over financial reporting with reference to these Ind AS 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 as specified under section 143(10) of the Companies Act, 2013, to the extent 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 over financial reporting with reference to these Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Ind AS 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these Ind AS financial statements.

Meaning of Internal financial Controls over financial Reporting with reference to these Standalone IND AS Financial Statements

A Company's internal financial control over financial reporting with reference to these Ind AS 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 over financial reporting with reference to these standalone Ind AS financial statements includes those policies and procedures that;

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to these IND AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Ind AS 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 over financial reporting with reference to these Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Ind AS 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, adequate internal financial controls over financial reporting with reference to these Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at March 31, 2018, 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 **Gupta Saharia & Co.**
Chartered Accountants
FRN-103446W

Place : Indore
Dated : 24th August, 2018

CA Suresh Saharia
(Partner)
Membership No. 040180

National Steel & Agro Industries Ltd.

BALANCE SHEET AS AT 31ST MARCH, 2018

		Note No.	As At 31.03.2018 (₹ in Lacs)	As At 31.03.2017 (₹ in Lacs)	As At 01.04.2016 (₹ in Lacs)
A	**ASSETS**				
1	**NON-CURRENT ASSETS**				
	(a) Property, Plant and Equipment	2	**59,961.13**	64,062.22	63,754.31
	(b) Intangible Assets	2	**10.06**	70.68	131.65
	(c) Capital Work-in-Progress	2	**90.59**	411.75	4545.35
	(d) Financial Assets				
	(i) Other Financial Assets	3	**284.35**	268.25	281.41
	(e) Other Non-Current Assets	4	**129.67**	19.63	7.58
	(f) Income Tax Assets (Net)	4a	**130.00**	---	---
	Total Non-Current Assets		**60,605.79**	64,832.53	68,720.31
2	**CURRENT ASSETS**				
	(a) Inventories	5	**28,887.00**	45,129.30	50,209.12
	(b) Financial Assets				
	(i) Current Investments	5a	**131.96**	156.58	154.49
	(ii) Trade Receivables	6	**36,280.83**	41,818.26	42,759.34
	(iii) Cash and Cash Equivalents	7	**285.12**	1,255.53	1,172.16
	(iv) Bank Balance Other than (iii) above	7a	**9,765.41**	8,323.87	8,237.19
	(v) Other Financial Assets	8	**273.51**	340.22	599.43
	(c) Other Current Assets	9	**8,619.84**	19,438.43	18589.44
	Total Current Assets		**84,243.68**	1,16,462.20	1,21,721.17
	Total Assets		**1,44,849.47**	1,81,294.73	1,90,441.48
B	**EQUITY AND LIABILITIES**				
1	**EQUITY**				
	(a) Equity Share Capital	10	**4,450.00**	4,450.00	4,450.00
	(b) Other Equity	11	**(55,888.81)**	(41,507.00)	(33,298.16)
	Total Equity		**(51,438.81)**	(37,057.00)	(28,848.16)
2	**NON-CURRENT LIABILITIES**				
	(a) Financial Liabilities				
	(i) Long Term Borrowings	12	**5,501.02**	6,215.96	6,935.96
	(ii) Other Financial Liabilities	13	**735.39**	165.01	216.63
	(b) Provisions	14	**136.56**	205.53	236.50
	(c) Deferred Tax Liabilities (Net)	15	**8,303.78**	16,482.96	17,699.47
	Total Non-Current Liabilities		**14,676.76**	23,069.45	25,088.56
3	**CURRENT LIABILITIES**				
	(a) Financial Liabilities				
	(i) Short Term Borrowings	16	**19,332.24**	18,334.97	21,097.03
	(ii) Trade Payables	17	**1,42,984.39**	1,62,887.19	1,59,033.51
	(iii) Other Financial Liabilities	18	**759.36**	753.34	795.39
	(b) Provisions	19	**286.89**	250.12	173.28
	(c) Current Tax Liabilities (Net)		**---**	465.89	539.87
	(d) Other Current Liabilities	20	**18,248.65**	12,590.75	12,562.00
	Total Current Liabilities		**1,81,611.53**	1,95,282.27	1,94,201.08
	Total Equity and Liabilities		**1,44,849.47**	1,81,294.73	1,90,441.48
	Summary of Significant Accounting Policies and notes to account	1 to 47			

The accompanying notes are integral part of the Financial Statements

As per our report of even date attached

For **Gupta Saharia & Co.**
Chartered Accountants
FRN-103446W

CA Suresh Saharia
Partner
Membership No. 040180

Place : Indore
Dated : 24th August, 2018

For and on behalf of the Board of Directors

Vikas Rungta
Chief Financial Officer

Anurag Gangrade
Company Secretary
Membership No. FCS 9187

Santosh Shahra
Executive Chairman
DIN - 00305846

Nagalingam Goli
Managing Director
DIN - 03317130

Place : Indore
Dated : 24th August, 2018

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

		Note No.	Year ended 31.03.2018 (₹ in Lacs)	Year ended 31.03.2017 (₹ in Lacs)
	INCOME			
I	Revenue from Operations (Gross)	21	**4,24,189.70**	4,11,403.01
II	Other Income	22	**1,508.58**	1,348.89
III	**Total Revenue**		**4,25,698.28**	4,12,751.90
IV	**EXPENDITURE**			
	Cost of Materials Consumed	23	**1,06,578.46**	1,14,824.57
	Purchases of Traded Goods	24	**2,76,123.51**	2,36,691.02
	Change in Inventories of Finished Goods, WIP and Traded Goods	25	**19,877.11**	13,609.64
	Excise Duty		**3,142.83**	13,364.54
	Employee Benefits Expense	26	**5,341.79**	5,076.83
	Finance Costs	27	**13,416.91**	13,753.56
	Depreciation and Amortisation Expense	2	**4,951.69**	4,880.39
	Other Expenses	28	**18,642.25**	19,216.88
	Total Expenses (IV)		**4,48,074.54**	4,21,417.42
V	Profit Before Tax		**(22,376.27)**	(8,665.52)
VI	**Tax Expenses**			
	(1) Current Tax		**---**	706.55
	(2) Mat Credit		**---**	(329.87)
	(3) Income Tax for earlier year		**92.11**	56.03
	(4) Deferred Tax (Assets)/Liabilities		**(8,179.17)**	(886.65)
VII	**Profit/Loss for the period from Operations (V-VI)**		**(14,289.20)**	(8,211.58)
VIII	**Other Comprehensive Income**			
	- Items that will not be reclassified to profit or loss			
	Re-measurement gains/(loss) on defined benefit plans (net of taxes)		**175.17**	2.75
IX	**Total Comprehensive Income for the Year**		**(14,114.02)**	(8,208.83)
X	**Earning per Equity Share of Face Value ₹ 10 each**			
	Basic and Diluted (in ₹)		**(32.11)**	(18.45)
	Weighted average number of Shares outstanding (in lacs) (Face value ₹10 each)		**445.00**	445.00
	Summary of Significant Accounting Policies and notes to account	1 to 47		

The accompanying notes are integral part of the Financial Statements

As per our report of even date attached

For **Gupta Saharia & Co.**
Chartered Accountants
FRN-103446W

CA Suresh Saharia
Partner
Membership No. 040180

Place : Indore
Dated : 24th August, 2018

Vikas Rungta
Chief Financial Officer

Anurag Gangrade
Company Secretary
Membership No. FCS 9187

For and on behalf of the Board of Directors

Santosh Shahra
Executive Chairman
DIN - 00305846

Nagalingam Goli
Managing Director
DIN - 03317130

Place : Indore
Dated : 24th August, 2018

National Steel & Agro Industries Ltd.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

		Year ended 31.03.2018 (₹ in Lacs)	Year ended 31.03.2017 (₹ in Lacs)
A. Cash Flow from Operating Activities :			
a) Net Profit / (Loss) before Tax & Extraordinary Items		**(22,376.27)**	(8,665.52)
Adjustment for :			
Depreciation		**4,951.69**	4,880.39
Interest Expenses		**13,416.91**	13,753.56
Fair Value gain/(loss) on Investment		**24.62**	(2.09)
Remeasurment of gain/(loss) on acturial		**175.17**	2.75
Interest & Dividend Income		**(658.09)**	(1,324.91)
Loss/(Profit) on Sale of Property, Plant and Equipment		**1.04**	6.28
		(4,464.93)	8,650.46
b) Operating Profit before Working Capital Changes			
Adjustment for :			
Trade and other Receivables		**16,296.60**	486.86
Inventories		**16,242.29**	5,079.82
Increase in Trade Payable and Other Payable		**(14,197.05)**	3,957.54
		18,341.84	18,174.68
c) Cash Generated from Operations			
Income Tax Paid (Net)		**(688.00)**	(836.55)
d) Cash Flow before Extraordinary Items		**13,188.91**	17,338.12
Extraordinary Items		**---**	---
Net Cash from Operating Activities	**(A)**	**13,188.91**	17,338.12
B. Cash Flow from Investing Activities :			
Interest/Dividend received		**658.09**	1,190.45
Purchase of Fixed Assets including Capital Work-in-Progress		**(479.48)**	(1,017.70)
Sale of Fixed Assets		**9.63**	17.69
Net Cash Used in Investing Activities	**(B)**	**188.24**	190.44
C. Cash Flow from Financing Activities :			
Proceeds from Long Term Borrowings		---	---
Repayment of Long Term Borrowings		**(720.00)**	(760.31)
Net proceeds from Other Borrowings		**928.31**	(2,793.04)
Liability for Capital Goods		**570.38**	(51.62)
Provision for Dividend (Interim)		**(267.80)**	---
Interest Paid		**(13,416.91)**	(13,753.56)
Net Cash Used in Financing Activities	**(C)**	**(12,906.02)**	(17,358.52)
D. Net increase / (decrease) in Cash and Cash equivalent (A+B+C)		**471.13**	170.05
Cash and Cash equivalent at the beginning of the year		**(9,579.40)**	(9,409.36)
Cash and Cash equivalent at the end of the year (Refer Note No.7 & 7a)		**10,050.53**	9,579.40
		471.13	170.05

Change in liability arising from financing activities

Particulars	As at 01-04-2017	Cashflows	As at 31-03-2018
Long Term Borrowings	6,215.96	(714.93)	5,501.02
Current Borrowings	18,334.97	997.27	19,332.24
Current Maturities of Long Term Borrowings	720.00	(5.07)	714.93
Total	**25,270.92**	**277.27**	**25,548.20**

As per our report of even date attached

For **Gupta Saharia & Co.**
Chartered Accountants
FRN-103446W

CA Suresh Saharia
Partner
Membership No. 040180

Place : Indore
Dated : 24th August, 2018

Vikas Rungta
Chief Financial Officer

Anurag Gangrade
Company Secretary
Membership No. FCS 9187

For and on behalf of the Board of Directors

Santosh Shahra
Executive Chairman
DIN - 00305846

Nagalingam Goli
Managing Director
DIN - 03317130

Place : Indore
Dated : 24th August, 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

