



**Jayaswal Neco  
Industries Limited**



**49<sup>th</sup> Annual Report  
2021-2022**



### Chairman's Message

Dear Valued Shareholders,

On behalf of Jayaswal Neco Industries Limited ('JNIL'), I extend my warmest greetings to you. I hope you and your family are safe and in good health. I am pleased to present to you the Company's Annual Report for the financial year ended 31<sup>st</sup> March 2022 ("FY 2021-22").

The year 2022 is a momentous one for India and for JNIL as well, as the country prepares to celebrate 75 years of its journey as an independent and progressive nation and JNIL is also going to complete 50<sup>th</sup> year of its existence. Originally incorporated as a small-scale Iron Foundry Unit at Nagpur in the year 1972, it has emerged as one of the largest players in Alloys Steel sector with its Integrated Steel Plant at Raipur-Chhattisgarh. We are amongst the leading suppliers of Iron Foundry Castings and of Alloy Steel products for the manufacturing of components for the reputed automotive manufacturers/OEMs, just to name a few TATA Motors, Mahindra & Mahindra, Maruti Suzuki, John Deere, International Tractor, TAFE Motors, Carraro, Simpson, Escorts, Dana India, Merritor, American Axle, SKF Bearings, NEI Bearings, Sundaram Fasteners, MM Forging, Milestone Gears, GNA Axles, Breakart, Ador, Bharat Forge, Heavy Forgings, Sadhu Forge and many more.

Following large-scale rollout of vaccination programmes and easing of COVID-19 restrictions, the global economy gradually rebounded in the financial year 2021-22 from the COVID-19 induced recession. As we continued to navigate through the pandemic with resilience, the war in Ukraine has triggered another crisis that has brought numerous other headwinds before us. Through its agility and situational awareness, JNIL was able to seize opportunities as the global economy recovered and its business was elevated to a new level. At the same time, JNIL has been leveraging its relationships with its existing customers to increase the product range and is also engaging with new customers to strengthen its presence, reach and enhance its market share. During the year, the Company tried to optimize production and improve its plant yields through efficient use of its resources.

Moreover, on 23<sup>rd</sup> August, 2021, the Company has entered into a Restructuring Support Agreement (RSA) with Assets Care & Reconstruction Enterprise Limited (ACRE Trusts) (acting in its capacity as trustee of various ACRE Trusts) in relation to restructuring of its outstanding debt owed to the ACRE Trusts.

Subsequent to the year end, the Company has complied with all the conditions precedent including that of the subsequent Amendment Agreements to the RSA.

Accordingly, as confirmed by the ACRE Trusts, the debt restructuring has become effective as on 23<sup>rd</sup> May, 2022. The implementation of Debt Restructuring Effectiveness has improved the cash flow position of the Company, financial leverage levels and resulted in the elimination of financial stress. It has also led to realignment of its debt to sustainable level and the Company has been doing prompt servicing of debt dues as per the Debt Restructuring Agreement.

During the financial year ended 31<sup>st</sup> March, 2022, the Company has made a spectacular turnaround and recorded its highest ever EBIDTA and Net Profit. The Company is endeavoring to meet its iron ore requirements through its captive iron ore mines. JNIL is committed to deliver continued and profitable business growth. The positioning of JNIL for its future growth is driven by its refreshed strategy for moving forward. All its endeavors are part of collective effort by its employees and commendable cross-departmental collaboration. Each of its department is led by senior management personnel, with extensive knowledge in their respective areas which they effectively execute across their departments.

The community remains at the heart of its operations. In keeping with the JNIL ethos it will be prioritizing the promotion of inclusive social development through numerous CSR initiatives in the areas of health, education, sanitation and livelihood enhancement.

In conclusion, I would like to thank the Management team, Staff, Workers, Lenders, Customers and business associates for their continued support and hard work that has enabled JNIL to come this far. Last but not the least, I would like to show appreciation to the esteemed shareholders of JNIL for their constant support and trust.

With Warm Regards,

BRISANT LALL SHAW

CHAIRMAN

**BOARD OF DIRECTORS** : Shri Basant Lall Shaw Chairman  
Shri Arvind Jayaswal Managing Director & CEO (Foundry Division)  
Shri Ramesh Jayaswal Joint Managing Director & CEO (Steel Plant Division)  
Shri B. K. Agrawal Independent Director  
Shri R.P. Mohanka Independent Director  
Shri Ashwini Kumar Independent Director  
Smt. Kumkum Rathie Independent Director  
Shri Manoj Shah Independent Director  
Shri Vinod Kathuria Independent Director  
Dr. Suranjan Sinha Independent Director  
Shri Davinder Chugh Director (Nominee- ACRE)  
Shri Atul Gupta Director (Nominee- ACRE)  
Shri P. K. Bhardwaj Executive Director and CFO  
Shri M. P. Singh Executive Director (Steel) & COO (Steel Plant Division)

**COMPANY SECRETARY & COMPLIANCE OFFICER** : Shri Vikash Kumar Agarwal

**LENDERS** : Assets Care & Reconstruction Enterprise Limited (ACRE)  
acting in its capacity as trustee of: -  
ACRE-54 Trust ACRE-59 Trust  
ACRE-63 Trust ACRE-64 Trust  
ACRE-68 Trust ACRE-69 Trust  
ACRE-70 Trust ACRE-76 Trust

**AUDITORS** : M/s. Chaturvedi & Shah LLP M/s. Naresh Patadia & Co.  
Chartered Accountants, Chartered Accountants,  
Mumbai. Nagpur.

**REGISTERED OFFICE** : F-8, MIDC Industrial Area, Hingna Road, Nagpur – 440 016.  
CIN: L28920MH1972PLC016154  
Tel No.: 07104 - 237276, 237471, 237472  
E-mail: [contact@necoindia.com](mailto:contact@necoindia.com)  
Website : [www.necoindia.com](http://www.necoindia.com)

**REGISTRAR & TRANSFER AGENT (RTA)** : Linkintime India Pvt. Ltd.  
C-101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai – 400 083.  
Ph. Nos. 022-49186270 ; Fax No. 022-49186060  
Email: [mt.helpdesk@linkintime.co.in](mailto:mt.helpdesk@linkintime.co.in)

**WORKS** : 1. Steel Plant Division – Siltara Growth Centre, Raipur (Chattisgarh).  
2. Centricast Division–MIDC Area, Hingna Road, Nagpur (Maharashtra).  
3. Automotive Castings Division –Butibori, Nagpur (Maharashtra).  
4. Construction Castings Division – Anjora (Chattisgarh).  
5. Engineering Casting Division - MIDC Area, Hingna Road, Nagpur (Maharashtra).





## NOTICE

**NOTICE** is hereby given that the 49<sup>th</sup> Annual General Meeting (“AGM”) of the members of **Jayaswal Neco Industries Limited (“JNIL”)** will be held on **Thursday, the 29<sup>th</sup> day of September, 2022 at 12:30 P.M.** through **Video Conferencing (“VC”) or Other Audio-Visual Means (“OAVM”)** to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2022 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Basant Lal Shaw (DIN 00249729), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Pramod Kumar Bhardwaj (DIN 03451077), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.

### SPECIAL BUSINESS

4. To accord consent to the continuance of Shri Rajendraprasad Shriniwas Mohanka as an Independent Director.

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended by SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, consent of the members be and is hereby given for the continuance of Shri Rajendraprasad Shriniwas Mohanka (DIN: 00235850) as an Independent Director of the Company not liable to retire by rotation to hold the office for the remaining tenure up to 26<sup>th</sup> July, 2023.”

5. To ratify the remuneration of Cost Auditors for the financial year ending 31<sup>st</sup> March, 2023.

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 all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent of the members of the Company be and hereby accorded for the payment of remuneration of Rs. 1,43,750 (Rupees One Lakh Forty-Three Thousand Seven Hundred and Fifty only) for Cost Audit and Rs. 9,000/- (Rupees Nine Thousand only) for XBRL documents preparation plus applicable taxes and reimbursement of out of pocket expenses on actual basis to M/s. Manisha & Associates, Cost Accountants to conduct the audit of the cost records of the Company for the Financial Year ending 31<sup>st</sup> March, 2023.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**Dated: 9<sup>th</sup> August, 2022**

**By Order of the Board of Directors**

**Registered Office: F-8, MIDC Industrial Area,  
Hingna Road, Nagpur-440016**

**Vikash Kumar Agarwal  
Company Secretary & Compliance Officer**

### Notes:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the special business above is attached herewith.
2. In view of continuing COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 and Circular No. 02/2022 dated 5<sup>th</sup> May, 2022 and SEBI Circulars and all other relevant circulars issued from time to time, allowed holding of Annual General Meeting through video conferencing (VC) or other audio visual means (OAVM) without

**physical presence of the Members at the AGM venue and hence, Members can attend and participate in the ensuing AGM through VC/OAVM in compliance with provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

3. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
4. As the AGM of the Company will be held through VC/ OAVM, the route map of the venue of the Meeting is not attached to this notice.
5. The Members can join the AGM in the VC/OAVM mode 30 minutes before and within 15 Minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, particulars of Directors seeking re-appointment at this meeting are annexed hereto.
8. Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 23<sup>rd</sup> September, 2022 to Thursday, the 29<sup>th</sup> September, 2022 (both days inclusive).
9. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended) and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. The Company has engaged the services of National Securities Depositories Limited (NSDL) for providing e-voting facility. Instructions and other information relating to remote e-voting are given in the Notice under Note No. 15.
10. In compliance with the MCA Circulars and SEBI Circular, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report for the financial year 2021-22 will also be available on the Company's website [www.necoindia.com](http://www.necoindia.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of the e-voting agency- National Securities Depository Limited at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
11. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and circular No. 3/2022 dated May 05, 2022.
12. Relevant documents referred to in the accompanying Notice and the Statements are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, during business hours upto the date of the Meeting.
13. As per the MCA Circular, Service of documents through electronic mode i.e. e-mail by the Company will be a valid compliance of Section 101 of the Companies Act, 2013. As such the members who are yet to register are requested to furnish/ register their e-mail id's at [mt.helpdesk@linkintime.co.in](mailto:mt.helpdesk@linkintime.co.in) along with their Folio No. and No. of shares/ Client ID/ DP ID with Depository Participants (DP) for shares held in electronic form or with the Registrar and Share Transfer Agent (**Linkintime India Pvt. Ltd.**) to enable the Company to send all notices, periodical statements etc. of the Company through electronic mode.



14. Voting rights will be in proportion to the shares registered in the name of the Members as on 22<sup>nd</sup> September, 2022 (cut-off date). Only those members whose names are recorded in the Registers of Members of the Company or in the Register of Beneficial owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or by e-voting at the AGM. Members, who cast their votes by remote e-voting prior to AGM, may attend the Meeting but will not be entitled to cast their vote again or change their vote subsequently.

The e-voting facility shall be made available during the course of the meeting to the members attending the meeting through Video Conferencing and who have not cast their vote before the AGM.

15. **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER: -**

The remote e-voting period begins on Monday, September 26, 2022 at 9:00 A.M. and ends on Wednesday, September 28, 2022 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 22, 2022, may cast their vote electronically. The voting right of Shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 22, 2022.

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:





**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

**Login method for Individual shareholders holding securities in demat mode is given below:**

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “<b>Login</b>” which is available under ‘<b>Shareholder/Member</b>’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

	<p>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi/Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/ Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the e-Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a) Click on “**Forgot User Details/Password?**” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) “**Physical User Reset Password?**” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.



**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for Shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [scrutinizer@necoindia.com](mailto:scrutinizer@necoindia.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “**Upload Board Resolution/Authority Letter**” displayed under “**e-Voting**” tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “**Forgot User Details/Password?**” or “**Physical User Reset Password?**” option available on <https://www.evoting.nsdl.com/> to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to **Ms. Pallavi Mhatre, Senior Manager, NSDL** at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
4. The e-voting period shall commence at 9.00 a.m. on Monday, 26<sup>th</sup> September, 2022 and end at 5.00 p.m. on Wednesday, 28<sup>th</sup> September, 2022. During the period, Members of the Company, holding shares either in physical or dematerialized form, as on the cut-off date i.e. 22<sup>nd</sup> September, 2022 may cast their vote electronically. The e-voting module shall be blocked by NSDL for voting thereafter.
5. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. 22<sup>nd</sup> September, 2022 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [helpdesk@nsdl.co.in](mailto:helpdesk@nsdl.co.in).
6. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting.
7. Smt. Rachana Daga, Company Secretary, Proprietor of M/s. R. A. Daga & Co., Company Secretaries, Nagpur, has been appointed by the Board of Directors of the Company to act as the Scrutinizer to scrutinize the voting process (remote e-voting) in a fair and transparent manner and submit a consolidated Scrutinizer’s report of the total votes cast to the Chairman. Smt. Rachana Daga has submitted her consent to act as scrutinizer and will be available for the said purpose.
8. The Scrutinizer shall after the conclusion of voting at the AGM, will unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two working days of the conclusion of the AGM, a consolidated Scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman, who shall countersign the same and declare the result of the voting forthwith.
9. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.necoindia.com](http://www.necoindia.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges where the shares of the Company are listed.



10. In terms of requirements of Regulation 40 of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the request for transfer of securities shall not be processed unless the securities are held in the dematerialised form with Depositories. While the request for transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. Further, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/ CIR/2022/8 dated 25<sup>th</sup> January, 2022, has mandated the listed entities to issue securities for the following service requests only in dematerialised form: i. Issue of duplicate securities certificate; ii. Claim from Unclaimed Suspense Account; iii. Renewal/ Exchange of securities certificate; iv. Endorsement; v. Sub-division/Splitting of securities certificate; vi. Consolidation of securities certificates/folios; vii. Transmission and viii. Transposition. The shareholders holding shares in physical form are requested to get their shares dematerialized at the earliest to avoid any inconvenience while transferring the shares.

**Process for those shareholders whose e-mail ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [contact@necoindia.com](mailto:contact@necoindia.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [contact@necoindia.com](mailto:contact@necoindia.com). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively, shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. **In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.**

**THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-Voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at [contact@necoindia.com](mailto:contact@necoindia.com). The same will be replied by the company suitably.



**EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS  
PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No. 4:**

The Members are hereby informed that pursuant to the provisions of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended by SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (Listing Regulations), no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect.

The Members are further informed that Shri Rajendraprasad Shriniwas Mohanka (DIN: 00235850) who was appointed as Independent Director at the Annual General Meeting of the Company held on 28<sup>th</sup> September, 2018 for a term of 5 years w.e.f. 27<sup>th</sup> July, 2018 to 26<sup>th</sup> July, 2023 shall attain the age of 75 years on 10<sup>th</sup> May, 2023, and so his continuance as a director is required to be approved by the Members of the Company by way of Special Resolution as per the above amendment in the Listing Regulations.

Further, Shri Rajendraprasad Shriniwas Mohanka is a Practicing Chartered Accountant and has approx. 29 years experience in Accounting and Finance and his continued association with the Company would be of immense benefit to the Company and hence it is desirable to continue him as an Independent Director of the Company.

The Board of Directors of your Company based on the recommendation of Nomination and Remuneration Committee of the Company and keeping in view the interest of the Company recommend the resolution set out at item no. 4 of the notice related to the continuation of appointment of Shri Rajendraprasad Shriniwas Mohanka as an Independent Director for the remaining period of his term i.e. upto 26<sup>th</sup> July, 2023 for the approval of Members by way of Special Resolution.

Except Shri Rajendraprasad Shriniwas Mohanka, none of the other Directors / Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested financially or otherwise, in the said resolution.

**Item No. 5:**

Members are hereby informed that on the recommendation of the Audit Committee, Board of Directors of your Company re-appointed M/s. Manisha & Associates, Cost Accountants, as Cost Auditors of the Company for the year 2022-23 on the remuneration of Rs. 1,43,750/- for Cost Audit, Rs. 9,000/- for XBRL documents preparation plus applicable taxes and reimbursement of out of pocket expenses at actual.

As per Section 148 (3) read with Rule 14 of Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is to be ratified/approved by the Shareholders in General Meeting.

None of the other Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board of Directors of the Company recommend the resolution set out at item no. 5 of the notice for Shareholders' approval as an Ordinary Resolution.

**Dated: 9<sup>th</sup> August, 2022****By Order of the Board of Directors****Registered Office: F-8, MIDC Industrial Area,  
Hingna Road, Nagpur-440016.****Vikash Kumar Agarwal  
Company Secretary & Compliance Officer**



**ANNEXURE**

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT FORTHCOMING  
ANNUAL GENERAL MEETING**

<b>Name of Directors</b>	<b>Shri Basant Lall Shaw</b>	<b>Shri Pramod Kumar Bhardwaj</b>	<b>Shri Rajendraprasad Shrinivas Mohanka</b>
DIN	00249729	03451077	00235850
Date of Birth	03.08.1933	30.09.1954	10.05.1948
Designation	Chairman	Executive Director and Chief Financial Officer	Independent Director
Date of Appointment	28.11.1972	25.02.2011	27.07.2018
Qualification	B. Com	B.Com, FCA	B.Com, FCA
Nature of expertise in specific functional areas	Associated with Iron and Steel business for over 59 years. Instrumental in setting up 1 MTPA Integrated Steel Plant in Raipur and other units in the Group in India and abroad. Founder and Chairman of Neco Group of Industries.	Rich and varied experience in Finance, Accountancy, Taxation, Management and Project Planning	Practicing Chartered Accountant and approx. 29 years industrial experience in Accounting and Finance
Other Directorships (In Listed Entities)	Nil	Nil	Sharda Ispat Limited Vidarbha Industries Ltd
Membership of Committees of other Companies	Nil	Nil	1#
No. of Equity Shares Held	10312850	Nil	Nil
Disclosure of relationships with Directors/ Manager/ Key Managerial Personnel	Except Shri Arvind Jayaswal, Managing Director and Shri Ramesh Jayaswal, Joint Managing Director who are sons of Shri Basant Lall Shaw there is no relation between the Directors/ Manager/ Key Managerial Personnel of the Company and the appointee Shri Basant Lall Shaw.	There is no relation between the Directors/ Manager/ Key Managerial Personnel of the Company and the appointee Shri Pramod Kumar Bhardwaj.	There is no relation between the Directors/ Manager/ Key Managerial Personnel of the Company and the appointee Shri Rajendraprasad Shrinivas Mohanka.

# Considered only Audit Committee and Stakeholders' Relationship Committee.

**DIRECTORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS**

Dear Members,

The Directors are pleased to present their **49<sup>th</sup> Annual Report** on the affairs of the Company together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2022.

**1. FINANCIAL RESULTS:**

The summarized financial results for the year vis-a-vis the previous year are as follows:

<b>(Rs. in Crores)</b>		
<b>Particulars</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
Net Sales	5,958.55	3,705.05
Other Income	6.28	6.38
<b>Total Revenue (Net)</b>	<b>5,964.83</b>	<b>3,711.43</b>
Operating Expenses	4,658.85	3,094.97
<b>EBIDTA</b>	<b>1,305.98</b>	<b>616.46</b>
Finance Costs	458.63	908.63
Depreciation and Amortization Expenses	260.99	266.76
Exceptional Item	(1,724.50)	-
<b>Profit / (Loss) before tax</b>	<b>2,310.85</b>	<b>(558.93)</b>
Tax Expenses	63.57	(0.65)
<b>Profit / (Loss) after Tax carried to Balance Sheet</b>	<b>2,247.29</b>	<b>(558.27)</b>

Your Company has not carried any amount to reserves, the amount of Profit after tax of Rs. 2,247.29 Crores has been carried to Balance Sheet and adjusted against retained earnings.

**2. DIVIDEND:**

Due to accumulated past losses, your Directors do not recommend any dividend on the Equity Shares of the Company for the financial year 2021-22.

**3. MANAGEMENT DISCUSSION AND ANALYSIS:**

Management Discussion and Analysis Report for the year under review giving detailed analysis of the Company's operations, segment-wise performance etc., as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is given herein below and forms part of this report.

**A] Financial Performance:**

Your Directors wish to inform that the first half of the year was quite good for the Steel Sector. However, the second half of the year was challenging one with multiple headwinds being faced by the Company including high input costs due to various factors including the commencement of the Ukraine-Russia war in January-February, 2022 which aggravated the global supply bottlenecks and the continuation of the Covid-19 pandemic issues.

Overall, the trend throughout the year has been volatile, the second Covid wave created some impact during the first quarter of the fiscal. A sharp uptick from July 2021 due to pent-up demand was followed by the economy treading a steady path till December 2021 (excluding November 2021). A slowdown in momentum post December, 2021 was on account of third Covid wave related disruptions, supply-side constraints and the soaring commodity prices. Boiling fuel and the commodity prices remained a major contributor to the stress in the margins.

The performance during the year under review was better in terms of recovery in volumes. The sales realizations were robust backed by a strong uptrend in the prices.

During the first half of the year, the Company witnessed a very sharp and strong upcycle which can be attributed to global favorable factors like lesser Steel production in China to meet environmental norms, resurgent domestic consumption stimulated by the pent-up and restocking demand, monetary & fiscal stimulus packages of the Government, buoyancy in the raw material prices besides a scenario of surplus liquidity conditions globally.

This year witnessed a balance in demand driven price pull and cost driven price push.

Inflationary trends were witnessed during this year as the post Covid-19 recovery was faster than anticipated and the supply chains were not ready for it. The commencement of Ukraine and Russia war significantly escalated the inflationary trends including significant input cost pressures on the domestic Steel Mills.

Post the end of Sep 2021 quarter, the prices of Coking coal and Met Coke rose to record high levels due to various external factors.

In 2021-22, the country's production of total finished Steel (alloy, stainless and non-alloy) was 113.60 mt, a growth of 18.1% over the last year. The growth in production was backed by a healthy 11.4% increase in consumption and around 13.5% rise in exports as compared to the last year. The production rebounded as the domestic demand gathered pace with investments in infrastructure, focus on vaccination and policy support by the Government.

The Production of Pig Iron in India in 2021-22 was 5.76 mt, a growth of 18.1% over the last year. In 2021, India was the largest producer of Sponge Iron in the world. In 2021-22, the coal-based route accounted for 77% of the total Sponge Iron production of 39.03 mt in the country.

Notwithstanding the recent record jump in the coking coal prices, continuously high domestic steel prices, better competitive advantage gained through comparatively lower indigenous iron ore prices and benefits availed from the captive iron ore mines, the Company earned healthy margins till the beginning of the Dec 2021 quarter.

However, the continuing Ukraine-Russia war exerted huge input cost pressures on the domestic steel mills. The elevated coal costs nibbled the margins of the listed steelmakers from the Q3 FY22, as earnings trended downwards from the high watermark of Q2. The quantum of Steel price hikes from January 2022 were not able to compensate for the steep rise in the coal costs.

Significant portion of the internal accruals got blocked in working capital as coking coal (major raw material) prices went up by more than four to five times during the year. Although, the domestic non coking coal production got increased, the increased supply of coal to the power sector has hampered the supply of fuel to the non-power plant sector.

The Company's almost entire Steel sales is to the Auto Sector. The overall automobile domestic sales volumes in FY22 declined by 6% y-o-y, marred by several headwinds like supply chain bottlenecks and semi-conductor shortages. The impact of semi-conductor shortage was intensified with the geopolitical tensions around the Ukraine-Russia war. The Automotive industry remained one of the vulnerable sector due to the semi-conductor shortage. Russia is one of the largest producers of Palladium, which is essentially used for semi-conductors and Ukraine is one of the biggest producers and exporters of neon gas, which is used in manufacturing semi-conductors. The fuel prices have also undergone frequent increases post mid-March 2022. Thus, the domestic automobile sales remained impacted during the year.

During the year, the Company tried to optimize production and improve its plant yields through efficient use of its resources. The Company's Net Sales from operations for the year stood at Rs. 5,958.55 Crores and the same got increased by 61% than the previous year's Net Sales from operations of Rs. 3,705.05 Crores.

The Company continued its focus on selling high-end value-added products (Rolled Products) with applications mainly in the Auto components segment. As a result of the upcycle in the Steel Industry, the selling prices of main products viz. Pig Iron, DRI and the Rolled Products increased significantly during the year as compared to the last year. Further, dispatch of Alloy Steel Rolled Products increased from 3.89 Lac TPA of the last year to 5.44 Lac TPA during the year.

The Company's Earnings before Interest Depreciation and Tax (EBIDTA) level during the year was at Rs. 1,305.98 Crores as against Rs. 616.46 Crores for the last year. The Net Profit before Tax & after Exceptional Income for the year stood at Rs. 2,310.85 Crores and Net Profit after Tax for the year stood at Rs. 2,247.29 Crores.

During the year, the Net Worth of the Company has significantly increased to Rs. 1,833.39 Crores from Rs. (1,362.60) Crores in the last year on account of (a) rise in EBIDTA due to improved margins on account of higher sales realizations as well as uptick in volumes led by improved steel market in FY22 and (b) Higher Profit After Tax transferred to the Retained Earnings on account of Exceptional Income of Rs. 1,724.50 Crores, which is principally the result of implementation of Debt Restructuring Effectiveness in the books of accounts in FY22 and includes reversal of excess interest charged from 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021 of Rs. 455.18 Crores (Net of amortization at effective interest rate), one-time fair value gain of Rs. 1,066.89 Crores and Write back of borrowings etc. of Rs. 202.43 Crores.

### **Key Financial Ratios:**

#### **FY 2021-22 Vs FY 2020-21 – Variance over 25% with Reasoning:**

**Debtors Turnover Ratio:** The Debtors Turnover Ratio has increased from 10.92 times in FY21 to 15.18 times in FY22 with 39.07% variance. The Ratio has increased due to significant rise in Turnover on account of higher sales realization and uptick in volumes led by the improved steel market in FY22.

**Inventory Turnover Ratio:** The Inventory Turnover Ratio has increased from 4.23 times in FY21 to 5.66 times in FY22 with 33.81% variance. The Ratio has increased due to significant rise in turnover on account of higher sales realization and uptick in volumes led by the improved steel market in FY22.