(a) Equity Share Capital

(₹ in Lacs)

	As at					
	March 31, 2018		March 31, 2017		April 01, 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of period/year	4,45.00	44,50.00	4,45.00	44,50.00	4,45.00	44,50.00
Add: Shares Issued during the period/year	-	-	-	-	-	-
Balance at the end of the period/year	**4,45.00**	**44,50.00**	**4,45.00**	**44,50.00**	**4,45.00**	**44,50.00**

(b) Other Equity

(₹ in Lacs)

	Other Equity				Total
	Capital Reserve	Securities premium	General Reserve	Surplus/ (deficit) in the statement of profit and loss	
Balance as at April 01, 2016	32,67	5,957.34	1,099.58	(40,387.75)	(33,298.16)
Add: Profit for the year	-	-	-	(8,211.58)	(8,211.58)
Add: Acturial gain on Defined benefit	-	-	-	2.75	2.75
Balance as at March 31, 2017	**32.67**	**5,957.34**	**1,099.58**	(48.596.58)	(41,507.00)
Add: Profit for the year	-	-	-	(14,289.20)	(14,289.20)
Add: Acturial gain on Defined benefit	-	-	-	175.17	175.17
Interim Dividend paid on equity	-	-	-	(222.50)	(222.50)
Corporate Dividend Tax	-	-	-	(45.30)	(45.30)
Balance as at March 31, 2018	**32.67**	**5,957.34**	**1,099.58**	(62,978.40)	(55,888.81)

SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity :

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, 80,000 TPA galvanised steel. Headquartered in Mumbai, 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.).

B. Basis of preparation and presentation of financial statements :

(a) Statement of Compliance

The Company's financial statements for the year ended 31st March 2018 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.

The Company's financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company.

(b) Functional and Presentation Currency

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

(c) Basis of Measurement

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.

(d) Use of Estimates

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.

(e) Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:-

Note 1 A :- Useful life of Property, plant and equipment

Note 1 M :- Defined benefit obligation

Note (f) :- Estimated Fair Values of Unlisted Shares

Note 1(N) :- Recognition of Deferred taxes

(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 as follows, the inputs to valuation techniques used to measure value, 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.

1. <u>Significant Accounting Policies</u> :

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.

(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 profit or loss during the reporting period in which they are incurred.

(iii) Derecognition

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 or loss in the period in which the PPE is derecognized.

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, including expenditure **on internally generated goodwill and brands, is recognised in profit or loss as 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.

Intangible assets are amortised over a period of 10 years for technical know- how and 3 years for others.

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

C) 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 profit or loss in the period in which the property is derecognized.

D) Transition to Ind AS

On transition to Ind AS, the Company has elected to use the exemption available under Ind AS 101 to continue with the carrying value of all its PPE & Investment Property recognized as at 1st April 2016 (transition date) measured as per the previous GAAP and use that as its deemed cost as at date of transition.

E) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate of useful life	Useful life as per Schedule II of the Companies Act, 2013
Plant & Machinery	20 Years	20 Years
Building	30 Years	30 Years
Office equipments and Air condition	5 Years	5 Years
Furniture and fixtures	10 Years	10 Years
Computers & Printers	3 Years	3 Years
Vehicles- Motor car	8 Years	8 Years

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).

F) 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 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.

G) 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 foreign currency items are carried at cost.

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

H) Financial Instruments

(a) Financial Assets

Initial Recognition and Measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

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:

- 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.

- **Business Model Test:** The objective of the company's business model is to hold the financial asset to collect the contractual cash flows.
- **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.

- **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.
- **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 irrecoverable 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.

However, for trade receivables, the company does not track the changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

(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 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.

I) Derivatives

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

Although these derivatives constitutes 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.

J) 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.

K) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts exclusive of excise duty receivable for goods supplied, stated net of discounts, returns and value added taxes. The company recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Company's activities, as described below.

Sale of Goods and services

Sales are recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer as per terms of contract. Income and fees from services are accounted as per terms of relevant contractual agreements/arrangements.

Interest Income

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

Dividend income

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

L) Lease Accounting

Leases, where the lessor retains, substantially all the risk and rewards incidental to ownership of the leased assets, are classified as operating lease. Operating lease expense is recognized in the statement of profit and loss on a straight-line basis over the lease term. In respect of assets given on lease, lease rentals are accounted on accrual basis in accordance with the respective lease terms.

M) Employee Benefits

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 and Employee State Insurance scheme. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or 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.

Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

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 recognised in profit or loss in the period in which they arise.

N) 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 reflect the current period timing difference between taxable and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognized if there is virtual certainty that sufficient future taxable income will be available to realize the same.

Deferred tax assets 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 recognised 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 recognised in respect of carried forward tax losses and tax credits.

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

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised 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 realised simultaneously.

O) 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.

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.

P) 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.

Q) Government Grants

Government grants are recognised 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 recognised 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 recognised in the statement of profit and loss on a systematic basis over the useful life of the asset.

R) Cash flow statement

Cash flows are reported using the indirect method, whereby profit 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.

Amendment to Ind AS 7

Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements.

S) Ind AS issued but not effective

Ind AS 115- Revenue from Contract with Customers

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018. In which, it has notified the Ind AS 115, Revenue from Contract with Customers. The objective of this Standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The core principle of this Standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

This standard will come into force from April 1, 2018. As per the evaluation of the management of the company, the effect on adoption of Ind AS 115 will not be material.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018. In which, it has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration, which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. This amendment will come into force from April 1, 2018. As per the evaluation of the management of the company, the effect of this amendment will not be material.

Notes on Financial Statements for the year ended 31-March-2018

Schedule of Fixed Assets As on 31st March'2018 (As Per Companies Act)

NOTE 2. FIXED ASSETS

(₹ in Lacs)

		GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
S. No.	Name of Assets	Op. Balance As on 01.04.2017	Additions during the year	Deductions during the year	Total Gross Block As at 31.03.2018	Up to 31.03.2017	For the Period	Written Back	Up to 31.03.2018	As on 31.03.2018	As on 31.03.2017
	Tangible Assets										
1	Free Hold Land & Lease	3,025.68	-	-	**3,025.68**	-	-	-	**-**	**3,025.68**	3,025.68
2	Lease Land	122.39	-	-	**122.39**	41.40	7.20	-	**48.60**	**73.79**	80.99
3	Buildings	15,672.36	121.07	-	**15,793.43**	2,821.78	559.59	-	**3,381.37**	**12,412.07**	12,850.59
4	Plant & Machinery	75,645.70	670.98	-	**76,316.67**	27,767.47	4,272.26	-	**32,039.73**	**44,276.94**	47,878.22
5	Furniture & Fixtures	354.93	0.81	-	**355.74**	329.08	16.24	-	**345.32**	**10.42**	25.85
6	Office Equipments	179.46	3.60	-	**183.07**	167.22	3.93	-	**171.15**	**11.91**	12.24
7	Computer	435.35	3.77	0.30	**438.82**	380.45	18.56	0.18	**398.83**	**39.99**	54.89
8.	Vehicles	297.84	-	12.10	**285.73**	164.08	12.89	1.56	**175.41**	**110.32**	133.76
	Current Year Total	**95,733.70**	**800.23**	**12.40**	**96,521.53**	**31,671.48**	**4,890.66**	**1.74**	**36,560.40**	**59,961.13**	**64,062.22**
	Previous Year Total	90,625.53	5151.31	43.14	95,733.70	26,871.23	1,560.30	19.16	31,671.48	64,062.22	63,754.31
	Intangible Assets										
9	Computer Software	370.77	0.41	-	**371.17**	300.09	61.03	-	**361.12**	**10.06**	70.68
	Current Year Total	370.77	0.41	-	**371.17**	300.09	61.03	-	**361.12**	**10.06**	70.68
	Previous Year Total	370.77	-	-	370.77	239.12	60.97	-	300.09	70.68	131.65
	Grand Current Year Total	**96,104.47**	**800.63**	**12.40**	**96,892.70**	**31,971.57**	**4,951.68**	**1.74**	**36,921.52**	**59,971.18**	**64,132.90**
	Grand Previous Year Total	90,996.30	5151.31	43.14	96.104.47	27,110.34	4,880.39	19.16	31,971.57	64,132.90	63,885.96
10.	Capital Work in Progress									**90.59**	411.75

Schedule of Fixed Assets As on 31st March'2017 (As Per Companies Act)

NOTE 2. FIXED ASSETS

(₹ in Lacs)

		GROSS BLOCK (AT COST)					DEPRECIATION					NET BLOCK	
S. No.	Name of Assets	Op. Balance As on 01.04.2016	Impact of IND as Transactions	Additions during the year	Deductions during the year	Total Gross Block As at 31.03.2017	Up to 31.03.2016	For the Period	Impact of IND as Transactions	Written Back	Up to 31.03.2017	As on 31.03.2017	As on 31.03.2016
	Tangible Assets												
1	Free Hold Land & Lease	137.71	2,887.97	-	-	**3,025.68**	-	-	-	-	**-**	**3,025.68**	137.71
2	Lease Land	122.39	-	-	**-**	**122.39**	36.00	5.40	-	**-**	**41.40**	**80.99**	86.39
3	Buildings	6,019.45	9,295.17	357.74	**-**	**15,672.36**	2,268.78	221.03	331.97	-	**2,821.78**	**12,850.59**	3,750.68
4	Plant & Machinery	35,768.36	35,125.75	4,751.58	-	**75,645.70**	23,573.63	1,266.70	2,927.15	-	**27,767.47**	**47,878.22**	12,194.73
5	Furniture & Fixtures	354.77	-	0.16	**-**	**354.93**	300.80	28.27	-	-	**329.08**	**25.85**	53.97
6	Office Equipments	178.08	-	1.38	**-**	**179.46**	161.01	6.21	-	-	**167.22**	**12.24**	17.07
7	Computer	434.36	-	3.52	2.53	**435.35**	365.15	17.48	-	2.18	**380.45**	**54.89**	69.21
8.	Vehicles	301.51	-	36.93	40.60	**297.84**	165.85	15.22	-	16.98	**164.08**	**133.76**	135.66
	Current Year Total	**43,316.64**	**47308.90**	**5,151.31**	**43.14**	**95,733.70**	**26,871.23**	**1,560.30**	**3,259.12**	**19.16**	**31,671.48**	**64,062.22**	**16,445.41**
	Previous Year Total	44,646.02	-	527.35	1,856.73	43,316.64	25,497.40	1,400.37	-	26.55	26,871.23	16,445.41	19,148.62
	Intangible Assets												
9	Computer Software	370.77	-	-	**-**	**370.77**	239.12	60.97	-	-	**300.09**	**70.68**	131.65
	Previous Year Total	199.39	-	171.38	-	370.77	183.29	55.83	-	-	239.12	131.65	16.10
	Grand Total	**43,687.41**	**47,308.90**	**5,151.31**	**43.14**	**96,104.47**	**27,110.34**	**1,621.28**	**3,259.12**	**19.16**	**31,971.57**	**64,132.90**	**16,577.07**
	Previous Year Total	44,845.41	-	698.73	1,856.73	43,687.41	25,680.69	1,456.20	-	26.55	27,110.34	16,577.07	19,164.72
10.	Capital Work in Progress											**411.75**	4,545.35