**Interest Coverage Ratio:** The Interest Coverage Ratio has improved from 0.68 in FY21 to 2.85 in FY22 with 319.71% variance. The ratio has improved due to significant improvement in EBITDA coupled with reduction in interest outgo. The EBIDTA improved due to improved margins on account of higher sales realization and uptick in volumes led by improved steel market in FY22. The implementation of Debt Restructuring Effectiveness resulted in reduction in interest costs due to reversal of earlier charged loan interest in FY22.

**Current Ratio:** The Current Ratio has significantly improved from 0.33 times in FY21 to 2.46 times in FY22 with 653.49% variance. The ratio has significantly improved due to increase in Current Assets majorly on account of rise in inventory values. Further, Current Liabilities have reduced significantly on account of reduction in the current maturities of Long-Term debts, Interest accrued and due and the Working Capital Loans, due to implementation of Debt Restructuring Effectiveness in FY22.

**Debt Equity Ratio:** The Debt Equity Ratio has improved significantly from -2.81 times in FY21 to 2.10 times in FY22 with 174.63% variance. The ratio has improved due to significant rise in the Shareholders Equity on account of Equity Issuance during the year and the rise in the retained earnings. The retained earnings have increased due to improved EBIDTA and Exceptional Income (Interest Reversal) on account of implementation of Debt Restructuring Effectiveness in FY22.

**Operating Profit Margin (%):** The Operating Profit Margin has improved from 16.47% in FY21 to 21.81% in FY22 with 32.47% variance. The ratio has improved due to significant rise in Operating EBIDTA due to improved margins on account of higher sales realizations and uptick in volumes led by the improved steel market in FY22.

**Net Profit/(Loss) Margin (%):** The Net Profit/(Loss) Margin has improved from -15.07% in FY21 to 37.72% in FY22 with 350.30% variance. The ratio has improved on account of (a) rise in EBIDTA due to improved margins on account of higher sales realizations and uptick in volumes led by the improved steel market in FY22 and (b) higher Profit on account of Exceptional Income, which is principally the result of implementation of Debt Restructuring Effectiveness in the books of accounts in FY22, which includes reversal of excess interest charged from 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021 (Net of amortization at effective interest rate), one-time fair value gain of Rs. 1066.89 Crores and Write back of borrowings etc. of Rs. 202.43 Crores.



**Return on Net-Worth:** The Return on Net Worth has become 954.69% in FY22. The said Ratio however could not be calculated in FY21 due to Negative Net worth. The ratio has become quite high due to significant rise in Profits and rise in Average Net Worth on account of (a) rise in EBITDA due to improved margins on account of higher sales realizations and uptick in volumes led by the improved steel market in FY22 and (b) higher Profit transferred to Retained Earnings on account of Exceptional Income, which is principally the result of Implementation of Debt Restructuring Effectiveness in the books of accounts in FY22, which includes reversal of excess interest charged from 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021 (Net of amortization at effective interest rate), one-time fair value gain of Rs. 1066.89 Crores and Write back of borrowings etc. of Rs. 202.43 Crores and significant rise in the Shareholders Equity on account of Equity Issuance.

**B] Share Capital:**

In the current Financial Year, on 23<sup>rd</sup> August, 2021, the Company has entered into a restructuring support agreement with various trusts declared and managed by Assets Care and Reconstruction Enterprise Limited, in its capacity as a trustee of such trusts in relation to restructuring of its outstanding debt owed to ACRE Trusts, in accordance with the Section 9 of the Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 ("SARFAESI Act"), as amended and restated from time to time ("Restructuring Support Agreement"). To comply with the conditions of the "Restructuring Support Agreement", which is the principal agreement, as part of the transaction documents, the Company has also entered into a Shareholders' Agreement (SHA) on 23<sup>rd</sup> August, 2021 along with the promoters and promoter group of the Company with various trusts declared and managed by Assets Care and Reconstruction Enterprise Limited, in its capacity as a trustee of such trusts.

Post receipt of the necessary approvals and pursuant to the agreements as mentioned above, on 28<sup>th</sup> October, 2021 the Company has issued and allotted 30,52,81,848 Equity Shares to the ACRE Trusts and 2,70,83,333 Equity Shares to the Promoters / Promoter Group (face value of Rs. 10/- each) at the issue price of Rs. 28.80/- per Equity Share aggregating to Rs. 957.21 Crores.

Accordingly, Rs. 879.21 Crores of the total borrowings from the ACRE trusts, Rs. 58.00 Crores of Advance against Share Application Money and Rs. 20.00 Crores of Inter Corporate Deposits of the Promoters/Promoter Group in the Company have been converted into the equity shares of the Company.

**The above has resulted in increase in the Paid-up Equity Share Capital from Rs. 638.63 Crores to Rs. 970.99 Crores and increase in Securities Premium from Rs. 963.46 Crores to Rs. 1588.30 Crores.**

The funds so raised was utilised as per the terms of the Restructuring Support Agreement and as mentioned in offer document/explanatory statement to the notice for the general meeting convened for the approval of preferential issue.

The pre issue and post issue Equity Shareholding of the Company on a fully diluted basis is as follows: -

Category of Equity shareholders	Pre-issue equity shareholding on a fully diluted basis	Post-issue equity shareholding on a fully diluted basis
Promoter and Promoter Group	68.79%	48.03%
Public	31.21%	51.97%
- Out of which, ACRE Trusts	Nil	31.44%

The existing Promoters and the Promoter group of the Company continue to retain management control of the Company post the aforesaid issuance & allotment of equity shares.

**C] Segment wise performance for the year under review is as follows:**

**i) Steel Plant Division:**

The Net Sales from operations during the year has increased to Rs. 5,448.59 Crores as compared to Rs. 3,315.36 Crores of the previous year.

The production levels of the Steel Melt Shop during 2021-22 was around 145% and the production levels of the Rolling Mills was around 140% of the previous year. The Hot Metal production level was

around 138%, Pellet production level was around 107% and the Sponge Iron production level was around 106% of the previous year.

The Net Sales has increased substantially mainly due to better sales realization in the sale of Rolled Products, Pig Iron, Pellet and DRI during 2021-22 and robust demand of Alloy Steel (Rolled Products).

As a result of upcycle in the Steel Industry, the selling prices of main products viz. Pig Iron, DRI & Rolled Products increased quite significantly as compared to the last year. Further, the dispatch of Alloy Steel Rolled Products increased from 3.89 Lac TPA of the last year to 5.44 Lac TPA during the year.

The share of metallic sales value i.e. Pig Iron, Sponge Iron and Pellets to the total Steel Plant Division sales was around 31.85% in 2021-22 which is marginally lower by 1.82% than that of the last year which stood at 33.67%.

## **ii) Castings Division:**

The Net Sales from the Foundry Division has increased to Rs. 509.96 Crores during the year from Rs. 389.69 Crores of the previous year.

Of the total Foundry Division Net Sales, the Automotive Castings Subdivision accounted for around 50%, the Centrifugal Castings Subdivision for around 29%, Engineering Castings Sub Division for around 13% and the Construction Casting Sub Division for around 8%.

The Net Sales of Foundry Products has increased mainly due to rise in demand in 2021-22 from the Automobile Sector and the Construction sectors aided by the higher capex allocation by the Indian Government to the infrastructure and other projects.

## **D] Debt Assignment and Restructuring of Debt:**

The Company underwent significant financial stress in the earlier years due to cancellation of its three captive coal mines, payment of additional levy on mined coal as per the Hon'ble Supreme Court order, Covid-19 related lockdown of business units, its consequent adverse impact on the Company and various other reasons which have resulted in financial constraints to the Company, losses in the operations, wipe out of net worth and calling back of loans by few of the secured lenders.

Further, an appropriate debt restructuring scheme was approved by the super majority of the secured lenders, the Company had complied with the conditions of debt restructuring scheme and got its Master Restructuring Agreement signed by the Lenders.

However, on the directions of Reserve Bank of India (RBI), which had not agreed to the approved Debt Restructuring Scheme being fully implemented within the stipulated timeline of 13<sup>th</sup> December, 2017, State Bank of India (SBI), the erstwhile lead secured lender, had filed an application under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC), against the Company, claiming an amount of Rs. 513.83 Crores as default as on 30<sup>th</sup> November, 2017.

In view of the Status Quo order issued by the Hon'ble Supreme Court on April 16, 2018, on the Special Leave Petition (SLP) filed by the Company, the case had been adjourned sine die by the National Company Law Tribunal (NCLT), Mumbai in its hearing dated November 14, 2019.

By the end of FY 2022, eleven out of twelve bankers of the Company had assigned their fund-based debt along with the underlying financial documents together with their rights, benefits and obligations in favour of ACRE acting in its capacity as trustee of various trusts. One remaining banker had done One Time Settlement (OTS) of its debt dues with the Company during the year.

On 23<sup>rd</sup> August, 2021, the Company has entered into a Restructuring Support Agreement (RSA) with the ACRE Trusts in relation to restructuring of all its outstanding debt owed to ACRE Trusts, in accordance with the Section 9 of the Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 ("SARFAESI Act"), as amended and restated from time to time.

Subsequent to March 31, 2022, on account of the acquisition of the entire Principal Outstanding Debt of the Company by the various trusts declared and managed by Assets Care & Reconstruction Enterprise Limited (ACRE) in its capacity as a trustee for various trusts and the Company having entered into Restructuring Support Agreement with ACRE Trusts, the Special Leave Petition (SLP) filed by the Company with the Hon'ble Supreme Court challenging the Judgment dated 5<sup>th</sup> March 2018 passed by the Hon'ble Bombay High Court has been disposed of by the Hon'ble Supreme Court as withdrawn on 4<sup>th</sup> May 2022.

In view of the disposal of the Supreme Court SLP as mentioned above and the Restructuring of the Company's Debts, ACRE filed an application for substitution cum withdrawal of the NCLT proceedings with the NCLT, Mumbai Bench. The NCLT, Mumbai Bench vide its order dated 10<sup>th</sup> June, 2022 allowed the withdrawal of the Insolvency proceedings against the Company and closed the matter.

Subsequent to the year end, the Company has complied with all the conditions precedent including that of the subsequent Amendment Agreements to the RSA.

Accordingly, as confirmed by the ACRE Trusts, the debt restructuring has become effective on 23<sup>rd</sup> May, 2022 from the cut-off date of 31<sup>st</sup> March, 2020.

As per IND AS-10 "Events after the Reporting Period", this is an Adjusting event and accordingly this event has been given accounting effect in the Books of Accounts of the Company for the year ended 31<sup>st</sup> March 2022.

The implementation of Debt Restructuring Effectiveness has improved the cash flow position of the Company, financial leverage levels and resulted in the elimination of financial stress. It has also led to realignment of debt to sustainable level and the Company has been doing prompt servicing of debt dues as per the Debt Restructuring from the cut-off date of 31<sup>st</sup> March 2020.

Further, the Company has taken active steps for effective and efficient operations including cost reduction.

**E] Projects and Impairment of Non-Operational Assets:**

The Company, with a view to set up end use projects for its captive coal mines (which were although subsequently deallocated), optimize costs and increase the extent of value addition in the long product alloy steel segment, had commenced implementation of various facilities in the State of Chhattisgarh.

All the under-implementation projects of the company had been completed in the past except the 3.0 Lac TPA DRI Plant (Sponge Iron Plant) & it's Associated Captive Power Plant at Bilaspur district in Chhattisgarh.

The said project had been put under abeyance and was decided to be put as Non-Core Asset by the erstwhile Joint Lenders' Forum (JLF) due to its commercial unviability on account of cancellation of the captive coal mines of the Company by the Hon'ble Supreme Court.

In the earlier years, the Directorate of Enforcement by way of two attachments had provisionally attached the Plant and Machinery under installation at Dagori Integrated Steel Plant situated at Bilha, Bilaspur (Chhattisgarh) and certain property, plant and equipment at Steel Plant Division, Siltara, Raipur to the extent of Rs. 307.58 Crores for alleged misuse of coal raised from Gare Palma IV/4 coal block in Chhattisgarh.

The Adjudicating Authority had confirmed the above provisional attachments. Subsequently, the Appellate Authority stayed both the attachments on an appeal filed by the Company where the matter has been put up for hearing on September 22, 2022. The Company has a good case on merits, is likely to succeed in refuting the allegations and does not expect any material liability on the Company on this account.

As per the impairment policy, the Company had carried out an impairment test in the financial year 2019-20 of its property, plant and equipment of Flat Production Division (FPD) at Raipur and Capital Work in Progress presently being suspended at its Dagori Integrated steel plant at Bilha- Bilaspur in accordance with the Indian Accounting Standards (Ind AS) 36 – 'Impairment of Assets' and found that the carrying cost of these assets exceeds its recoverable value; therefore, an impairment loss of Rs. 568.17 Crores had been recognized for the year ended 31<sup>st</sup> March, 2020 and had been recognized as Exceptional Item.

**F] Industry Outlook, Developments, Soaring Raw Material Prices, Covid-19 Pandemic Concerns and Mitigation Efforts:**

The Indian Steel industry had entered into a new development stage, riding high on the resurgent economy and the rising demand for steel.