(₹ in Lacs)

	As At 31.03.2018	As at 31.03.2017	As At 01.04.2016
NOTE 3. OTHER NON-CURRENT ASSETS			
Security Deposits	**284.35**	268.25	281.41
TOTAL	**284.35**	268.25	281.41
NOTE 4. OTHER NON-CURRENT ASSETS			
Unsecured, considered goods			
Advance for Capital Goods	**129.67**	19.63	7.58
TOTAL	**129.67**	19.63	7.58
NOTE 4a. INCOME TAX ASSETS (NET)			
Provision for Tax	**2,499.80**	-	-
Less : Advance Tax & TDS	**2,629.80**	-	-
TOTAL	**130.00**	-	-
NOTE 5. INVENTORIES			
Raw Materials	**4,469.37**	7,828.36	5,524.24
Raw Materials (Goods in Transit)	**16,646.68**	9,657.73	3,391.25
Finished Goods	**3,669.20**	9,808.08	14,092.99
Stock-in-Trade - Traded Goods	**3,270.94**	16,721.82	26,150.18
Stores & Spares and Consumables	**677.38**	672.54	713.32
Scrap	**153.43**	440.78	337.14
TOTAL	**28,887.00**	45,129.31	50,209.12
NOTE 5a. FINANCIAL CURRENT INVESTMENTS			
Non Trade Investment			
(I) Investment in Equity Shares Measured at FVTPL			
QUOTED			
in other entities			
a. 2,07,500 Equity Shares of Ruchi Soya Industries Ltd.	**33.10**	56.34	67.85
b. 1,00,000 Equity Shares of Anik Industries Limited	**31.25**	27.45	31.60
c. 31,360 Equity Shares of IDBI Bank Limited	**22.64**	23.55	21.80
d. 15,444 Equity Share of State Bank of India	**38.59**	42.63	27.07
TOTAL	**125.58**	149.97	148.31
UNQUOTED			
a. 320 Equity Shares of ₹ 10/- each fully paid up of NSIL Exports Limited	**-**	0.01	0.01
b. 10 Equity Shares of ₹ 10/- each fully paid up of NSIL Power Limited	**-**	0.00	0.00
c. 10 Equity Shares of ₹ 10/- each fully paid up of NSIL Infotech Limited	**-**	0.00	0.00
d. 1,33,332 Equity Shares of ₹ 10/- each fully paid up of Shreeyam Power and Steel Ind. (Formerly Ruchi Power & Steel Ind. Ltd.)	**-**	0.00	0.00
e. 5,000 Equity Shares of ₹ 10/- each fully paid up of M. P. Industrial Parks Ltd.	-	0.50	0.50
	0.00	0.51	0.51
TOTAL	**125.58**	150.48	148.82

(₹ in Lacs)

	As At 31.03.2018	As at 31.03.2017	As At 01.04.2016
(II) Investment in Quoted Mutual Fund Measured at FVTPL			
L352G SBI Dual Advantage Fund-Series-III-Regular-Growth (NAV ₹ 6,10,500)	**6.38**	6.11	5.66
TOTAL INVESTMENT	**131.96**	156.58	154.49
NOTE 6. TRADE RECEIVABLES			
Unsecured Debts			
- Considered Goods	**1,065.65**	895.92	693.70
- Considered Doubtful	**275.29**	204.85	151.10
Others Considered Goods	**35,215.18**	40,922.35	42,065.64
Less: Impairment for doubtful debts	**275.29**	204.85	151.10
TOTAL	**36,280.83**	41,818.26	42,759.34
NOTE 7. CASH AND CASH EQUIVALENTS			
Cash and Cash Equivalents			
Cash in hand	**6.09**	12.85	10.21
Balances with Banks			
In Current accounts	**279.03**	1,242.68	1,161.96
TOTAL	**285.12**	1,255.53	1,172.16
NOTE 7a. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS			
Balances held as Margin Money with Banks	**9,765.41**	8,323.87	8,237.19
TOTAL	**9,765.41**	8,323.87	8,237.19
NOTE 8. OTHER FINANCIAL ASSESTS			
Other Receivables	**-**	-	343.26
Advance to Employee	**6.42**	11.90	29.95
Deposits	**267.09**	328.32	226.22
TOTAL	**273.51**	340.22	599.43
NOTE 9. OTHER CURRENT ASSESTS			
Unsecured, considered goods			
Advance to Suppliers	**1,950.98**	5,994.14	5,643.66
Prepaid expenses	**15.51**	26.62	27.62
Balances with Govt. Authorities & Others	**6,653.36**	13,417.67	12,918.16
TOTAL	**8,619.84**	19,438.43	18,589.44
NOTE 10. EQUITY SHARE CAPITAL			
Authorised :			
5,95,00,000 Equity Shares of ₹ 10 each with voting rights (Previous Year 4,45,00,000 Equity Shares of ₹10 each)	**5,950.00**	5,950.00	5,950.00
	5,950.00	5,950.00	5,950.00
Issued :			
4,45,00,000 Equity Shares of ₹ 10 each with voting rights (Previous Year 4,45,00,000 Equity Shares of ₹10 each)	**4,450.00**	4,450.00	4,450.00
	4,450.00	4,450.00	4,450.00

(₹ in Lacs)

	As At 31.03.2018	As at 31.03.2017	As At 01.04.2016
Subscribed and fully Paid up :			
4,45,00,000 Equity Shares of ₹10 each with voting rights (Previous Year 4,45,00,000 Equity Shares of ₹ 10 each)	**4,450.00**	4,450.00	4,450.00
Total	**4,450.00**	4,450.00	4,450.00

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

Class of Shares / Name of Shareholder	As at 31.03.2018		As at 31.03.2017		As at 31.03.2016	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
Equity Shares						
APL International Private Limited	29.58	6.65	29.58	6.65	29.58	6.65
Bhavna Goel	64.37	14.46	57.87	13.00	40.05	9.00

1.(b) Reconciliation of Number of Shares :

Particulars	As at 31.03.2018		As at 31.03.2017		As at 31.03.2016	
	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
Equity Shares						
Shares at the beginning of the year	445.00	4,450.00	445.00	4,450.00	445.00	4,450.00
Add - Shares issued during the year	---	---	---	---	---	---
Shares at the end of the year	445.00	4,450.00	445.00	4,450.00	445.00	4,450.00

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.

NOTE 11. OTHER EQUITY

Capital Reserve (Capital Subsidy)			
As per last Balance Sheet	**32.67**	32.67	32.67
	32.67	32.67	32.67
Securities Premium Reserve			
As per last Balance Sheet	**5,957.34**	5,957.34	5,957.34
	5,957.34	5,957.34	5,957.34
General Reserve			
As per last Balance Sheet	**1,099.58**	1,099.58	1,099.58
	1,099.58	1,099.58	1,099.58
Profit & Loss Account			
As per last Balance Sheet	**(48,596.58)**	(40,387.75)	(42,937.20)
Add : Net Profit/(Net Loss) for the Current Year	**(14,289.20)**	(8,211.58)	2,549.45
Add : Movement In OCI (Net) during the Year	**175.17**	2.75	---
Less : Interim Dividend on Equity Shares	**222.50**	---	---
Less : Tax on Dividend	**45.30**	---	---
	(62,978.40)	(48,596.58)	(40,387.75)
TOTAL	**(55,888.81)**	(41,507.00)	(33,298.16)

(₹ in Lacs)

	As At 31.03.2018	As at 31.03.2017	As At 01.04.2016
NOTE 12. LONG TERM BORROWINGS			
Secured			
Term Loan - from bank	**714.93**	1,434.93	2,195.24
Less: Installment due within one year (Refer Note 18)	**714.93**	720.00	760.31
TOTAL	**---**	714.93	1,434.93
Unsecured			
4% Redeemable Cumulative Preference Shares	**5,501.02**	5,501.02	5,501.02
TOTAL	**5,501.02**	6,215.96	6,935.96

(1) Installments falling due in respect of all the above loans upto 31.03.2019 have been grouped under "Current Maturities of Long Term Debt" (Refer Note 18).

(2) Nature of Security and terms of repayment for long term secured borrowing :-

(a) 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.

(b) Terms of Repayments :

Outstanding Loan Amount	Terms of Repayment
(i) IDBI BANK LIMITED Term Loan amounting to ₹ 714.93 Lacs (31st March, 2017 : ₹ 1,434.93 Lacs)	Repayable in 20 Quarterly Installments commenced from 1st April, 2014

NOTE 13. OTHER FINANCIAL LIABILITES			
Sundry Creditors for Capital Goods	**735.39**	165.01	216.63
TOTAL	**735.39**	165.01	216.63
NOTE 14. PROVISIONS			
Provision for compensated absences Long Term	**136.56**	205.53	236.50
TOTAL	**136.56**	205.53	236.50
NOTE 15. DEFERRED TAX LIABILITY (NET)			
Deferred Tax Liabilities	**15,435.77**	17,220.00	17,903.01
Mat Credit Entitlement	**(329.87)**	(329.87)	---
Deferred Tax Assets	**(6,802.12)**	(407.17)	(203.53)
(For movement refer Note 40)			
TOTAL (net)	**8,303.78**	16,482.96	17,699.47

(₹ in Lacs)

	As At 31.03.2018	As at 31.03.2017	As At 01.04.2016
NOTE 16. SHORT TERM BORROWINGS			
Working Capital Loans from Banks			
Secured*	**19,332.24**	18,334.97	18,847.03
Unsecured	**---**	---	2,250.00
TOTAL	**19,332.24**	18,334.97	21,097.03

* Loans from Banks 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.

NOTE 17. TRADE PAYABLES			
Micro & Small Industries	**17.41**	17.98	14.52
Creditors for Supplies/Services	**1,42,966.98**	1,62,869.21	1,59,018.99
TOTAL	**1,42,984.39**	1,62,887.19	1,59,033.51

Trade payables includes ₹95,908 Lacs towards acceptances (Previous Year ₹ 64,889 Lacs).