The rapid rise in production has resulted in India becoming the 2<sup>nd</sup> largest producer of crude steel during the last four years (2018-2021) and with a production capacity of over 150 million tonnes. The country was also the largest producer of Sponge Iron in the world and the 2<sup>nd</sup> largest finished steel consumer in the world after China in 2021, based on the rankings released by the World Steel Association.

The Government has also approved a Production-linked Incentive (PLI) Scheme for Specialty Steel. It is expected that the specialty steel production will become 42 million tonnes by the end of 2026-27. This will ensure that approximately Rs. 2.5 lakh crores worth of specialty steel will be produced and consumed in the country which would otherwise have been imported. Similarly, the export of specialty steel is expected to become around 5.5 million tonnes as against the current 1.7 million tonnes of specialty steel.

The Australian Coal Prices, a global benchmark, have been on an upward trajectory during the year. Further, the ongoing Ukraine –Russia war has hugely impacted the international coal, other commodities and the fuel prices.

Although, the domestic thermal coal production is expected to increase further, the increased supply to Power Sector is expected to hamper the supply of fuel to the non-power sector. The Steel & non-power sector plants are expected to be impacted by the limited supply and the increased prices adversely affecting their cost of production.

The domestic automobile sales are expected to remain impacted by the increased cost of ownership, driven by higher commodity prices, (both raw material as well as oil prices), increase in insurance costs and global semi-conductor shortage, driven by supply chain issues & geopolitical tensions over the near term.

Further, the recovery of the global auto industry in the calendar year 2021 was a bit disappointing as the supply chain bottlenecks in the second half of the year reversed the strong momentum seen in the first half of the year. In most countries, the Auto production contracted in the second half of 2021 and the global auto production ended the year with only marginal growth.

Moreover, it is expected that the consumer sentiments might get dampened owing to price hikes by the Original Equipment Manufacturers (OEMs) and escalating fuel inflation. The Reserve Bank of India decision to increase the repo rates twice in succession to control the inflation will lead to more expensive auto loans and thus hurt demand further. In addition, concerns regarding global supply chain constraints due to the Covid induced lockdown in China and the Ukraine-Russia war also persist.

The overall automobile domestic sales volumes in FY22 declined by 6% y-o-y. The total commercial vehicles domestic sales witnessed 25.6% y-o-y increase (wherein MHCV has witnessed 43.9% increase) for the current year.

The Steel production during the current year witnessed 18.1% growth over the last year, it got rebounded as domestic demand gathered pace with investment in infrastructure, focus on Covid vaccination and policy support by the government. As per the National Steel Policy 2017, the government is targeting crude steel production of 300 MT by 2030-31 from the current levels of around 114 MT in 2021-22. The Govt. seeks to create a globally competitive steel industry in India and to domestically meet entire demand of high-grade automotive steel, electrical steel, special steels and alloys for strategic applications.

The total finished Steel consumption had grown by 11.4% to 105.75 MT in 2021-22 with significant contributions from the government spending on infrastructure, better demand from the construction, engineering, industrial and automobile sector.

During the last five years, India was the net exporter of total finished Steel, achieving export of 13.49 MT in FY 2021-22, a growth of 25.1% over the last year.

India is slowly becoming self-dependent and the growth in the Indian steel sector over the years has been driven by the domestic availability of raw materials such as iron ore, fines, non-coking coal, strong domestic demand and cost-effective labor.



However, escalating raw material prices amid the ongoing geopolitical tensions is weighing heavy on the near-term outlook for profits and exports.

India's economy recorded modest growth at 4.1% in the fourth quarter of FY22, down from 5.4% in the previous quarter. The contraction in the manufacturing sector, which struggled with supply bottlenecks and high input prices, in the last quarter of FY22 remained a cause of concern. There was reduction in the consumption to GDP ratio in Q4 of FY22, even while the investment to GDP ratio has bounced back.

The prospects for economic growth in the coming quarters is contingent on multiple factors such as progress on resolution on the Ukraine-Russia war front, the pace of monetary tightening by the central banks globally and the overall global economic growth trajectory. The Consumption demand is yet to see a durable pick-up in the domestic economy. The rural demand recovery has also been bleak.

With the commodity prices, including that of crude oil, on the boil, the outlook for the domestic Steel manufacturers remains gloomy. The impact was also felt globally by way of higher energy and commodity prices especially raw material for steel production and continued supply chain disruptions. Further, the financial market volatility and heightened uncertainty will undermine investment.

Further, the government levied a 15% export duty on significant steel products, effective May 22, to rein in prices in its bid to arrest inflation. It also levied a steep duty on the export of iron ore while cutting the import duty on key raw materials such as coal to reduce the cost of steel production.

Consequently, the Steel prices in the domestic market did fall by almost a tenth in just two weeks since the Centre levied export duty principally due to creation of excess Steel capacities in the Country and hampering of the business sentiments. This will have direct impact on the margins significantly in the FY 22-23.

On the demand front, the Steel Sector outlook remains cautiously positive owing to the reduced threat of Covid-19, resumption of commercial activities and pickup in credit offtake which has however been significantly negated due to the hardening of interest rates to tame record inflations and levy of Export duty by the Government leading to excess capacities in the domestic market.

#### **G] Internal Control Systems:**

The Board of Directors of the Company is responsible for ensuring that the Internal Financial Controls have been laid down properly in the Company and that such controls are adequate and operating effectively.

The Company has an Internal Control System commensurate with the nature of the business, the size and complexity of its operations. The Internal financial controls with reference to the Financial Statements are adequate. It's a risk focused system, analyzing and reporting to the management on the day-to-day operations of the Company.

The Internal Audit Department across locations monitors and evaluates the efficacy and adequacy of the internal control system in the Company, its compliance with the operating systems, accounting procedures, policies and the rules & regulations.

On the basis of the report of the Internal Audit department, the respective department and functional head undertakes corrective action in their respective areas and thereby strengthens the controls. The Internal Audit Department presents audit observations and corrective actions thereon to the Audit Committee of the Board.

#### **H] Industrial Relations:**

Industrial Relations in all the Divisions of the Company remained cordial and harmonious. During the year, average number of employees working in the Company was around 4137.

**I] Material Development in Human Resources, Programs Designed and Undertaken for Development of Human Resource:**

1. A total of Nine (9) Awards were received by Steel Plant Division, Raipur for the outstanding job done in the following categories:
  - i) Apex HR Excellence Award
  - ii) Future Work Place Award
  - iii) Social Impact Initiative Award
  - iv) Grow Care HR Excellence Award
  - v) HR Distinction Award on Innovation and Pandemic
  - vi) HR India Award for CSR and HR Transmission
  - vii) Great Place to Work Award
  - viii) FICCI CSR Award
  - ix) RD Excellence Award
2. More than 30 trainings through Online mode were conducted for all levels of Management.
3. Internship program for about 1000 students across the country has been conducted through online mode and certificates were issued.
4. Silver Jubilee of the Steel Plant Division has been successfully organized with attractive cultural event. Around 370 employees have been recognized for their long association with the Company.
5. Covid Assistance to local villagers, hospitals and persons residing near the plant peripheral areas.
6. Introduction of cafeteria near Old Project building where 24 hours Tea/Coffee/Snacks available for employees and contract workers.
7. Introduction of Co-operative Store for employees in the plant premises.
8. Introduction of bimonthly celebration of Safety day in departments.
9. Periodical Medical Check-up camp were organized to take stock of employees and contract workers health.
10. Beautification of the surrounding areas of ADM building by developing flowerpots, developing new horticulture projects, etc.

**J] Corporate Social Responsibility:**

The Corporate Social Responsibility for our Company entails much more than social outreach programs and is an integral part of the way the Company conducts its business. As a part of the social responsibility and as a good corporate citizen, the Company regularly undertakes various programs and projects with a view to promote and protect a congenial and eco-friendly atmosphere in and around the Plants and Mines. We pledge to serve and contribute to the welfare of the society in general and the surrounding areas of the working site in particular.

During the year under review, the Board of our Company approved a comprehensive CSR Budget and accordingly the CSR activities were planned for the financial year 2021-22 as per the recommendation/approval of the CSR Committee and the Board. The Company is pursuing the CSR programs and projects as per its approved Corporate Social Responsibility Policy.

As part of its initiatives under "Corporate Social Responsibility" (CSR), the Company has undertaken projects and programs in the areas such as Healthcare, Sanitation, Provision of Safe Drinking Water, Mitigate malnutrition, Promotion of Education and Imparting Training, Women Empowerment, Promotion of Traditional Art and Culture, Environmental Sustainability, Development of Rural Sports, Programs and Training for development and upliftment of rural masses especially women, youths and girls and Development of Infrastructural facilities in rural areas.

During the year under review, some of the CSR activities undertaken by the Company in and around the Plants and Mining areas which are largely in accordance with Schedule VII of the Companies Act, 2013 are as follows:

1. Operating First Aid Centre and providing Free Ambulance Services at village Chargaon, Metabodeli and Chhotedongar to extend health care facilities to the needy people. Supplied free Oxygen Cylinders to Covid Care Centers, distribution of sanitizers, nose masks, oximeter and immunity booster medicines during COVID-19 pandemic. Organized Blood Donation Camp, Health & Eye check-up/awareness camp. Provided bionic arm to one of the poor youths of village Orchha of Chhotedongar Mine peripheral area.  
Provision of safe drinking water, installation of solar overhead tanks and submersible pumps and drilling for Borewells, organized swachhta abhiyan program to create awareness among the people. Construction of public toilet.
2. Financial assistance for honorarium to teachers, providing skill development training to unemployed youths, free coaching and distribution of stationeries and schools bags to the poor students.
3. Organizing rural sports, providing financial assistance and distribution of sports material for promotion of rural /nationally recognized sports.
4. Financial assistance to Gram Panchayat and District Administration for organizing traditional cultural program to extend support for promotion of traditional art and culture. Operating Samadhan Kendra for facilitation of employment news, internet, photocopier etc. to the needy people.
5. Operating tailoring training center for imparting training to rural women, providing tailoring material and sewing machines at training centers, providing needful items to local Women Self Help Group.
6. Protection of ecological balance through landscaping & garden development, tree plantation, development of nursery and sprinkling of water in village roads.
7. Financial Assistance for local development work and deepening of existing pond, renovation of government school, installation of solar streetlights in villages, development and maintenance of village roads and culverts. Extend financial support to the district administration for the development of roads of mines peripheral areas.

Your Directors wish to inform:

- i. That as per the provisions of Section 135 (5) of the Companies Act, 2013, Company was not required to spend any amount during the Financial Year 2021-22 on the CSR Activities.
- ii. That the CSR Budget for the Financial Year 2021-22 as approved by the CSR Committee and the Board was Rs. 394.90 lacs.
- iii. That during the financial year 2021-22, the actual expenditure incurred by the Company on the CSR activities was Rs. 386.69 lacs.

During the Financial Year 2021-22, the Company spent Rs. 386.69 lacs on CSR activities and thus has been able to increase the amount spent on the CSR activities during the Financial Year 2021-22 as compared to previous financial year's Rs. 242.34 lacs.

The Annual Report on CSR activities is attached as “**Annexure A**” and forms part of this report.

#### **4. AUDITORS' REPORT:**

The Auditors Report on the financial statements of the Company for the year ended 31<sup>st</sup> March, 2022 is self-explanatory and with unmodified opinion.

#### **5. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

During the period under review, the Members at the 48<sup>th</sup> Annual General Meeting of the Company consented to the:

- a) Appointment of Shri Ashwini Kumar (DIN 07694424) as an Independent Director of the Company not liable to retire by rotation for a period of 3 years w.e.f. 14<sup>th</sup> August, 2021.



- b) Appointment of Shri Manoj Shah (DIN 00010473) as an Independent Director of the Company not liable to retire by rotation for a period of 3 years w.e.f. 21<sup>st</sup> October, 2021.
- c) Appointment of Smt. Kumkum Rathi (DIN. 03128864) as an Independent Director of the Company not liable to retire by rotation for a period of 3 years w.e.f. 21<sup>st</sup> October, 2021.
- d) Appointment of Shri Vinod Kathuria (DIN: 06662559) as an Independent Director of the Company not liable to retire by rotation for a period of 3 years w.e.f. 11<sup>th</sup> November, 2021.
- e) Appointment of Shri Davinder Kumar Chugh (DIN:09020244) as a Nominee Director of the Company not liable to retire by rotation w.e.f. 11<sup>th</sup> November, 2021.
- f) Appointment of Shri Atul Gupta (DIN:09314224) as a Nominee Director of the Company not liable to retire by rotation w.e.f. 11<sup>th</sup> November, 2021.
- g) Re-designation of Shri Arvind Jayaswal (DIN:00249864) as a director liable to retire by rotation as per the provisions of Section 152 of the Companies Act, 2013.