NOTE 18. OTHER FINANCIAL LIABILITIES			
Current Maturities of long-term debt (Refer Note 12)	**714.93**	720.00	760.31
Equity Interim dividend payable	**12.65**	---	---
Provision for bonus	**31.78**	33.34	35.08
TOTAL	**759.36**	753.34	795.39
NOTE 19. PROVISIONS			
Provision for compensated absences	**117.45**	1.97	0.13
Provision for other employee benefits	**169.44**	248.15	173.15
TOTAL	**286.89**	250.12	173.28
NOTE 19a. CURRENT TAX LIABILITIES (NET)			
Provision for Tax	**---**	2,499.80	2,618.00
Less : Advance Tax & TDS	**---**	2,033.90	2,078.13
TOTAL	**---**	465.89	539.87
NOTE 20. OTHER CURRENT LIABILITIES			
Advances from customers	**12,037.97**	11,838.77	11,439.23
Other Payable (Includes statuory dues & Provision for expenses)	**6,210.68**	751.98	1,122.76
TOTAL	**18,248.65**	12,590.75	12,562.00

(₹ in Lacs)

	Year ended 31.03.2018	Year ended 31.03.2017
NOTE 21. REVENUE FROM OPERATIONS		
Sale of Products	**4,23,091.61**	4,10,466.66
Other operating revenues	**1,098.08**	936.35
	4,24,189.70	4,11,403.01
Less : Excise Duty	**3,142.83**	13,364.54
TOTAL	**4,21,046.87**	3,98,038.47
Detail of revenue from operations		
Sale of Products		
(A) **Manufactured Goods**		
Cold Rolled Coil/Sheet	**1,348.17**	1,686.42
Galvanised/Coated Steel Coil/Sheet	**60,152.49**	75,714.15
Color Coated Coil/Sheet	**67,853.80**	80,497.84
Sale of Scrap	**4,640.43**	5,421.64
Sale of Power	**100.54**	88.49
TOTAL (A)	**1,34,095.42**	1,63,408.55
(B) **Traded Goods :**		
Steel and Others	**64,105.50**	10,611.86
Agro	**2,24,890.69**	2,36,446.25
TOTAL (B)	**2,88,996.19**	2,47,058.12
TOTAL(A+B)	**4,23,091.61**	4,10,466.66
Other Operating Revenues :		
Miscellaneous Sales	**155.73**	208.73
Duty drawback and other export incentives (FMS)	**942.10**	727.25
Job work charges received	**0.25**	0.37
	1,098.08	936.35

* **Sale of Manufactured Goods includes export sales of ₹ 42,831 Lacs (Previous Year ₹36,320 Lacs)**

* **Sale of Traded Goods includes export sales of ₹ Nil Lacs (Previous Year ₹Nil Lacs)**

(₹ in Lacs)

		Year ended 31.03.2018	Year ended 31.03.2017
NOTE 22. OTHER INCOME			
Dividend Income		**0.40**	0.35
Other non-operating Income		**94.43**	23.98
Interest received		**657.69**	1,324.56
Gain/(Loss) on foreign currency transactions and translation		**756.06**	---
	TOTAL	**1,508.58**	1,348.89
NOTE 23. COST OF MATERIALS CONSUMED			
Opening Stock		**17,486.09**	8,915.48
Add: Purchases		**1,10,208.43**	1,23,395.17
		1,27,694.52	1,32,310.65
Less: Closing Stock		**21,116.06**	17,486.09
Cost of Materials Consumed	**TOTAL**	**1,06,578.46**	1,14,824.57
Material Consumed Comprises			
Hot Rolled Coil & Others		**87,453.50**	94,715.50
Cold Rolled Coil		**700.14**	1,575.82
Zinc		**14,794.27**	14,299.62
Paint		**3,630.55**	4,233.63
	TOTAL	**1,06,578.46**	1,14,824.57
NOTE 24. PURCHASE OF TRADED GOODS			
Steel Product and Others		**63,927.68**	9,736.44
Agro		**2,12,195.84**	2,26,954.58
	TOTAL	**2,76,123.51**	2,36,691.02
NOTE 25. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE			
Inventories (at close)			
Finished Goods		**3,669.20**	9,808.08
Scrap and Waste		**153.43**	440.78
Stock-in-Trade - Traded Goods		**3,270.94**	16,721.82
	TOTAL	**7,093.57**	26,970.67
Inventories (at commencement)			
Finished Goods		**9,808.08**	14,092.99
Scrap and Waste		**440.78**	337.14
Stock-in-Trade - Traded Goods		**16,721.82**	26,150.18
	TOTAL	**26,970.67**	40,580.31
Net Increase/(Decrease)		**(19,877.11)**	(13,609.64)

(₹ in Lacs)

	Year ended 31.03.2018	Year ended 31.03.2017
NOTE 26. EMPLOYEE BENEFITS EXPENSES		
Salaries and wages	**4,932.70**	4,715.71
Contributions to provident and other funds	**238.96**	223.71
Staff welfare expenses	**170.13**	1,37.41
TOTAL	**5,341.79**	5,076.83

Diclosure required by Ind As 19- Employee Benefit

Defined Contribution Plan :

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

(₹ in Lacs)

	2017-18	2016-17
Employer's Contribution to Provident Fund & F.P.F.	**165**	132.79
Employee's Insurance	**14**	7.14

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 Lacs)

		Gratuity (Funded) 2017-18	Gratuity (Funded) 2016-17
I.	**Reconciliation of opening and closing balances of Defined Benefit Obligations**		
	Defined Benefit Obligations at beginning of the year	**788.20**	741.60
	Current Service Cost	**53.49**	55.31
	Interest Cost	**56.26**	55.87
	Actuarial (gain)/loss	**(177.14)**	(8.40)
	Benefits paid	**(37.06)**	(56.18)
	Past Service Cost (Non Vested Benefits)	**4.67**	---
	Past Service Cost (Vested Benefits)	**61.23**	---
	Defined Benefit Obligations at end of the year	**749.65**	788.20

(₹ in Lacs)

		Gratuity (Funded) 2017-18	Gratuity (Funded) 2016-17
II.	**Reconciliation of opening and closing balances of Fair value of Plan Assets**		
	Fair value of Plan Assets at beginning of the year	**716.36**	720.08
	Expected Return on Plan Assets	**51.54**	54.27
	Actuarial Gain/(Loss)	**(1.97)**	(4.19)
	Adjustment to Opening Balance	**0.00**	0.00
	Employer contribution	**14.63**	2.38
	Benefits paid	**(37.06)**	(56.18)
	Fair value of Plan Assets at end of the year	**743.50**	716.36
	Total Acturial Gain/(Loss) recognised during the year	**175.17**	4.21
III.	**Reconciliation of Fair Value of Assets and Obligations**		
	Fair value of Plan Assets	**743.50**	716.36
	Present value of Obligation	**749.65**	788.19
	Amount recognised in Balance Sheet	**(6.15)**	(71.83)

Note : Present value of obligation is more than fair value of plan assets hence such excess amount ₹ 6.15 lacs (previous year ₹ 71.83 lacs) recognised as liabilty in balance sheet.

IV.	**a) Expenses required to be recognised during the year as per actuarial certificate**		
	Current Service Cost	**53.49**	55.31
	Interest Cost	**56.26**	55.87
	Expected Return on Plan Assets	**(51.54)**	(54.27)
	Actuarial (Gain)/Loss	**(175.17)**	(4.21)
	Net Cost	**(116.96)**	52.70

b) Expenses recognised during the year under the head "Employees Remuneration and Benefits"

In case of gratuity as per the actuarial certificate net cost/income required to recognised in the Profit and Loss Account is ₹ 116.96 Lacs (previous year ₹52.70 Lacs).

(₹ in Lacs)

	Gratuity (Funded) 2017-18	Gratuity (Funded) 2016-17
V. Other Comprehensive Income (OCI)		
Actuarial Gain/(Loss) recognized for the period	**(177.14)**	(84.01)
Return on Plan Assets excluding net interest	**1.97**	4.20
Total actuarial (Gain)/Loss recognized in OCI	**(175.17)**	(4.20)

Sensitivity Analysis

	DR. Discount Rate		ER Salary Escalation Rate	
	PVO DR+1%	PVO DR-1%	PVO ER+1%	PVO ER-1%
PVO	689.93	817.65	814.75	690.53

VI. Actuarial Assumptions

Mortality Table	**2006-08 (Ultimate)**	**2006-08 (Ultimate)**
Discount Rate (Per Annum)	7.68%	7.31%
Rate of Escalation in salary (Per Annum)	6.00%	8.50%
Attrition Rate	0.074%	0.07%
Expected average remaining service	15.22%	16.31%

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

Insurer Managed Funds 100%

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

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.

(₹ in Lacs)

	Year ended 31.03.2018	Year ended 31.03.2017
NOTE 27. FINANCE COST		
Interest Expense on :		
Term Loan	**118.28**	207.36
Dividend on Preference Shares	**256.77**	264.84
Working Capital Loan including bill discounting charges	**13,041.86**	13,281.36
TOTAL	**13,416.91**	13,753.56
NOTE 28. OTHER EXPENSES		
Consumption of Stores and Spare Parts	**862.93**	1,167.10
Consumption of Packing Materials	**1,379.77**	1,709.21
Power and Fuel	**7,169.81**	5,870.79
Rent including Lease Rentals	**864.12**	666.85
Repairs and Maintenance - Buildings	**33.90**	34.14
Repairs and Maintenance - Plant & Machinery	**221.58**	236.74
Repairs and Maintenance - Others	**22.07**	18.55
Insurance	**92.03**	104.42
Rates and Taxes	**235.55**	183.83
Water and Electricity	**50.98**	49.17
Travelling and Conveyance Expenses	**297.92**	331.42
Expenses on Export	**4,383.00**	4,027.36
Postage, Telegram & Telephone Expenses	**71.10**	67.33
Freight & Cartage Outward	**1,746.07**	2,341.22
Other Selling Expenses	**585.52**	995.12
Advertisement & Publicity	**66.48**	105.07
Donations and Contributions	**0.12**	1.61
Legal & Professional Charges	**290.85**	374.45
Remuneration to Auditors		
- Statutory	**8.50**	7.00
- Tax Audit Fees	**1.50**	1.00
- Other Services	**4.00**	4.00
- Reimbursement of Expenses	**2.99**	2.05
Loss/(Profit) on Fixed Assets Sold / Scrapped / Written off	**1.04**	6.28
Provision for Doubtful Trade receivables	**70.45**	53.75
Net Loss on Foreign Currency transactions and translation		623.82
Corporate Social Responsibility (CSR) Activity	**7.81**	1.60
Miscellaneous Expenses	**172.18**	233.00
TOTAL	**18,642.25**	19,216.88

Note 29 : Going Concern

As at 31st March, 2018 the Company's net worth is fully eroded i.e.net worth as on 31st March'2018 amounts to ₹ -514.39 crore. Also, subsequent to the Balance Sheet date, there is devolvement of Letter of Credits , the Current Liabilities have exceeded the Current Assets by ₹ 973.68 crore and there is loss of ₹ 141.14 crore for the year ended 31st March'2018. However the management is taking appropriate steps to rectify these issues by improving the operational performance of the steel business, having tie-ups with different companies for job work, implementing a restructuring exercise, improving the working capital deficit by negotiating with lenders to reschedule certain debt so that the maturity of the same would be extended beyond 1 year. Further due to improved market conditions in steel industry over the globe, the management is confident to regain its position & market share in subsequent years. In view of the above, the results have been prepared on going concern basis.

Note 30: Develovement of LCs

The company in its normal course of business issues letter of credits (LCs) to its suppliers. As against LCs liability of ₹ 1,009.96 crores payable to banks as on 31st March, 2018, LCs worth Rs.683.09 crores have been devolved subsequent to the Balance Sheet date.

31: Contingent Liabilities not provided for **(₹ in Lacs)**

	2017-18	2016-17
a) Outstanding Bank Guarantees	**1,305.11**	403.07
b) Disputed Liabilities not acknowledged as debts	**7,915.13**	2,010.41
c) Estimated amount of contracts remaining to be executed on Capital Account (net of advance)	**81.95**	157.88
d) Corporate guarantee given on behalf of NSIL Exports Limited	**4,000.00**	7,465.00

32. During the year the Company has paid an amount of ₹ 12.00 Lacs as lease rent, charged to Profit & Loss Account (Previous Year ₹ 12.00 Lacs).

33. The Company is carrying on the Electrical Turnkey project. During the year total Contract Revenue recognised is ₹ 1,350.92 Lacs.

Disclosure under Ind AS-11 "Construction Contracts"

	2017-18
Contract revenue recognised as revenue in the period	**1,350.92**
Contract costs incurred	**1,010.68**
Recognised Profit	**340.23**
Advances received	**0.00**
Gross amount due from Customers for Contract work	**2.23**

34. Balances of debtors, creditors, deposits and advances are partly confirmed.

35. Disclosure required under Ind AS 108 - Segment Reporting :

a) Business Segments **(₹ in Lacs)**

Particulars	Manufacturing Segment	Trading Segment	Total 31.03.2018	Manufacturing Segment	Trading Segment	Total 31.03.2017
Segment Revenue	**1,35,193.50**	**2,88,996.19**	**4,24,189.69**	1,64,344.90	2,47,058.11	4,11,403.01
Less : Excise Duty	**---**	**---**	**(3,142.83)**	---	---	(13,364.55)
Net Segment Revenue	**---**	**---**	**4,21,046.88**	---	---	3,98,038.46
Unallocable Other Income	**---**	**---**	**1,508.59**	---	---	134.89
Segment Results	**(8,491.27)**	**(1,864.00)**	**(10,355.28)**	3,856.36	10.93	3,867.29
Less: Unallocable Expenses:						
Interest & Finance Charges	**---**	**---**	**13,416.92**	---	---	13,753.56
Other Unallocable Expenses	**---**	**----**	**112.65**	---	---	128.14
Profit/(Loss) before Tax	**---**	**---**	**(22,376.26)**	---	---	(8,665.53)
Less: Provision for :-						
Income Tax	**---**	**---**	**92.10**	---	---	432.71
Deferred Tax	**---**	**---**	**(8,179.17)**	---	---	(886.65)
Profit/(Loss) after Tax	**---**	**---**	**(14,289.19)**	---	---	(8,211.59)
Segment Assets	**1,05,858.08**	**38,556.78**	**1,44,414.86**	1,44,539.74	36,300.99	1,80,840.73
Unallocable Assets	**---**	**---**	**434.62**	---	---	454.00
Segment Liabilities	**1,16,889.64**	**64,435.00**	**1,81,324.65**	1,23,452.25	71,080.66	1,94,532.92
Unallocable Liabilities	**---**	**---**	**286.89**	---	---	749.35
Capital Expenditure	**---**	**---**	**800.64**	---	---	5,151.30
Segment Depreciation	**---**	**---**	**4,951.69**	---	---	4,880.39

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

Particulars	31.03.2018	31.03.2017
Domestic Revenue	**3,81,358.81**	3,75,082.70
Export Revenue	**42,830.89**	36,320.31

36. Related party disclosures as per Ind AS-24 are given below :-

Disclosure of related parties with whom transactions entered as per Ind AS-24.

A. Relationships

a) Key Management Personnel and their relatives :

Mr. Santosh Shahra, Executive Chairman

Mrs. Usha Devi Shahra, wife of Executive Chairman

Mr. Vishesh Shahra, son of Executive Chairman

Mrs. Aditi Gowani, daughter of Executive Chairman

Kailash Chandra Shahra HUF

Santosh Shahra HUF

Mr. Nagalingam Goli, Managing Director

Mr. Mahesh Jain, CFO

Mr. Pankaj Gupta, Company Secretary

b) Other related parties :

NSIL Infotech Limited

Shahra Brothers Private Limited

NSIL Exports Limited

Shri Mahadeo Shahra Sukrat Trust

Samidha Foods Private Limited

B. Transactions carried out with related parties referred in 32-A above, in the ordinary course of business : **(₹ in Lacs)**

	31.03.2018		31.03.2017	
	Related Parties		Related Parties	
Nature of Transactions	**Referred in 36-A (a)**	**Referred in 36-A (b)**	Referred in 36-A (a)	Referred in 36-A (b)
Purchases/Expenses	**185.54**	**979.86**	183.93	13,758.53
Remuneration	**465.19**	**---**	355.85	---
Sales	**---**	**6,254.71**	**---**	17,851.67
Corporate Guarantee given on behalf of NSIL Exports Limited	**---**	**4,000.00**	**---**	7,465.00

Note:

1. Sales includes sale of goods of ₹ 5,209.96 lacs to NSIL Exports Ltd., ₹ 1,044.56 lacs to Samidha Foods Pvt. Ltd. and ₹ .18 lacs to Shree Mahadeo Shahra Sukrat Trust.
2. Purchase of ₹ 921.97 lacs is from NSIL Exports Ltd.
3. Expenses includes rent paid ₹ 54.81 lacs to Samidha Food Pvt. Ltd.
4. Remuneration includes amount of ₹ 233.99 lacs paid to Mr. Santosh Shahra, ₹ 146.79 lacs to Mr. Nagalingam Goli, ₹ 41.59 lacs to Mr. Mahesh Jain and ₹ 42.82 lacs to Mr. Pankaj Gupta.
5. Expenses to KMP includes towards rent paid ₹ 15.51 lacs to Santosh Shahra HUF, ₹ 106.05 lacs to Smt. Usha Devi Shahra, ₹ 57.72 lacs to Mr.Vishesh Shahra, ₹ 3.08 lacs To Kailash Chandra Shahra HUF and ₹ 6.25 lacs to Mrs. Aditi Gowani towards salary.

37. Pre-operative Expenditure incurred during the year to the extent of ₹ 322.11 lacs on SPM & ₹ 89.63 on VARUN Shed Projects have been capitalized on prorate basis to Plant & Machinery and Buildings.

38. Managerial Remuneration **(₹ in Lacs)**

Particulars	**2017-18**	2016-17
Salary	**361.99**	273.73
Allowances & Others	**18.79**	15.53
TOTAL	**380.78**	289.26

Note 39 : 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 Lacs)

Particulars	31-Mar-2018	31-Mar-2017	01-April-2016
Borrowings	**24,833.26**	24,550.93	28,032.99
Current Maturities of Long Term Payables	**714.93**	720.00	760.31
Less : Cash and Cash equivalents & other Bank balances	**10,050.53**	9,579.40	9,406.36
Total Debt	**35,598.73**	34,850.33	38,202.65
Equity	**(51,438.81)**	(37,057.00)	(28,848.16)
Total Capital	**(51,438.81)**	(37,057.00)	(28,848.16)
Capital and Total debt	**(15,840.09)**	(2,206.67)	9,354.49
Gearing ratio	**(0.69)**	(0.94)	(1.32)

Note 40 : Income Tax

a Income Tax Expense

(₹ in Lacs)

Particulars	31-Mar-2018	31-Mar-2017
Current Tax		
Current Tax expense	---	706.55
Income tax for earlier years	**92.11**	56.03
Deferred Tax		
Total Deferred Tax Expense	**(8,179.17)**	(886.65)
Mat Credit	---	(329.87)
Total Income Tax Expenses	**(8,087.07)**	(453.94)

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

Particulars	31-Mar-2018	31-Mar-2017
Profit Before Tax	**(22,376.27)**	(8,665.52)
Applicable Tax Rate	---	34.61
Computed Tax Expenses	---	(2,998.96)
Tax Effect of :		
Expenses disallowed debited to statement of Profit and Loss	---	1,763.85
Expenses allowed not debited to statement of Profit and Loss	---	(3,691.22)
On Account of Ind As adjustments	---	5,303.02

(₹ in Lacs)

Particulars	31-Mar-2018	31-Mar-2017
Current Tax Provision	---	376.68
Deferred Tax Provision	**(8,179.17)**	(886.65)
Tax for earlier years	**92.11**	56.03
Mat Credit	---	(329.87)
Tax Expenses Recognised in the Statement of Profit and Loss	**(8,087.07)**	(783.81)
Effective Tax Rate	---	---

c Movement in Deferred Tax asset / Deferred Tax Liability

Movement in deferred tax (assets) /	Property Plant & Equipment	Financial assets at FVTPL	MTM of Forward Contract	Provision of Advance License	Losses carried forward	MAT Credit Entitle-ment	Sec 43B disallowa-nces	Total
As at 31st March 16	17,903.01	---	---	---	---	---	(203.33)	17,699.67
Charged / (Credited)								
- To Profit or Loss	(683.01)	---	(271.21)	---	---	(329.87)	67.38	(1,216.71)
As at 31st March 17	17,220.00	---	(271.21)	---		(329.87)	(135.96)	16,482.96
Charged / (Credited)								
- To Profit or Loss	(2,678.58)	8.92	269.70	(1,380.50)	(4,441.74)	---	43.03	(8,179.17)
As at 31st March 18	**14,541.41**	**8.92**	**(1.51)**	**(1,380.50)**	**(4,441.74)**	**(329.87)**	**(92.93)**	**8,303.78**

Note 41 : 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 liabilties, 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 inuts 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 financials liabilities, including their levels of in the fair value hierarchy :

As at 31 March 2018 (₹ in Lacs)

	Carrying amount				Fair value			
	FVOCI-equity instruments	Financial assets - amortised cost	Financial liabities amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets not measured fair value								
Investments	---	---	---	---	131.96	---	---	131.96
Financial assets not measured at fair value								
Trade receivables	---	36,280.83	---	36,280.83	---	---	---	---
Cash and cash equivalents	---	285.12		285.12	---	---	---	---
Other bank balances	---	9,765.41		9765.41	---	---	---	---
Other financial assets	---	273.51		273.51				---
	---	**46,604.87**	**---**	**46,604.87**	**131.96**	**---**	**---**	**131.96**
Financial liabilities not measured at fair value								
Borrowings	---	---	24,833.26	---	---	---	---	---
Trade payables	---	---	14,29,84.39	---	---	---	---	---
Other financial liabilities	---	---	1,494.75	---	---	---	---	---
	---	**---**	**1,69,312.40**	**---**	**---**	**---**	**---**	**---**

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.