The Members at the extra-ordinary general meeting held on 31<sup>st</sup> March, 2022 approved the appointment of Dr. Suranjan Sinha (DIN 09461995) as an Independent Director of the Company not liable to retire by rotation for a period of 1 year w.e.f. 17<sup>th</sup> January, 2022.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Shri Basant Lall Shaw (DIN 00249729), Chairman and Shri Pramod Kumar Bhardwaj (DIN 03451077), Executive Director and Chief Financial Officer are liable to retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

Pursuant to the provisions of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended by SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (Listing Regulations), no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect. Shri Rajendraprasad Shriniwas Mohanka (DIN: 00235850) who was appointed as Independent Director at the Annual General Meeting of the Company held on 28<sup>th</sup> September, 2018 for a term of 5 years w.e.f. 27<sup>th</sup> July, 2018 to 26<sup>th</sup> July, 2023 shall attain the age of 75 years on 10<sup>th</sup> May, 2023, so his continuance as director is required to be approved by the Members of the Company by way of Special Resolution as per the Listing Regulations and such resolution is proposed at the ensuing Annual General Meeting of the Company.

Shri Darshan Kumar Sahni, Independent Director ceased to be a Director of the Company due to his sad demise on 30<sup>th</sup> April, 2021.

Further, the terms of both Shri S.N. Singh and Smt. Raji Nathani, Independent Directors expired on 21<sup>st</sup> September, 2021 and the term of Shri Arvind Iyer, Independent Director expired on 12<sup>th</sup> November, 2021.

Necessary information on the Director(s) seeking appointment/reappointment will be given in the Notice of the ensuing Annual General Meeting.

In the opinion of the Board, all the Independent Directors are persons of high repute, integrity and possess the relevant expertise and experience in their respective fields.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under Section 149 (6) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **KEY MANAGERIAL PERSONNEL**

The following are the Key Managerial Personnel of the Company:

- i) Shri Arvind Jayaswal (DIN 00249864), Managing Director and Chief Executive Officer (Foundry Division),
- ii) Shri Ramesh Jayaswal (DIN 00249947), Joint Managing Director and Chief Executive Officer (Steel Plant Division),
- iii) Shri P. K. Bhardwaj (DIN 03451077), Executive Director and Chief Financial Officer,



- iv) Shri Megh Pal Singh (DIN 02635073), Executive Director (Steel) and Chief Operating Officer (Steel Plant Division) and
- v) Shri Vikash Kumar Agarwal, Company Secretary and Compliance Officer.

### **Board Evaluation**

The Board of Directors of the Company is committed to get its performance evaluated in order to identify its strengths and areas in which it may improve its functioning. To that end, the Nomination and Remuneration Committee has established the process for evaluation of performance of Directors including Independent Directors, the Board and its Committees. The evaluation of performance of Executive Directors is done by Independent Directors.

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria and process for performance evaluation of the Non-Executive Directors and Executive Directors through questionnaire to judge the knowledge to perform the role, time and level of participation, performance of duties, professional conduct, independence etc. The appointment/re-appointment/continuation of Directors on the Board is based on the outcome of evaluation process.

During the year under review, as per the policy for the performance evaluation, formal evaluation of performance of Directors including Independent Directors, the Board and its Committees was made by the Independent Directors and the Nomination and Remuneration Committee in their respective meetings and the evaluation result was placed before the Board for its information and consideration.

### **Remuneration Policy**

The Company has a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management Personnel and for determination of their remuneration. The Nomination & Remuneration Policy details are stated in the Corporate Governance Report.

### **Meetings**

During the year 6 (Six) Board Meetings and 5 (Five) Audit Committee Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 / SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 subject to relaxations given by the Ministry of Corporate Affairs and SEBI respectively.

### **RELATED PARTY TRANSACTIONS:**

During the period under review, all related party transactions that were entered were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

The policy on Related Party Transactions duly approved by the Board on the recommendation of the Audit Committee has been posted on the Company's website.

## **6. 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 attached as "**Annexure B**" and forms part of this report.

## **7. PARTICULARS OF EMPLOYEES:**

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended in respect of employees of the Company forming part of Directors' Report is given in "**Annexure E**" to this Report.

## **8. SUBSIDIARY COMPANY AND ASSOCIATE COMPANY:**

During the period under review, the Company did not have any Subsidiary Company. Further, Statement in respect of Maa Usha Urja Limited, an Associate Company under Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014 in Form AOC-1, is attached as "**Annexure C**" and forms part of this report.

The Company has formulated a policy for determining 'material subsidiaries' and the said policy has been posted on the website of the Company.

Weblink – <https://necoindia.com/images/investor/corporate-governance/Policy-on-Material-Subsidiaries.pdf>

#### **9. 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.

#### **10. CORPORATE GOVERNANCE REPORT:**

The report on Corporate Governance as stipulated under Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with the requisite certificate from the Practicing Company Secretary confirming compliance with the conditions of corporate governance is appended and forms a part of this report.

#### **11. RISK MANAGEMENT:**

The Company has a comprehensive Risk Management framework in place to identify, assess, monitor and mitigate various risks to the business.

The Risk Management Committee and the Board periodically reviews the Company's risk assessment and Action taken report as per the Risk Management Policy and Plan to ensure that the Management identifies and controls risks through a properly defined framework.

During the year under review the Board of Directors of the Company at its meeting held on 30<sup>th</sup> June, 2021 has updated the risk management policy of the company and is available on the website of the Company.

Weblink: <https://www.necoindia.com/pdf/Risk-Management-Policy.pdf>

#### **12. VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

The Company has established a Vigil Mechanism that enables the Directors and Employees to report genuine concerns. The Vigil Mechanism provides for (a) adequate safeguards against victimization of persons who use the Vigil Mechanism; and (b) direct access to the Chairperson of the Audit Committee of the Board of Directors of the Company in appropriate or exceptional cases. Details of the Vigil Mechanism/ Whistle Blower Policy are made available on the website of the Company and have also been provided in the Corporate Governance Report forming part of this Report.

Weblink: <https://www.necoindia.com/pdf/Vigil-Mechanism-Whistle-Blower-Policy.pdf>

#### **13. DIRECTORS RESPONSIBILITY STATEMENT:**

As required under section 134 (3) (c) of the Companies Act, 2013, your Directors confirm and state:

- a. that in the preparation of the annual financial statements for the year ended 31<sup>st</sup> March, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies as mentioned in Note 1 of the Notes to the Financial Statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2022 and of the profit and loss of the Company for the year ended on that date;
- c. that proper and sufficient care has 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. that the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls have been in place and that the internal financial controls are adequate and have been operating effectively;
- f. that systems to ensure compliance with the provisions of all applicable laws have been in place and are adequate and operating effectively.

**14. INTERNAL FINANCIAL CONTROL SYSTEMS:**

The Company has formulated its SOPs & Policies related to Internal Financial Control over Financial Reporting. There are sufficient controls and checks and balances established for all the material transactions. The Company has also fixed process flows for all the transactions. The Company has also designed strong Management Information System (MIS) for proactive controls and monitoring.

The Company has in place adequate internal financial controls with reference to Financial Statements. During the year, such controls were operating effectively.

**15. ANNUAL RETURN:**

The Annual Return of the Company is available on the URL <https://www.necoindia.com/financial-results-annual-reports-annual-returns.php>

**16. AUDITORS:**

The Joint Statutory Auditors M/s. Chaturvedi and Shah LLP, Chartered Accountants, Mumbai hold office for the period of 5 years from the Annual General Meeting (AGM) held on 30<sup>th</sup> December, 2021.

Further, the Joint Statutory Auditors M/s. Naresh Patadia & Co., Chartered Accountants, Nagpur are retiring at the ensuing Annual General Meeting of the Company.

The Board has not proposed to appoint any Statutory Auditor in place of retiring Joint Statutory Auditors.

**17. COST AUDITOR:**

In pursuance of Section 148 of the Companies Act, 2013, your Directors appointed M/s. Manisha & Associates, Cost Accountants, Nagpur to conduct the audit of the Cost Accounting records for the financial year 2021-22.

The Board of Directors of the Company on the recommendation of the Audit Committee, at its meeting held on 30<sup>th</sup> May, 2022 has re-appointed M/s. Manisha & Associates as the Cost Auditors of the Company, to conduct the audit of the Cost Accounting records for the financial year 2022-23 on the remuneration of Rs. 1,43,750/- plus applicable taxes and reimbursement of out of pocket expenses at actuals. As required under Section 148 (3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is to be ratified by the shareholders. Therefore, the Board of Directors recommend the remuneration payable to M/s. Manisha & Associates, Cost Auditors for the financial year 2022-23 for the ratification by the Members at the ensuing Annual General Meeting.

**18. 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 Board appointed M/s. R. A. Daga and Co., Company Secretaries, Nagpur to conduct Secretarial Audit for the financial year 2021-22.

The Board of Directors of the Company on the recommendation of the Audit Committee, at its meeting held on 30<sup>th</sup> May, 2022 has re-appointed M/s. R. A. Daga and Co., Company Secretaries, Nagpur to conduct Secretarial Audit for the financial year 2022-23 on the remuneration of Rs. 46,000 /- plus out of pocket expenses at actuals.

The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2022 in Form MR-3 is attached as “**Annexure D**” and forms part of this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

**19. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:**

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future. However, the other significant and material orders passed by the Regulators/Courts/Tribunals have been covered under points 3 (D) – Debt Assignment and Restructuring of Debt, 3 (E) – Projects & Impairment of Non-Operational Assets and 21 (2) of this Report.

**20. BUSINESS RESPONSIBILITY REPORT:**

The Business Responsibility Report as stipulated under Regulation 34 (2) (f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, describing the initiatives taken by the Company from an environmental, social and governance perspective, in the format as specified by the Securities and Exchange Board of India, forms a part of this report.

**21. GENERAL:**

Your Directors state that during the year under review:

1. The Company had no deposits covered under Chapter V of the Companies Act, 2013.
2. Pursuant to the Scheme of Arrangement in relation to demerger and merger of Steel Division at Siltara, Raipur with the Company Under Section 391 to 394 of the Companies Act, 1956 as approved by the Hon'ble High Court of Mumbai, Nagpur Bench, Nagpur vide it's order dated 16<sup>th</sup> September, 2013, an amount payable of Rs. 10443.67 Lakhs was recognised in the books of the Company. The above amount payable remained subject matter of dispute between the Company and the Demerged Company. The Demerged Company also filed winding up petition under the provisions of Section 434 of the Companies Act, 1956, before the Hon'ble Bombay High Court, Nagpur Bench, Nagpur which was disputed by the Company. The said petition was subsequently withdrawn by the Demerged Company as confirmed by the Hon'ble Bombay High Court, Nagpur Bench, Nagpur, vide it's order dated 25<sup>th</sup> February, 2021 and thereafter no further claim in this regard has been received by the Company. In view of the above, the management is of the view that the above mentioned amount is no more payable and hence the same has been written back during the year.
3. No cases have been filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There has been no incidence/complaint related to sexual harassment of women at workplace during the period under review.
4. The Company has complied with the applicable Secretarial Standards under the Companies Act, 2013.
5. The Dividend Distribution Policy of the Company is available on the Company's website and can be accessed at <https://necoindia.com/images/investor/corporate-governance/Dividend-Distribution-Policy.pdf>
6. During the year under review the Company has issued Equity shares of Rs. 957.21 crore. The Equity shares allotted to the Promoters was against conversion of debt of Rs. 20.00 crore and upfront contribution of Rs. 58.00 crore and to the ACRE Trusts was against the conversion of debt of Rs. 879.21 crore.

The funds so raised was utilised as per the terms of the Restructuring Support Agreement and as mentioned in offer document / explanatory statement to the notice for the general meeting convened for the approval of preferential issue. Thus, there is no deviation/variation in utilization of funds.

**22. ACKNOWLEDGEMENTS:**

Your Directors place on record, their sincere appreciation and gratitude for all the co-operation extended by Government Agencies, Lenders, Financial Institutions, Business Associates and Shareholders. The Directors also record their appreciation for the dedicated services rendered by all the Executive Staff and Workers of the Company at all levels in all units and for their valuable contribution in the working of the Company.

**For and on behalf of Board of Directors**

**Date: 9<sup>th</sup> August, 2022**  
**Place: Nagpur**

**Arvind Jayaswal**  
**Managing Director & CEO (Foundry Division)**  
**(DIN 00249864)**

**P.K. Bhardwaj**  
**Executive Director & CFO**  
**(DIN 03451077)**

**ANNEXURE - A**  
**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

**1. Brief outline on CSR Policy of the Company –**

Corporate Social Responsibility (CSR) lies within the functioning of the Corporate operations itself, which caters to the needs of the community and the regions in which it operates. It has now been realized and accepted that the government alone would not be able to ameliorate the dilapidated condition of the weaker sections of the society. A combined endeavour is needed from all who dwell in the society including the corporates.

CSR has become a global concern. But, Jayaswal Neco Industries Limited (JNIL) has always been aware of its Corporate Social Responsibility and has been fulfilling the aspirations of the society since long. It has adopted CSR as a strategic tool for the sustainable development of the society. For JNIL, CSR is not simply investment of funds for the social cause but linking of the business activity with the social activity.