As at 31 March 2017 (₹ in Lacs)

	Carrying amount				Fair value			
	FVOCI-equity instruments	Financial assets - amortised cost	Financial liabities amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets not measured fair value								
Investments	---	---	---	---	156.07	---	0.51	156.58
Financial assets not measured at fair value								
Trade receivables	---	41,818.26	---	41,818.26	---	---	---	---
Cash and cash equivalents	---	1,255.53	---	1,255.53	---	---	---	---
Other bank balances	---	8,323.87	---	8,323.87	---	---	---	---
Other financial assets	---	340.22		340.22				---
	---	**51,671.18**	**---**	**51,671.18**	**156.07**	**---**	**0.51**	**156.58**
Financial liabilities not measured at fair value								
Borrowings	---	---	24,550.92	---	---	---	---	---
Trade payables	---	---	1,62,887.19	---	---	---	---	---
Other financial liabilities	---	---	918.35	---	---	---	---	---
	---	**---**	**1,88,356.47**	**---**	**---**	**---**	**---**	**---**

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.

As at 01 April 2016 **(₹ in Lacs)**

	Carrying amount			Fair value			
	Financial assets - amortised cost	Financial liabities amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets not measured fair value							
Investments	---	---	---	153.98	---	0.51	154.49
Financial assets not measured at fair value							
Trade receivables	42,759.34	---	42,759.34	---	---	---	---
Cash and cash equivalents	1,172.16	---	1,172.16	---	---	---	---
Other bank balances	8,237.19	---	8,237.19	---	---	---	---
Other financial assets	599.43	---	599.43	---	---	---	---
	52,768.13	**---**	**52,768.13**	**153.98**	**---**	**0.51**	**154.49**
Financial liabilities not measured at fair value							
Borrowings	---	28,032.99	---	---	---	---	---
Trade payables		1,59,033.51	---	---	---	---	---
Other financial liabilities		1,012.02	---	---	---	---	---
	---	**1,88,078.52**	**---**	**---**	**---**	**---**	**---**

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 42 : 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.

(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 Lacs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Trade receivables	**36,280.83**	41,818.26	42,759.33
Cash and Cash equivalents	**285.12**	1,255.53	1,172.16
Other Bank balances	**9,765.41**	8,323.87	8,237.19
Other financial assets	**273.51**	34,0.22	599.43

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, estabilishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

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

Bank balances and deposits with banks

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

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

As at 31 March 2018 (₹ in Lacs)

		Contractual cash flows				
	Carrying amount	Total	Less than 1 year	1-2 years	2-5 years	more than 5 years
Borrowings	24,833.26	---	---	---	---	---
Trade payables	1,42,984.39	1,42,984.39	1,42,984.39	---	---	---
Other financial liabilities	1,494.75	1,494.76	1,494.75	---	---	---
	1,69,312.40	**1,44,479.14**	**1,44,479.14**	**---**	**---**	**---**

As at 31 March 2017 (₹ in Lacs)

	Carrying amount	Contractual cash flows Total	Less than 1 year	1-2 years	2-5 years	more than 5 years
Borrowings	24,550.92	---	---	---	---	---
Trade payables	1,62,887.19	1,62,887.19	1,62,887.19	---	---	---
Other financial liabilities	918.35	918.35	918.35	---	---	---
	1,88,356.46	**1,63,805.54**	**1,63,805.54**	**---**	**---**	**---**

As at 01 April 2016 (₹ in Lacs)

	Carrying amount	Contractual cash flows Total	Less than 1 year	1-2 years	2-5 years	more than 5 years
Borrowings	28,032.99	---	---	---	---	---
Trade payables	1,59,033.51	1,59,033.51	1,59,033.51	---	---	---
Other financial liabilities	1,012.02	1,012.02	1,012.02	---	---	---
	1,88,078.52	**1,60,045.53**	**1,60,045.53**	**---**	**---**	**---**

(iii) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows arising out of change in the price of a financial instrument. These include change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowing.

The company manages market risk through a risk management committee engaged in, inter alia, evaluation and identification of risk factors with the object of governing/mitigation them accordingly to company's objectives and declared policies in specific context of impact thereof on various segments of financial instruments.

Currency risk

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

Exposure to Currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management is as follows: (₹ in Lacs)

	As at 31 March, 2018 USD	As at 31 March, 2017 USD
Export receivables	**41.13**	183.70
Overseas payables	**(371.48)**	(569.37)
Total	**(330.35)**	(385.67)

Foreign currency sensitivity

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

(₹ in Lacs)

	As at 31 March, 2018 USD	As at 31 March, 2017 USD
1% increase	**(215.29)**	(2,51.34)
Total increase/(decrease) in profit	**(215.29)**	(2,51.34)

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 Lacs)

	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Fixed rate instruments			
Financial assets			
Deposit with banks	**9,765.41**	8,323.87	8,237.19
Total	**9,765.41**	8,323.87	8,237.19

(₹ in Lacs)

	As at 31 March, 2018	As at 31 March, 2017
Variable-rate instruments		
Financial liabilities		
Borrowings	**25,548.20**	25,270.92
Total	**25,548.20**	25,270.92

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 Lacs)

Particulars	Profit or loss
31 March, 2018	
Variable-rate instruments	(255.48)
Cash flow senstivity	**(255.48)**
31 March, 2017	
Variable-rate instruments	(252.71)
Cash flow senstivity	**(252.71)**

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.

Note 43 : Explanation of transition to Ind AS

The Company has prepared its first financial statements in accordance with Ind AS. For the year ended 31 March 2016, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

The accounting policies set out in **Note no 1** have been applied in preparing the financial statements for the year ended 31 March 2018 including the comparative information for the year ended 31 March 2017 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2016.

In preparing its Ind AS balance sheet as at 1 April 2016 and in presenting the comparative information for the year ended 31 March 2017, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cashflows

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

Exemptions availed

Ind AS 101 allows first time adopters certain mandatory and voluntary exemptions from the retrospective application of certain requirments under Ind AS. The Compnay has applied the following exemptions:

Property, plant and equipment and intangible assets

As per Ind AS 101 Fair Value of all its property, plant and equipment and intangible assets as at the date of transition to Ind AS, measured as per previous GAAP have been treated as their deemed costs as at the date of transition.

Estimates

The estimates at 1st April, 2016 and as at 31st March, 2017 are consistent with those made for the same dates in accordance with Indian GAAP.

The estimates used by the compnay to present these amounts in accordance with Ind AS reflect conditions at 1st April, 2016, the date of transition to Ind AS and as of 31st March 2017.

Reconciliation of Equity as previously reported under Previous GAAP and that computed under Ind As:

(₹ in Lacs)

Particulars	Note no.	31.03.2017	01.04.2016
Total Equity as per previous GAAP		40,299	38,502
4% Redeemable Cumulativ Preference Shares	a	(5,501)	(5,501)
Fair Valuation of Plant ,Property & Equipment as per Ind AS 101	b	47,309	47,309
Reversal of prior period item	c	(102,254)	(94,644)
Fair Valuation of Investments in equity as per Ind AS 109	d	68	65
Impact of defferred tax on above	e	(13,264)	(14,580)
MTM of forward contract	f	(784)	-
MAT Credit Entitlement		330	
Depreciation on Revalued Assets		(3,259)	-
Total Equity as per Ind As		**(37,057)**	**(28,848)**

Reconciliation of Equity as previously reported under Previous GAAP and that computed under Ind As:

Particulars	Note no.	31.03.2017
Net Profit after Tax		**2,062**
Gain/(loss) on fair valuation of Investments	d	2
Reclassification of net actuarial loss on	g	(4)
employess defined benefits obligations to OCI		
Effect of Tax amount on reclassification of	g	1
acturial loss on employee defined benefit obligaton		
MTM of forward contract	f	(784)
Deferred Tax on above adjustments	e	1,316
Depreciation on Assets	b	(3,259)
Proposed Dividend on Prefrence Shares	a	(265)
Reversal of prior period item	c	(7,611)
MAT Credit entitlement		330
Net Profit after Tax (before OCI) as per IND AS		**(8,212)**
Add: Other Comprehensive Income (OCI) after Tax		3
Net profit /(loss) as per Ind As (IFRS)		**(8,209)**

Notes to reconciliation

(a) 4% Redeemable Cumulative Preference Shares

4% Redeemable Cumulative Preference shares classified as long Term financial liability as per Ind As 109. As a result provision for preference dividend has been shown under finance cost.

(b) Fair valuation as deemed cost of Property ,Plant and Equipment :

The company has considered fair value for Plant, Property & Equipment, as deemed cost in accordance with stipulation of Ind AS 101, with the resultant impact being accounted for in the reserves. The impact on deemed cost of Land, admeasuring 25.214 hectares situated in Madhya Pradesh, is an increase of ₹ 2,888 lacs. The impact on Building including Factory Shed, situated in Madhya Pradesh, is an increase of ₹9,295 lacs & the remaining useful life is 28 years. The impact on Plant & Machinery situated at factory is an increase of ₹35,126 lacs & the remaining useful life is 12 years. For this purpose, the management has relied upon the valuation report dated 01st April, 2016 submitted by M/S Mahesh Agrawal & Associates.

(c) Reversal of Prior Period item

The company had in the years, from FY 2005-06 to FY 2016 -17 issued debit notes to suppliers for rate differences, quality difference and quantity differences etc. However, the said debit notes were not accepted by the respective suppliers and were reversed in FY 2017-18. Since the above reversal results into an adjustment which is as per Ind AS 8 would be classified as a “Prior period adjustment”, the same is accounted against retained earnings and comparative financial statements.

(d) Fair valuation of Investments

Investment in quoted Equity Shares and Mutual Fund has recognized at fair value through Profit & loss Account as per Ind AS 109.

(e) Defferred Tax

The impact of transition adjustments together with Ind AS mandate of using Balance Sheet approach (against Profit & Loss approach in the previous Indian GAAP) for computation of defferred taxes has resulted in charge to the reserves, on the date of transaction, with consequential impact to the statement of Profit & Loss for the subsequent periods.

(f) MTM of forward contract

The Company has entered into Forward contract from economic perspective, the resulting loss has been recoginsed in Profit & Loss.

(g) Acturial gain on employee defined benefit obligaton

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

44. The figures of previous year have been regrouped wherever necessary to confirm the Current years classification.

45. Financial and Derivative Instruments

(A) Forward Contracts entered by the Company :

Particulars	No. of Contracts	Amount in F.C.	Amount in INR
Covered against Import	7	USD 11943698	778490208
Covered against Export	4	USD 1245869	81193304

(B) Forward Currency exposure which are not hedged as at Balance Sheet date :

Currency	Payable	Receivable	Net
USD	25203972	2866958	(22337014)

46. Capital Work-in-Progress :

Expenses incurred towards ongoing projects under various capital assets are as under :

(₹ in Lacs)

Particulars	As at 31.03.2018	As at 31.03.2017
Building, Site Development Expenses, etc.	**50.53**	124.14
Plant and Machinery	**40.06**	287.60
Preoperative Expenses	**0.00**	0.00
TOTAL	**90.59**	411.75

47. Earning Per Equity Share (EPS) computed in accordance with Accounting Standard 20;

EARNING PER SHARE	**31.03.2018**	31.03.2017
Profit after Tax (Rs. in lacs)	**(14,289.20)**	(8,211.58)
Less: Dividend & Dividend tax on Preference Share	**0.00**	0.00
Profit attributable to equity holders	**(14,289.20)**	(8,211.58)
Number of Shares Issued	4,45,00,000	4,45,00,000
Basic / Diluted EPS (Rupees)	(32.11)	(18.45)

As per our report of even date attached

For **Gupta Saharia & Co.**
Chartered Accountants
FRN-103446W

CA Suresh Saharia
Partner
Membership No. 040180

Place : Indore
Dated : 24th August, 2018

Vikas Rungta
Chief Financial Officer

Anurag Gangrade
Company Secretary
Membership No. FCS 9187

For and on behalf of the Board of Directors

Santosh Shahra
Executive Chairman
DIN - 00305846

Nagalingam Goli
Managing Director
DIN - 03317130

Place : Indore
Dated : 24th August, 2018

NOTICE

NOTICE is hereby given that the Thirty Second Annual General Meeting of the Equity Shareholders (Members) of **NATIONAL STEEL AND AGRO INDUSTRIES LIMITED** will be held on Friday, 28th September, 2018 at 9:00 A.M. at Sai Palace Banquets, 2-3 Anand Nagar GTB Nagar Flank Road, Opposite Karmashetra Tower, Near Shanumukhanand Hall, Mumbai - 400037 (Maharashtra), to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Financial Statements of the Company for the financial year ended 31st March, 2018 including Audited Balance Sheet as at 31st March, 2018, 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.
3. To confirm the interim dividend of ₹0.50/- per equity share, already paid during the year, for the financial year ended March 31, 2018.

SPECIAL BUSINESS :

4. Appointment of Mr. Ashutosh Upadhyay as an Independent Director of the Company.

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

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Ashutosh Upadhyay (DIN: 07885793), Independent Non-Executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Non-Executive Director of the Company, not liable to retire by rotation, to hold office with effect from 2nd May, 2018 to 31st March, 2023".

5. 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 31st March, 2019, to M. Goyal & Co., Cost Accountants, for conducting Audit of cost records of the Company, be and is hereby ratified and confirmed.

6. Enhancement of Borrowing Powers for the purpose of Business of the Company.

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

"RESOLVED THAT pursuant to the provisions of Section 180(1)(c) of Companies Act, 2013 (including any statutory modifications or re-enactments thereof for the time being in force) and the applicable Rules made there under (the "Act") and subject to and in accordance with the provisions of any other applicable laws, rules and regulations (including any amendments thereto or re-enactments thereof for the time being in force) consent of the Equity Shareholders of the Company be and is hereby accorded, to borrow moneys over and above the aggregate of the paid up capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose) on such terms and conditions as the Board may consider necessary and expedient in their absolute discretion and raise such sum or sums of money from time to time as may be required for the purpose of the business of the Company, subject however that the money to be borrowed together with the money already borrowed by the Company [apart from "temporary loans" as explained in section 180(1)(c) of the Companies Act, 2013 obtained from the company's bankers in the ordinary course of business] at any given point of time, shall not exceed a sum of ₹ 1,500 Crore (Rs. One Thousand and Five Hundred Crore)";

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do or cause to be done all such acts, deeds and other things as may be required or considered necessary or incidental thereto for giving effect to this resolution."

7. Authorisation to the Board of Directors for Mortgaging and/or creating Charges on the Assets of the Company for securing loan for the purpose of business of the Company.

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

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) of Companies Act, 2013 (including any statutory modifications or re-enactments thereof for the time being in force) and the applicable Rules made there under (the "Act") and subject to and in accordance with the provisions of any other applicable laws, rules and regulations (including any amendments thereto or re-enactments thereof for the time being in force), consent of the Equity Shareholders of the Company be and is hereby accorded for mortgage/ charges created/ to be created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the movable and/or immovable properties of the Company, wheresoever situated, both present and future and/or on the whole or any part of the undertaking(s) of the Company and/or conferring power to take over the management of the business and concern and undertaking of the Company in certain events (whether such power is contained in the documents creating the Mortgage/Charge or otherwise) in favour of the Banks, Financial Institutions, any other lenders (herein after referred to as "Lenders") for securing the Financial Assistance/ Borrowings of the Company availed/ to be availed by way of Cash Credit, Advances

or Deposits, Loan(s) (including Foreign Currency Loan), Bill Discounting etc. from time to time, subject to the limit of ₹1,500 Crore (Rs. One Thousand and Five Hundred Crore Only) (apart from temporary loans obtained or to be obtained from Company's Bankers in the ordinary course of business) together with interest thereon at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, all other costs, charges and expenses, including any increase as a result of devaluation/ revaluation/ fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s), Heads of Agreement(s)/ Arrangements, Security Trust Deed(s), Deed(s) of Mortgage, Charge, Hypothecation, Pledge, Assignment and/or Lien or any other document, entered into/ to be entered into between the Company and the Lenders in respect of the said loans/ borrowings etc. and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board and the Lenders;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to finalize, settle and execute such documents/ deeds/ writings/ papers/ agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating Mortgage/ Hypothecation/ Assignment/ Pledge/ Lien and/or Charge(s) as aforesaid."

By Order of the Board of Directors

Place : Indore
Dated : 24th August, 2018

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

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, SHOULD BE COMPLETED, STAMPED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

   A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.

3. 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.

4. A Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.

5. The Register of Members and the Share Transfer Books of the Company shall remain closed from **Friday, 21st September, 2018 to Friday, 28th September, 2018** (both days inclusive).

6. Members holding shares in physical form are requested to intimate immediately to the Registrar & Share Transfer Agent of the Company, Sarthak Global Limited, 170/10, R.N.T. Marg, Film Colony, Indore – 452 001 (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.

7. Members desirous of obtaining any specific information concerning the accounts and operations of the Company are requested to send their queries to the Company Secretary at least seven days prior to the meeting so that the required information can be made available at the meeting.

8. Members attending the meeting are requested to bring with them the Attendance Slip attached to the Annual Report duly filled in and signed and handover the same at the entrance of the meeting venue

9. Voting through electronic means :

   In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide e-voting facility for its Members to enable them to cast their votes on the resolutions electronically.

For this purpose, the Company has signed an agreement with CDSL for facilitating remote e-voting. Kindly note that the Members can opt for only one mode of voting, i.e. either by physical or by e-voting. If you are opting for e-voting, then do not vote by physical and vice versa. In case Members cast their vote by both physical and e-voting, it may be noted that vote cast by them by e-voting shall prevail and votes cast through physical will be treated as invalid. Sarthak Global Limited ('Sarthak Global'), Registrar and Transfer Agents of the Company will be facilitating e-voting to enable the Members to cast their votes electronically.

The instructions for Members voting electronically are as under :

(i) The voting period begins on **Tuesday, 25th September, 2018 (10:00 a.m. IST) and ends on Thursday, 27th September, 2018 (5:00 p.m. IST).** During this period Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) i.e. **Friday, 14th September, 2018** may cast their vote electronically. The e- voting module shall be disabled by CDSL for voting thereafter.

(ii) The Members should log on to the e-voting website www.evotingindia.com.

(iii) Click on "Shareholders" tab.

(iv) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.

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

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

(vii) If you are a first time user follow the steps given below :

	For Members holding shares in Demat Form and Physical Form
Permanent Account Number (PAN)	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number printed on Attendance Slip in the PAN field. • In case the sequence number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. eg. if your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details **OR** Date of Birth (DOB)	• Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. • If both the details are not recorded with the depository or the Company please enter the User ID / Folio Number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, Members 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.

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

(xi) Click on Electronic Voting Sequence Number (EVSN) for "NATIONAL STEEL AND AGRO INDUSTRIES LIMITED". This will take you to the voting page.

(xii) 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.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) 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.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

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

(xvii) 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.

(xviii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at meeting venue.

(xix) Shareholders can also cast their vote using CDSL's mobile app m-voting available for android based mobiles. The m-voting app can be downloaded from Google Playstore. IPhone and Windows Phone users can download the app from the App store and Windows phone store respectively. Please follow the Instructions as prompted by the mobile app while voting on your mobile.

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

- Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting @cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.

(xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting @cdslindia.com.

10. The Company has appointed Mr. Ashish Garg, Practicing Company Secretary (Membership No.FCS 5181/CP 4423), as the Scrutiniser to scrutinise the e-voting process (including poll at Annual General Meeting) in a fair and transparent manner.

11. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and submit not later than three days of conclusion of the meeting a consolidated Scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or Managing Director or Company Secretary of the Company.

12. The results declared along with the Scrutiniser's Report shall be posted on the Company's website i.e. www.nsail.com and on website of Central Depository Services (India) Limited ("CDSL") i.e. www.cdslindia.com besides communicating to the Stock Exchanges where the shares of the Company are listed.

13. Members, who have registered their E-mail addresses with the Company or their Depository Participant, are being sent the AGM Notice along with the Annual Report, Attendance Slip & Proxy Form by E-mail.

14. All relevant documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company between 11.00 a.m. and 01.00 p.m. on all working days up to the date of the Meeting.

ANNEXURE TO NOTICE

Explanatory Statement as required by Section 102 of the Companies Act, 2013.

Item No. 4:

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 (the Act) any person appointed as an Additional Director of the Company can hold office only upto the date of ensuing Annual General Meeting. Since Mr. Ashutosh Upadhyay (DIN: 07885793) was appointed as an Additional Director of the Company w.e.f. 2nd May, 2018, his term of office would expire at ensuing Annual General Meeting and eligible for the appointment as a Director

The Company has received declaration from Mr. Ashutosh Upadhyay that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. The Company has also received a Notice from Mr. Ashutosh Upadhyay in writing as prescribed under Section 160 of the Act, proposing his candidature for the office of Independent Director, not liable to retire by rotation, under Section 149 of the Companies Act, 2013. In the opinion of the Board, he fulfills the conditions for appointment as Independent Director, as specified in the Companies Act, 2013. A copy of the draft letter of appointment setting out the terms and conditions of appointment of Independent Director is available for inspection, without any fee, by the members at the Company's registered office during normal hours on working days upto the date of the AGM.