**Objective and Philosophy** - The key objective of the CSR policy is to frame guidelines for JNIL to adopt CSR as a part of its business process for the sustainable growth of the society, work towards elimination of all hurdles for the social inclusion of the disadvantaged group such as the poor and the disabled, work for the economic and socio-cultural growth of the communities around which the Company operates. The objective will be to build a self-sustainable habitat that surrounds the units of the Company and to provide utmost attention to the children as in their hands lies the country's future and it is for their sake that the health, education and environment get the topmost priority in our CSR policy. Our ultimate aim is to serve the community in true sense.

With the aforesaid mission, the Corporate Social Responsibility Policy of the JNIL has been meticulously framed taking into account inter-alia the following main features:

- i. To take welfare measures for the community at large so that the poorer section of the society derives the utmost benefit;
- ii. To promote education, including special education and employment enhancing vocational skills among children, women, elderly and disabled persons to widen their livelihood prospects;
- iii. To set up old age home, to participate in the drive to eradicate poverty and malnutrition, to promote preventive and curative healthcare and sanitation;
- iv. To protect and safeguard environment and maintain ecological balance.

**2. The Composition of CSR Committee is as follows:**

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of Meetings of CSR Committee held during the Year	Number of meetings of CSR Committee attended during the year
1.	Shri Arvind Jayaswal	Chairman/ (Managing Director & CEO - Foundry Division)	4	4
2.	Shri Ramesh Jayaswal	Member/ (Joint Managing Director & CEO - Steel Plant Division)	4	4
3.	Shri B.K. Agrawal	Member/ (Independent Director)	4	4

**3. Weblink where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:**

<https://necoindia.com/images/investor/corporate-governance/Corporate-Social-Responsibility-Policy-1.pdf>



4. Details of Impact assessment of CSR projects carried out in pursuance of sub- rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):

Not Applicable.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sr. No.	Financial Year	Amount Available for Set off from Preceding Financial Year (Rs. in Lakh)	Amount Required to be set off for the Financial Year, if any (Rs. in Lakh)
Not Applicable			

6. Average Net Profit/(Loss) of the Company as per Section 135(5):

Average Net Profit/(Loss) : Rs. (64712.88) Lakhs

7. (a) Two percent of the average Net Profit of the Company as per section 135(5): Nil
- (b) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: Not Applicable
- (c) Amount required to be set off for the F.Y 2021-22: Not Applicable
- (d) Total CSR Obligation For the F.Y 2021-22 (7A+7B-7C) : Nil
8. (a) CSR Amount spent or unspent for the F.Y 2021-22

Total Amount spent for the F.Y 2021-22 (Rs. In Lakhs)	Amount unspent (Rs. In Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of Transfer	Name of the fund	Amount	Date of Transfer
386.69	NIL				

- (b) Details of CSR amount spent against ongoing projects for the F.Y 2021-22:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Sr. No.	Projects / Activities	Item from the list of activities in Schedule VII to the act.	Local Area (Y/N)	Locations	Project Duration	Amount allocated for the project	Amount spent in the F.Y 2021-22	Amount transferred to unspent CSR account as per Section 135(6)	Mode of implementation Direct/ Through Implementing Agency (Name & CSR Reg. No.)
				District (State)		(Rs. in Lakhs)	(Rs. in Lakhs)	(Rs. in Lakhs)	
Not Applicable									

(c) Details of CSR amount spent against **other than ongoing projects** for the F.Y 2021-22:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	Projects / Activities	Item from the list of activities in Schedule VII to the act.	Local Area (Y/N)	Locations	Amount spent for the project	Mode of implementation - Direct (Yes/ No).	Mode of implementation -Through implementing agency (Name & CSR Reg. No.
				District (State)	(Rs. in Lakhs)		
1.	Providing Oxygen Cylinders, hearse vehicles to the COVID Care Centres and Govt. Hospitals, distribution of sanitizers, Masks, oximeters, Medicines, Fruits, providing psychological support to fight with the Corona Virus and overcome from the COVID-19 epidemic, organised blood donation and Eye check-up Camps for villagers of plant peripheral areas, organised programme for RTPCR test and vaccination drive during second wave of COVID-19 pandemic in plant peripheral areas, established First Aid Centres, provided right hand bionic arm to one of the poor youth of village nearby mine peripheral area, maintenance of solar pump and hand pumps, replaced three new water tanks, payment of electricity bill of submersible pump, installation of solar overhead tanks with solar pump, provided free ambulance services for medical care facilities, provided vehicles and ventilators and organized swachhta awareness programmes in mine peripheral areas.	Health Care, Sanitation, Safe Drinking Water, Eradicating hunger, poverty and malnutrition.	Yes	Narayanpur, Kanker, Kabirdham and Raipur (Chhattisgarh), Gondia (Maharashtra)	103.22	Yes	NA
2.	Honorarium paid to the temporary teachers in Schools of village Siltara for promoting education in plant periphery, providing skill development training to rural unemployed youths of plant peripheral areas, providing assistance to National Service Scheme (NSS) for organising awareness training camp on health, safety and environment sustainability, engaged teachers for providing free English & Mathematics coaching to the poor students, provided transport facilities to the trainees of skill development training, School building painting work done, distributed stationery, sweets and school bags to the students of Govt. schools.	Education, Training.	Yes	Narayanpur, Kanker and Raipur (Chhattisgarh), Gondia (Maharashtra)	10.51	Yes	NA
3.	Providing stationery to District Administration for organising Women Safety Awareness programme, established a Tailoring Training Centres and provided needful items to women self-help group in mine peripheral areas.	Women Empowerment	Yes	Kabirdham, Raipur and Kanker (Chhattisgarh)	3.29	Yes	NA
4.	Financial assistance to gram panchayat for organising cricket tournament, sports, etc. in mine peripheral villages.	Sports Activity	Yes	Narayanpur, Kanker, Kabirdham, Bilaspur and Raipur (Chhattisgarh)	3.21	Yes	NA
5.	Landscaping and Gardening work for Eco Balance, Tree plantation and Development of garden/nursery, Watering on small plants adjacent to the roads and sprinkling of village roads in peripheral areas of mines.	Environmental Sustainability	Yes	Kanker, Kabirdham and Raipur (Chhattisgarh), Gondia (Maharashtra)	26.89	Yes	NA

6.	Financial assistance to Gram Panchayat for organising traditional Chhattisgarh Lokgeet competition on the eve of Dusshera festival and Chhattisgarhi Jasgeet Jhanki competition on the eve of Madhai Mela, organising other traditional cultural programme, song competition, traditional folk dance programme, traditional Baster dance programme, international tribal festival, organised mid-day meal and dinner for the needy people, financial assistance to District Soldier Welfare Board for the welfare activities of soldier, operating Samadhan Kendra at village Chargaon for facilitation of Photocopier, internet, employment news, computer work to the needy people of Metabodeli Mine peripheral areas, providing Television set, organising traditional cultural programme in eve of Abujhmad Mahotsav, Dusshera Festival, Vishwa Adiwasi Diwas, Bhoramdev Mahotsav, Rajyostav, National Flag Day, Shahid Samman Diwas, Guru Ghasidas Jayanti and assistance for organizing community marriage program.	Promotion and Development of Traditional Art and Culture, Community Welfare and Promotion of weaker sections of Society.	Yes	Narayanpur, Kanker, Bilaspur, Kabirdham and Raipur (Chhattisgarh), Gondia (Maharashtra)	31.02	Yes	NA
7.	Financial assistance for the development of furniture and fixtures and Ruchi Bachat Saakh Samooch Samiti, village Lavandi for deepening the existing pond for conservation and preservation of water, developed a pond in Metabodeli village for fishery, development and maintenance of road and culverts in mine peripheral area, construction of a Public Toilet, assistance for rural development work, Solar street lights installations and Chain-Link fencing work at Govt. Middle School Metabodeli for safety of the school buildings.	Rural & Infrastructure Development Projects	Yes	Narayanpur, Kanker and Raipur (Chhattisgarh), Gondia (Maharashtra)	208.55	Yes	NA
<b>TOTAL</b>					<b>386.69</b>		

(d) Amounts spent Administrative overheads: - Nil

(e) Amount spent on Impact Assessment (if any): N.A.

(f) Total Amount spent for the F.Y 2021-22(8b+8c+8d+8e) : Rs. 386.69 Lakhs

(g) Excess Amount for Set Off:

Sr. No.	Particular	Amount (Rs in Lakhs)
i.	Two Percent of average net profit of the Company as per section 135(5)	Nil
ii.	Total Amount spent for the F.Y 2021-22	386.69
iii.	Excess Amount spent for the F.Y 2021-22[ii-i]	386.69
iv	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Year , if any.	Nil
v	Amount available for Set off in succeeding Financial Years [iii-iv]	-

9. (a) Details of unspent CSR amount for the three preceding Financial year

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (Rs. in Lakhs)	Amount spent in the reporting Financial Year (Rs. In Lakhs)	Amount transferred to any fund specified under Schedule VII as per section 135(6) (Rs. In Lacs)			Amount remaining to be spent in succeeding Financial Year (Rs. In Lakhs)
				Name of the fund	Amount (Rs. In Lakhs)	Date of Transfer	
NIL							

(b) Details of CSR amount spent in the financial year for the ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total Amount allocated for the project (Rs. In Lakhs)	Amount spent on the Project in the reporting Financial year (Rs. In Lakhs)	Cumulative amount spent at the end of the reporting financial year (Rs. In Lakhs)	Status of the Project – Completed / Ongoing.
NIL								

10. In case of creation acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent on financial Year: (asset-wise details).

(a) Date of creation or acquisition of the capital asset(s): **Not Applicable**

(b) Amount of CSR spent for creation or acquisition of capital asset.: **Not Applicable**

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: **Not Applicable**

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): **Not Applicable**

11. Specify the reason(s), if the company has failed to spent Two Percent of the average Net Profit as per section 135 (5). **Not Applicable**

Place: Nagpur  
Date: 9<sup>th</sup> August, 2022

**Arvind Jayaswal**  
Chairman, CSR Committee  
(DIN : 00249864)

## ANNEXURE B

**Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo as per Section 134 (3) (m) of the Companies Act, 2013 and Rule 8 of the Companies (Accounts) Rules, 2014.**

### A) Conservation of Energy-

#### i) The steps taken or impact on conservation of energy:

1. Process Modification in Membrane Sequencing of pellet plant will stop the operation of 1625 CFM HT compressor.
2. Installation of VFD for LRF booster fan in SMS-2.
3. Installation of VFD for Gas booster Fan-2 in the Blast furnace.
4. Replacing of existing Electromagnetic Stirring 440 KVA to 193 KVA in 2nd stand (160 MM X 160 MM) in CCM of SMS-2.
5. In SMS # 1, LRF 2 Electrode height was reduced by 500 MM for reducing electrode consumption, vibration and failure. This was done by overall modification of base and arm arrangement modification.

#### ii) The steps taken by the Company for utilizing alternate sources of energy/ optimizing the use of energy:

Revamping of BF Gas holder at Blast Furnace.

#### iii) The capital investment on energy conservation equipments:

1. Revamping of BF Gas holder at Blast Furnace (Rs. 4.5 Cr.)

### B) Technology Absorption-

#### i) The efforts made on technology absorption and advantages achieved:

1. In Blast Furnace, to improve tuyere life we started use of Ni-Cr coated tuyeres. Improved life under observation.
2. In Blast Furnace, to improve material distribution, Bell Less Top distribution chute modified with in house resources and installed. Performance under observation.
3. In Pellet plant, Waste gas Fan got unbalance frequently due to small pellets came with hot wind and heat the fan which resultant in uneven wear. To protect the fan from it, a conical hopper with RAV designed and installed in Fan suction duct which capture all particles and Fan vibration is constant from last 6 months.
4. SMS # 1 EAF roof had a perennial problem of sagging due to heat and resultant into breakdown. EAF roof holding beam design modified with water cooled arrangement and working successfully.
5. IN SMS # 2, due to covid 19 copper bulge block delivery from M/s More s.r.l. Italy was delayed and we were facing severe spare shortage. To overcome this problem in-house development and fabrication of bulge block top panel from MS plate was planned. Separate water circuit provided for this panel. Panel was fitted in bulge block and till now 1100 heats life was achieved without any problem.
6. In copper front panel only top surface gets eroded while other three sides remains unaffected.  
Second port machining done at diagonally opposite position for coke injection. Now we are getting twice life from same front panel as we are using it by inverting its position second time.

#### **Bar Mill:**

- Use of comby roll in smaller round
- 650 T Cold Shear installed.



**Wire Rod Mill:**

- Use of comby roll from #C-12 to #C-19 stands.
- Use of internally developed automatic tension control.

**Bar & Structural Mill:**

- Development of new sizes of Rounds (up to 180MM) and RCS (63 to 200MM) as per market requirement.
- Additional slow cooling pits for increasing slow cooling capacity.
- Modification in slow cooling route to improve productivity. Earlier in slow cooling area only single layer cutting was performed by Danieli design, due to this constraint in small size RCS productivity loss observed, now by in house modification in Rack transfer mechanism we are able to achieve double layer cutting in small RCS and avg 8-10 MT / Hr production increased.

**ii) Technology imported during the last three years reckoned from beginning of the financial year –**

Details of Technology Imported	Technology Imported from	Year of Import
- Auto Ultrasonic Testing (Auto UST) Machine	Olympus, Canada	2020-21
- Magnetic Flux Leakage Test (MFLT)	Pruftechnik, Germany	2020-21

**iii) The above technology has been fully absorbed.**

**iv) Expenditure incurred on Research and Development: Nil**

**C) Foreign Exchange Earnings and Outgo –**

	<b>2021-22 (Rs. in Lacs)</b>
Foreign Exchange earned in terms of Actual Inflows -	10153.56
Foreign Exchange spent in terms of Actual Outflows -	88536.80

**For and on behalf of Board of Directors**

**Date: 9<sup>th</sup> August, 2022  
Place: Nagpur**

**Arvind Jayaswal  
Managing Director & CEO (Foundry Division)  
(DIN: 00249864)**

**P.K. Bhardwaj  
Executive Director & CFO  
(DIN: 03451077)**



**ANNEXURE C**  
**Form AOC-I**

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES**

**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

**NOT APPLICABLE**

The Company do not have any Subsidiary Company as on 31.03.2022.

1.	Names of subsidiaries which are yet to commence operations.	--
2.	Names of subsidiaries which have been liquidated or sold during the year.	--

**Part "B": Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures.**

Sr. No.	Name of Associate	Maa Usha Urja Limited
1	Latest audited Balance Sheet Date	31.03.2021
2	Date on which the Associate or Joint Venture was associated or acquired	10.03.2011
3	Shares of Associate held by the Company on the year end	
	No.	* 25,30,000 shares of Rs. 10/- each.
	Amount of Investment in Associates	* Nil
	Extent of Holding %	31.63%
4	Description of how there is significant influence	Significant influence is through holding of 31.63% of Equity shares jointly with other Promoter Group Companies.
5	Reason why the associate is not consolidated	The Company holds the shares in its associate jointly with Promoter Group Companies which are the beneficial owners.
6	Net worth attributable to Shareholding as per latest audited Balance Sheet	-
7	Profit / Loss for the year	
i)	Considered in Consolidation	-
ii)	Not Considered in Consolidation	-

\* 4,13,600 Equity shares of Rs. 10/- each are held by the Company jointly with Anurag Sales and Services Private Limited (the beneficial owner)

\* 21,16,400 Equity shares of Rs. 10/- each are held by the Company jointly with Nine Star Plastic Packaging Services Private Limited (the beneficial owner)

1.	Names of associates or joint ventures which are yet to commence operations.	-
2.	Names of associates or joint ventures which have been liquidated or sold during the year.	-

**For and on behalf of Board of Directors**

**Arvind Jayaswal**  
Managing Director & CEO (Foundry Division)  
(DIN: 00249864)

**P. K. Bhardwaj**  
Executive Director & CFO  
(DIN: 03451077)

**Vikash Kumar Agarwal**  
CS and Compliance Officer  
(Membership No.: A19583)

**Date: 9<sup>th</sup> August, 2022**

**Place: Nagpur**

**ANNEXURE – D**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2022**

**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

**To**  
**The Members,**  
**JAYASWAL NECO INDUSTRIES LIMITED**  
**CIN: - L28920MH1972PLC016154**  
**F-8, MIDC Industrial Area, Hingna Road,**  
**Nagpur-440016**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Jayaswal Neco Industries Limited having CIN- L28920MH1972PLC016154** (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 our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information, representation and reports provided by the Company, its Board of Directors, its designated officers and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022 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:

- A.** We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2022 according to the provisions of:
- (i) The Companies Act, 2013 (“the Act”) and the rules made thereunder;
  - (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB): There were no such transactions related to FDI, ODI and ECB in the Company during the period under audit.
  - (v) **The following Regulations and Guidelines prescribed under 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (vi) **Though the following laws are prescribed in the format of Secretarial Audit Report by the Government, the same were not applicable to the Company during the audit period for the financial year ended 31<sup>st</sup> March, 2022:-**
    - (a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock

Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

- (b) The Securities and Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008;
- (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

**(vii) For the other applicable laws our audit was limited to:-**

- a) Factories Act, 1948;
- b) Industries (Development & Regulation) Act, 1951;
- c) The Electricity Act, 2003 and rules issued thereunder;
- d) Indian Boilers Act, 1923 and rules issued thereunder;
- e) Labour Laws and other incidental laws and rules issued thereunder related to Labour and employees appointed by the Company either on its payroll or on contractual basis as related to Wages, Gratuity, Provident Fund, ESIC, Compensation etc.;
- f) Acts and rules prescribed under Prevention and Control of Pollution;
- g) Acts and rules prescribed under Environment Protection;
- h) Acts and rules prescribed under Direct Tax and Indirect Tax;
- i) Land Revenue laws of respective States;
- j) Labour Welfare Act of respective States;
- k) Acts and rules prescribed for mining activities;
- l) Local laws as applicable to various Offices & Plants.

**We have also examined compliance with the applicable clauses of the following:**

- i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,

**We report that**, during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that,**

1. The Company has obtained all necessary approvals under various provisions of the Act such as, where necessary;
2. The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other Companies and interest in other entities;
3. There was no prosecution initiated against or show cause notice received by the Company during the financial year under review under the Companies Act, SEBI Act, Depositories Act and rules, regulations and guidelines under these Acts;

**We further report that**, the Compliance by the Company of applicable financial laws like direct and indirect tax laws has not been reviewed in this audit since the same has been subject to review/audit by other designated professionals/Auditors.

**B. We further report that:**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors including Independent Directors. The changes in the composition of the Board of

Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013 and the Listing Regulations.

It was observed that due to appointment of 2 new nominee directors on the Board w.e.f. 11<sup>th</sup> November, 2021 as per the terms of the Restructuring Support Agreement and Shareholders Agreement executed by the Company with its Lenders and the retirement of one director from the Board w.e.f. 12<sup>th</sup> November, 2021, the Board was temporarily short of the 50% requirement of Independent Directors. Dr. Suranjan Sinha was appointed as an Independent Director on 17<sup>th</sup> January, 2022 to meet the requirement of 50% Independent Directors.

Further, One Woman Director Smt. Raji Nathani retired w.e.f. 21<sup>st</sup> September, 2021 and Smt. Kumkum Rathi was appointed as Woman Director w.e.f. 21<sup>st</sup> October, 2021.

The Board composition meets the LODR requirements. The Company has 7 Independent Directors on the Board.

- Adequate Notice is given to all Directors to schedule the Board Meetings, 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.
  - Majority decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be and while the dissenting members' views if any are captured and recorded as part of the minutes.
  - The Company has obtained all necessary approvals under the various provisions of the Act; and
- C. We further report that,** there are prima facie 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.
- D. We further report that,** during the audit period, there were no other specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines etc., having major bearing on the Company's affairs.

Place: Nagpur  
Date: 23<sup>rd</sup> June, 2022

**R.A. DAGA & Co.**  
**Company Secretaries**

Encl.: ANNEXURE I  
ANNEXURE II

**Rachana Daga**  
**Proprietor**  
**Membership No: 5522 C.P.No:5073**  
**PR No. 1568/2021**  
**UDIN:- F005522D000521686**

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE I and ANNEXURE II' and forms an integral part of this report.





### **ANNEXURE I**

To  
The Members,  
Jayaswal Neco Industries Limited  
CIN: - L28920MH1972PLC016154  
F-8, MIDC Industrial Area, Hingna Road,  
Nagpur.

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

1. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Nagpur  
Date: 23<sup>rd</sup> June, 2022

**R.A. DAGA & Co.**  
**Company Secretaries**

**Rachana Daga**  
**Proprietor**  
**Membership No: 5522**  
**C. P. No: 5073**  
**PR No. 1568/2021**

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### **ANNEXURE II**

□ **Registered office & Corporate office:**

F-8, MIDC Industrial Area, Hingna Road, Nagpur.

□ **List of plants and their locations:**

1. Steel Plant Division - Siltara Growth Centre, Raipur (CG).
2. Centricast Division - MIDC Area, Hingna Rd., Nagpur (MH).
3. Engineering Castings Division - MIDC Area, Hingna Road, Nagpur (MH).
4. Automotive Castings Division - Butibori, Nagpur (MH).
5. Construction Castings Division - Thanod Road, Anjora, Rajnandgaon (CG).

Place: Nagpur  
Date: 23<sup>rd</sup> June, 2022

**R.A. DAGA & Co.**  
**Company Secretaries**

**Rachana Daga**  
**Proprietor**  
**Membership No: 5522**  
**C. P. No: 5073**  
**PR No. 1568/2021**

**ANNEXURE – E**

**Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended and forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2022.**

- i) The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22:

Sr. No.	Name of Directors	Ratio
1	Shri Basant Lall Shaw	0.42
2	Shri Arvind Jayaswal	33.93
3	Shri Ramesh Jayaswal	33.93
4	Shri B. K. Agrawal	0.60
5	Shri P. K. Bhardwaj	12.31
6	Shri S. N. Singh	0.32
7	Shri Darshan Kumar Sahni	0.00
8	Smt. Raji Nathani	0.28
9	Shri Megh Pal Singh	18.29
10	Shri Arvind Iyer	0.44
11	Shri Rajendra Prasad Mohanka	0.49
12	Shri Ashwini Kumar	0.28
13	Smt. Kumkum Rathi	0.14
14	Shri Manoj Shah	0.07
15	Shri Vinod Kathuria	0.07
16	Shri Davinder Chugh	0.08
17	Shri Atul Gupta	0.07
18	Dr. Suranjan Sinha	0.07

- ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2021-22:

Sr. No.	Name of Directors / KMP	Designation	% increase / (decrease) in Remuneration Paid
1	Shri Basant Lall Shaw*	Chairman	50.00
2	Shri Arvind Jayaswal	Managing Director & CEO (Foundry Division)	8.01
3	Shri Ramesh Jayaswal	Jt. Managing Director & CEO (Steel Plant Division)	6.33
4	Shri B. K. Agrawal*	Independent Director	30.30
5	Shri P. K. Bhardwaj	Executive Director and CFO	0.98
6	Shri S. N. Singh*	Independent Director	(4.17)
7	Shri Darshan Kumar Sahni*	Independent Director	--
8	Smt. Raji Nathani*	Independent Director	--
9	Shri Megh Pal Singh	Executive Director (Steel) & COO (Steel Plant Division)	12.51
10	Shri Arvind Iyer*	Independent Director	14.29
11	Shri Rajendra Prasad Mohanka*	Independent Director	133.33
12	Shri Ashwini Kumar*	Independent Director	--
13	Smt. Kumkum Rathi*	Independent Director	--

14	Shri Manoj Shah*	Independent Director	--
15	Shri Vinod Kathuria*	Independent Director	--
16	Shri Davinder Chugh*	Nominee Director	--
17	Shri Atul Gupta*	Nominee Director	--
18	Dr. Suranjan Sinha*	Independent Director	--
19	Shri Vikash Kumar Agarwal**	Company Secretary and Compliance Officer	8%

\*Only sitting fees paid.

\*\*Increase of 8% w.e.f. 01.04.2021.

- iii) The percentage increase in the median remuneration of employee(s) in the financial year 2021-22: **12.63%**
- iv) The number of permanent employees on the roll of the Company: 4119 Employees as on 31<sup>st</sup> March, 2022.
- 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:

Percentage increment at 50<sup>th</sup> Percentile for Salaries of Non-Managerial Personnel is **(17.64%)**

Percentage increment at 50<sup>th</sup> Percentile for Salaries of Managerial Personnel is **(7.18%)**

The increase in remuneration is not solely based on Company's performance but also includes various other factors like individual performance, experience, relevant expertise, skills, academic background, industry trends, economic situation and future growth prospects etc. besides Company's performance. There were no exceptional circumstances for the increase in managerial remuneration in comparison to remuneration of other employees.

- vi) The remuneration paid to the Directors is as per the Remuneration Policy of the Company.
- vii) Statement of Particulars of Employees as per Section 197 of The Companies Act, 2013 read with rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended and forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2022:

Sr. No.	Name of the Employee	Designation/ Nature of Employment	Age/ Qualification	Experience	Remuneration (Rs. In Lacs)	Last Employment	Date of Appointment	Equity holding %
1	Shri Arvind Jayaswal	Managing Director & CEO (Foundry Division) / Contractual	69, B.Sc.	45	122.16	Managing Director of Jayaswals Neco Limited	01.01.1998	0.25
2	Shri Ramesh Jayaswal	Joint Managing Director & CEO (Steel Plant Division)/ Contractual	63, B.Com.	38	122.16	Whole time Director of Nagpur Alloy Castings Limited	01.01.1998	0.25
3	Shri Megh Pal Singh	Executive Director (Steel) & COO (Steel Plant Division) / Contractual	64, B. E. (Metallurgy)	42	65.84	Bhushan Steel Limited	13.11.2014	--
4	Shri S.K. Swain	Associate Director (Metal Mines)	54, B. E. (Metallurgy)	30	85.94	Midwest Iron & Steel Co. Ltd.	11.09.1995	--
5	Shri Susanta Kumar Moitra	Associate Director (Business Development)	57, M.Com., D.B.M. and M.B.A.	31	82.37	House of Kedia, Bhilai	10.10.2001	--
6	Shri Bijendra Kumar Tiwari	President (Works)	51, B.E.(METT.), M.TECH.(IND. METT.)	25	80.12	Hospet Steels Limited	12.12.2019	--

7	Shri Prashant Laxmikant Dande	President (Marketing)	55, B.E. (Metallurgy)	32	39.97	Kalyani Steels Limited	08.10.2021	--
8	Shri Rajkamal Shrivastava	President (Marketing)	59, B.Com., LLB, PGDM & SM	37	31.03	Sunflag Iron & Steel Co. Ltd.	14.08.2003	--
9	Shri Kapil Shroff	President (Finance)	43, B.Com., F.C.A, D.I.S.A.	22	67.96	Sunflag Iron & Steel Co. Ltd.	15.05.2004	--
10	Shri B. Venkata Narayana	Vice President (Project)	57, B.E. (Mech.)	31	71.41	MGM Steel Limited	16.12.2010	--

- Notes:** i. Remuneration includes Salary and allowances.
- ii. Shri Arvind Jayaswal and Shri Ramesh Jayaswal are related to Shri Basant Lal Shaw, Chairman of the Company.