Further brief profile of Mr. Ashutosh Upadhyay is given as annexure to this notice.The Board recommends the resolution for approval of Equity Shareholders of the Company at Item No. 4 as an Ordinary Resolution.

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

Item No. 5:

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 an Individual, who is Cost Accountant in practice, or a firm of Cost Accountants in practice, 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 of Cost Audit of the cost records maintained by the Company at a remuneration of ₹80,000/- (Rs. Eighty Thousand only) plus applicable tax and reimbursement of actual travel and out-of pocket expenses for the financial year ending 31st March, 2019.

Accordingly, consent of Members is sought for ratification of remuneration payable to Cost Auditor for the financial year ending 31st March, 2019.

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. 5 of the Notice.

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

Item No. 6:

In view of the Business Expansion, Growing Operations, Long Term Working Capital and other approved corporate purposes permissible under applicable law, it is now proposed to increase the borrowing limits of the Company.

Pursuant to the provisions of section 180(1)(c) of the Companies Act, 2013, the Board of Directors shall not except with the approval of the Company in general meeting, borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business.

In terms of Special Resolution passed at the 28th Annual General Meeting held on 6th September, 2014 board is authorised to borrow any amount (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), secured or unsecured, provided that the total amount which may be borrowed together with the amount already borrowed by the Company shall not exceed the sum of ₹1,000 Crore (Rs.One Thousand Crore Only) outstanding at any point of time.

Therefore, board proposed to increase the borrowing limits of the Company from the existing limit of ₹1,000 Crore (Rs. One Thousand Crores) to ₹1,500 Crores (Rs. One thousand five hundred Crores only);

The Board of Directors recommends the passing of this resolution as a Special Resolution.

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 Special Resolution set out at Item No. 6 of the Notice.

Item No. 7:

At the 28th Annual General Meeting of the Company held on 6th September, 2014, the Shareholder of the Company had given power to Board of Directors of the Company to create Charges/ Mortgages on, or sell or otherwise dispose of movable and immovable properties of the Company both present and future, for securing loan upto ₹1,000 Crore (Rs. One Thousand Crore only);

The operation of the Company have increased substantially and in order to meet the growing fund requirement of the Company additional funds may be required by the Company to be raised by the creation of security on the movable / immovable assets of the Company.

Pursuant to the provisions of section 180(1)(a) of the Companies Act, 2013 the Board of Directors of the Company shall not, except with the consent of members in the general meeting, create Charges/Mortgages on, or sell or otherwise dispose of movable and immovable properties of the Company both present and future, or of the whole or substantially whole of the undertaking.

Therefore, board proposed to increase the borrowing limits of the Company from the existing limit of ₹1,000 Crore (Rs. One Thousand Crores only) to ₹1,500 Crores (Rs. One Five Thousand Crores only);

The Board of Directors recommends the passing of this resolution as a Special Resolution.

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 Special Resolution set out at Item No. 7 of the Notice.

By Order of the Board of Directors

Place : Indore

Anurag Gangrade

Dated : 24th August, 2018

Company Secretary

M. No. : FCS-9187

Brief Profile of Directors seeking Appointment /Reappointment at the 32nd Annual General Meeting:

{Pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 (SS-2)}

Name of Director	**Mr. Santosh Shahra**	**Mr. Ashutosh Upadhyay**
DIN	00305846	07885793
Age	71	61
Qualification	BE (Mech), MS (USA)	Post Graduate in the field of Commerce and a law graduate LLB.(Hons.)
Date of Appointment	17th December, 2016	2nd May, 2018
Expertise	Industrial and Operational Excellence, Business Development, Finance Management and General Management;	He has rich experience in the field of indirect taxation; his areas of specialization being GST, Central Excise, Customs, Service Tax and DGFT matters
Directorships as on 31st March, 2018 in Other Listed Companies	Nil	Nil
Chairmanship/Membership of the Committees of other Companies	Nil	Nil
Shareholding of the Company	Nil	240
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.

NATIONAL STEEL AND AGRO INDUSTRIES LIMITED

Regd. Office: 621, Tulsiani Chamber, Nariman Point, Mumbai (Maharashtra) - 400021.
Telephone: +91-22-22886267, 22025098 Fax: +91-022-22025084,
Website: www.nsail.com, Email: nsail_indore@nsail.com CIN No. L27100MH1985PLC140379

FORM OF PROXY

Thirty Second Annual General Meeting

28th September, 2018

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L27100MH1985PLC140379

Name of the Company : National Steel and Agro Industries Limited,

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

Name of the Member(s)	
Registered Address	
E-mail ID	
Folio No / Client ID *	
DP. ID No *	

I/We being the member(s) of the Company holding ..... shares hereby appoint

1.	Name :	E-mail ID :
	Address :	Signature :
or failing him		
2.	Name :	E-mail ID :
	Address :	Signature :
or failing him		
3.	Name :	E-mail ID :
	Address :	Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirty Second Annual General Meeting, to be held on Friday, 28th September, 2018 at 9:00 A.M. at Sai Palace Banquets, 2-3 Anand Nagar GTB Nagar Flank Road, Opposite Karmashetra Tower, Near Shanumukhanand Hall, Mumbai – 400037, (MH) and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

National Steel & Agro Industries Ltd.

Resolution No.	Resolution(s)	Vote (Optional See Note 2)	
		For	Against
Ordinary Business			
1.	Receive, consider and adopt the financial statements of the Company for the financial year ended 31st March, 2018 including the audited Balance Sheet, the Statement of Profit & Loss and Cash Flow Statement and the Report of Board and Auditors thereon.		
2.	Appointment of Mr. Santosh Shahra, who retires by rotation.		
3.	To confirm the interim dividend of ₹0.50/- per equity share, already paid during the year, for the financial year ended March 31, 2018.		
Special Business			
4.	Appointment of Mr. Ashutosh Upadhyay as an Independent Director of the Company.		
5.	Ratification and confirmation for payment of remuneration to M. Goyal & Co., Cost Accountants.		
6.	Enhancement of Borrowing Powers for the purpose of Business of the Company.		
7.	Authorisation to the Board of Directors for Mortgaging and or creating Charges on the Assets of the Company for securing loan for the purpose of business of the Company.		

Affix Revenue Stamp

Signed this .....day of ....., 2018.

Signature of Shareholder .....

Signature of Proxy Holders .....

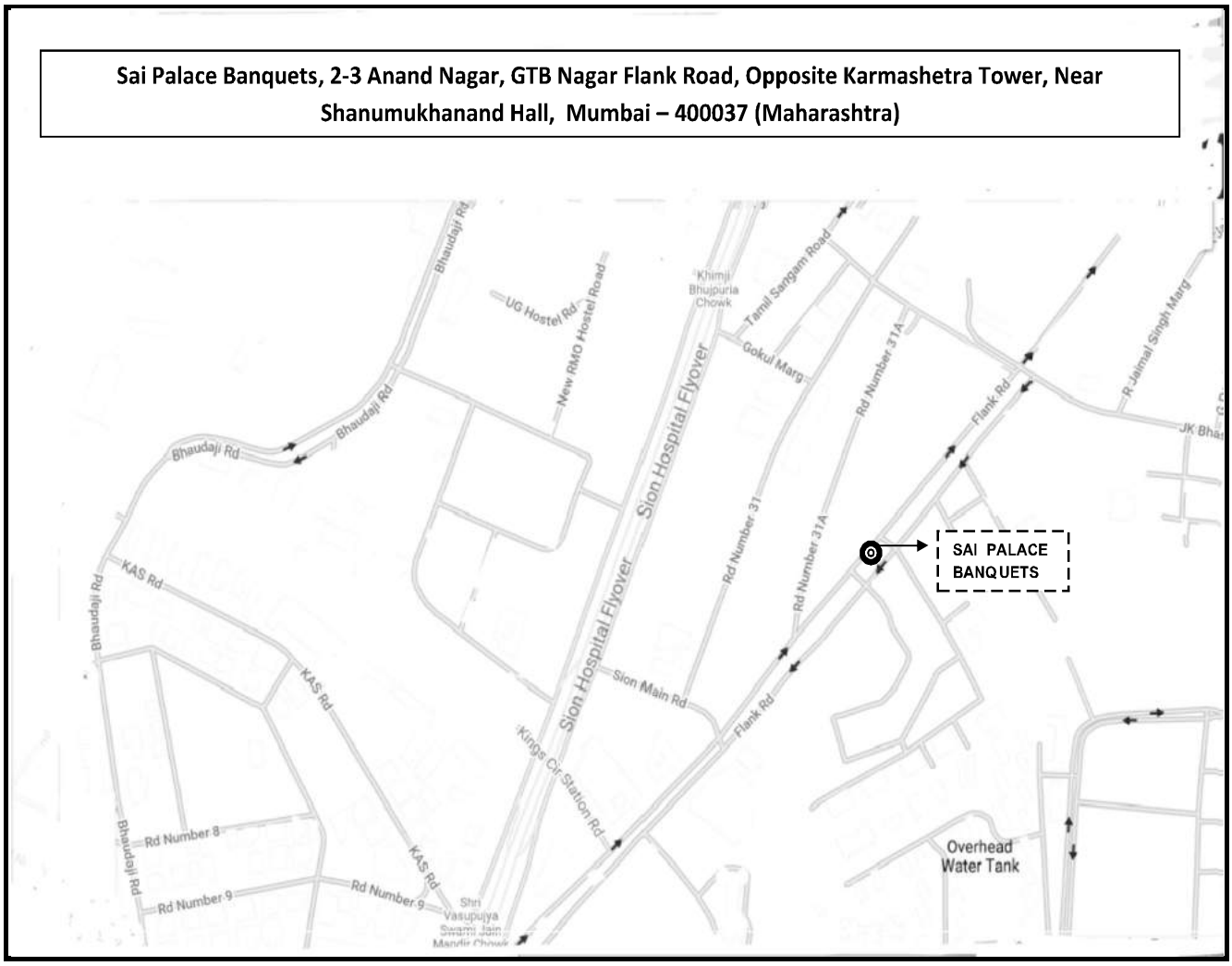
* Applicable to Members holding shares in electronic form.

Notes:

1. This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before commencement of the meeting.
2. It is optional to indicate your preference. If you leave the for/against column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.

Route Map to the Venue of the AGM

Sai Palace Banquets, 2-3 Anand Nagar,
GTB Nagar Flank Road, Opposite Karmashetra Tower,
Near Shanumukhanand Hall, Mumbai - 400 037.



NATIONAL

National Steel & Agro Industries Ltd

Certified ISO 9001 : 2008

Certified ISO 14001 : 2004

If Undelivered Please Return to :

SARTHAK GLOBAL LIMITED
170/10, R.N.T. Marg, Film Colony,
Indore - 452 001 (M.P.)
Phone : (0731) - 2523545, 2526388
Fax : (0731) - 2526388
E-mail : sgl@sarthakglobal.com

Arise : 98270-63937