**For and on behalf of Board of Directors**

**Date: 9<sup>th</sup> August, 2022**  
**Place: Nagpur**

**Arvind Jayaswal**  
**Managing Director & CEO (Foundry Division)**  
**(DIN 00249864)**

**P.K. Bhardwaj**  
**Executive Director & CFO**  
**(DIN 03451077)**

## CORPORATE GOVERNANCE REPORT

### I COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Transparency and accountability are the two basic tenets of Corporate Governance. The core of Corporate Governance is based upon, *inter-alia*; the objective of maximizing the wealth of all the Stakeholders of the Company by making optimum utilization of resources at its disposal and fulfilling its obligations towards Corporate Responsibility and contributing to Nation Building to the best of its might. It also advocates the principles of transparency to be followed by the Company in all its decisions and actions; apart from furnishing full disclosures to the Board, its Shareholders and other Stakeholders. The above principles have been the guiding force for whatever we do and shall continue to be so in the years to come. The Company is committed to adhere to high standards of the Corporate Governance Code in words and spirit. It is also constantly taking review of systems and procedures to keep pace with changing corporate environment.

### II BOARD OF DIRECTORS

As of date, the Board of the Company comprises of 14 (Fourteen) Directors; with the composition of Executive, Non-Executive and Independent Directors.

6 (Six) Board Meetings were held during the financial year ended 31<sup>st</sup> March, 2022. The dates of the Board meetings held are as under:

i) 10.06.2021 ii) 30.06.2021 iii) 14.08.2021 iv) 28.08.2021 v) 11.11.2021 vi) 12.02.2022.

The names and categories of the Directors on the Board, their attendance at Board Meetings during the financial year under review and at the last Annual General Meeting and also the number of Directorships and Committee Memberships held by them in other companies and Name of Listed Entities in which they are Directors along with Category of Directorship are given below:

Sr. No	Names of Directors	Category	Board Meetings Attended	Attended last AGM held on 30.12.2021	No. of Directorships in other Companies as on 31.03.2022*	No. of Memberships/ Chairmanship in Committee of Directors in other Companies**		Name of Listed Entity and Category of Directorship
					Director	Member	Chairman	
1	Shri Basant Lall Shaw Chairman (DIN 00249729)	Promoter Non-Executive	6	Yes	3	-	-	-
2	Shri Arvind Jayaswal Managing Director & Chief Executive Officer (Foundry Division) (DIN 00249864)	Promoter Executive	6	Yes	3	-	-	-
3	Shri Ramesh Jayaswal Joint Managing Director & Chief Executive Officer (Steel Plant Division) (DIN 00249947)	Promoter Executive	6	Yes	4	-	-	-
4	Shri B. K. Agrawal Director (DIN 01223894)	Independent Non-Executive	6	Yes	-	-	-	-
5	Shri P. K. Bhardwaj Executive Director & CFO (DIN 03451077)	Professional Executive	6	Yes	-	-	-	-
6	Shri Ashwini Kumar Director (DIN 07694424) (w.e.f 14 <sup>th</sup> August, 2021)	Independent Non-Executive	4	Yes	-	-	-	-
7	Shri Manoj Shah Director (DIN 00010473) (w.e.f 21 <sup>st</sup> October, 2021)	Independent Non- Executive	1	No	-	-	-	-



8	Smt. Kumkum Rathi Director (DIN 03128864) (w.e.f 21 <sup>st</sup> October, 2021)	Independent Non-Executive	2	No	-	-	-	-
9	Shri Megh Pal Singh Executive Director (Steel) & Chief Operating Officer (Steel Plant Division) (DIN 02635073)	Professional Executive	6	No	1	-	-	-
10	Shri Vinod Kumar Kathuria Director (DIN 06662559) (w.e.f 11 <sup>th</sup> November, 2021)	Independent Non-Executive	1	No	3	-	-	Satia Industries Limited- Independent Director
11	Shri Rajendra Prasad Mohanka Director (DIN 00235850)	Independent Non-Executive	6	Yes	2	1	1	Sharda Ispat Limited- Independent Director Vidarbha Industries Limited – Independent Director
12.	Dr. Suranjan Sinha Director (DIN: 09461995) (w.e.f 17 <sup>th</sup> January, 2022)	Independent Non-Executive	1	No	-	-	-	-
13	Shri Davinder Kumar Chugh Nominee Director (DIN : 09020244) (w.e.f 11 <sup>th</sup> November, 2021)	Nominee Director	1	No	1	2	-	HEG Limited- Independent Director
14	Shri Atul Gupta Nominee Director (DIN: 09314224) (w.e.f 11 <sup>th</sup> November, 2021)	Nominee Director	1	No	-	-	-	-
15	Smt. Raji Nathani Director (DIN 06945777) (Upto 21 <sup>st</sup> September, 2021)	Independent Non-Executive	4	NA	-	-	-	-
16	Shri Darshan Kumar Sahni Director (DIN 00131269) (Upto 30 <sup>th</sup> April, 2021)	Independent Non-Executive	0	NA	-	-	-	-
17	Shri S. N. Singh Director (DIN 00398484) (Upto 21 <sup>st</sup> September, 2021)	Independent Non-Executive	4	NA	1	2	1	Lloyds Steel Industries Limited- Independent Director
18	Shri Arvind Iyer Director (DIN 01375173) (upto 12 <sup>th</sup> November, 2021)	Independent Non-Executive	5	NA	-	-	-	-

(\*) Excluding Private Limited Companies, Foreign Companies, Section 8 Companies and Alternate Directorships.

(\*\*) Includes only Audit Committee and Stakeholders' Relationship Committee.

None of the Directors of the Company are inter-se related to each other except as mentioned hereinbelow:

- Shri Basant Lal Shaw, Chairman of the Company is father of Shri Arvind Jayaswal, Managing Director and Shri Ramesh Jayaswal, Joint Managing Director of the Company.

The Board of Directors is of the opinion that the Independent Directors of the Company fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

As per SEBI (Listing Obligations and Disclosure Requirements) amendment Regulations, 2018, the Board of Directors of the Company has identified the list of core skills/expertise/competencies and the Directors possessing the same as required and available in the context of its business and sector for it to function effectively which are as follows:

<b>Skills/Expertise/Competencies Required</b>	<b>Skills/Expertise/Competencies Available</b>	<b>Name of Directors possessing the Skills/Expertise/Competencies</b>
Steel Sector Expert	Yes	S/Shri Basant Lall Shaw, Arvind Jayaswal, Ramesh Jayaswal, Ashwini Kumar and M.P. Singh
Finance & Taxation Expert	Yes	S/Shri B.K. Agrawal, P.K. Bhardwaj, R.P. Mohanka, Manoj Shah, Vinod Kathuria, Kumkum Rathi, Davinder Kumar Chugh and Atul Gupta
Commercial Expert	Yes	S/Shri Arvind Jayaswal and Ramesh Jayaswal
Mining Expert	Yes	Dr. Suranjan Sinha.

Details about Directors seeking Appointment/Re-appointment at the forthcoming Annual General Meeting are given separately along with Notice convening the said Meeting.

### **FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

The Company has adopted a policy on familiarization program for Independent Directors to provide them with an opportunity to familiarize themselves with the Company, its Management, its operations and the industry in which the Company operates. On his appointment, an Independent Director receives a formal letter of appointment setting out in detail the role, functions, duties and responsibilities expected of him as an Independent Director of the Company. Further, the Directors of the Company are updated on changes/ developments in domestic/ global corporate and industry scenario including those pertaining to statutes/ legislations and economic environment and on matters related to the Company covering its plants, products, marketing, competitors and other functions.

The details of Directors induction and familiarization program are available on the Company's Website at - <https://necointia.com/images/investor/corporate-governance/Familiarisation-Program-of-Independent-Director.pdf>

### **III AUDIT COMMITTEE**

The Audit Committee of the Board of Directors in compliance with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 is in place.

During the year under review, the Committee met on 10.06.2021, 30.06.2021, 14.08.2021, 11.11.2021 and 12.02.2022. Generally, all the Members of the Committee attend the Meetings. Heads of the Internal Audit, Representatives of Statutory Auditors, Managing Director & CEO (Foundry Division), Executive Director & CFO of the Company also attend the Meetings, on invitation.

The Company Secretary acts as Secretary to the Committee.

The particulars of Members of the Committee as on 31.03.2022 and the number of Meetings attended by them during the year are as follows:

<b>Sr. No.</b>	<b>Names of Members</b>	<b>Chairman/Member</b>	<b>No. of Meetings attended</b>
1)	Shri B. K. Agrawal	Chairman	5
2)	Shri Ramesh Jayaswal	Member	4
3)	Shri S. N. Singh*	Member	3
4)	Shri Arvind Iyer*	Member	4
5)	Shri Manoj Shah**	Member	0
6)	Shri R.P. Mohanka **	Member	1

Shri Atul Gupta was appointed as an observer to the Audit Committee w.e.f. 11<sup>th</sup> November, 2021 and he attended 1 meeting of the Committee during the financial year ended 31.03.2022.

\*Shri S.N. Singh and Shri Arvind Iyer ceased to be members of the Committee w.e.f. 21<sup>st</sup> September, 2021 and 12<sup>th</sup> November, 2021 respectively.

\*\*Shri Manoj Shah and Shri R.P. Mohanka were appointed as members of the Committee w.e.f. 11<sup>th</sup> November, 2021.

The role and terms of reference of the Audit Committee are as per the provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015 which inter-alia include the following:

- oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- reviewing with the management the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) changes, if any, in accounting policies and practices and reasons for the same;
  - (c) major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) significant adjustments made in the financial statements arising out of audit findings;
  - (e) compliance with listing and other legal requirements relating to financial statements;
  - (f) disclosure of any related party transactions;
  - (g) modified opinion(s) in the draft audit report;
- reviewing with the management the quarterly financial statements before submission to the board for approval;
- reviewing with the management the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- reviewing with the management performance of statutory and internal auditors, adequacy of the internal control systems;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussion with internal auditors of any significant findings and follow up there on;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- to review the functioning of the whistle blower mechanism;
- approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- to seek information from employees, obtain outside legal / professional advice on the matters before it;

- evaluation of internal financial control and risk management policies of the Company;
- the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- to review and monitor the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the Company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the Company, wherever it is necessary;
- to review the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments;
- to consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee;
- to perform all other functions as are required under the Listing Regulations as amended from time to time.

#### IV NOMINATION AND REMUNERATION COMMITTEE

During the year, Nomination and Remuneration Committee met on 30.06.2021, 14.08.2021, 11.11.2021 and 12.02.2022.

The composition of the Nomination and Remuneration Committee as on 31.03.2022 and the attendance of Members at the Nomination and Remuneration Committee meetings are as follows:

Sr. No.	Names of Members	Chairman/Member	Attendance
1.	Shri B. K. Agrawal	Chairman	4
2.	Shri D. K. Sahni*	Member	0
3.	Shri Arvind Iyer*	Member	3
4.	Shri R.P. Mohanka**	Member	4
5.	Shri Davinder Kumar Chugh**	Member	1

\*Shri D.K. Sahni and Shri Arvind Iyer ceased to be members of the Committee w.e.f. 30<sup>th</sup> April, 2021 and 12<sup>th</sup> November, 2021 respectively.

\*\*Shri R.P. Mohanka and Shri Davinder Kumar Chugh were appointed as members of the Committee w.e.f. 10<sup>th</sup> June, 2021 and 11<sup>th</sup> November, 2021 respectively.

##### **At the meeting held on 30.06.2021, the Committee:**

- Took note of the reconstitution of the Nomination and Remuneration Committee.
- Recommended the re-appointment of Shri Megh Pal Singh as a Director liable to retire by rotation at the ensuing AGM.

##### **At the meeting held on 14.08.2021, the Committee:**

- Recommended the appointment of Shri Ashwini Kumar as an Independent Director of the Company.

##### **At the meeting held on 11.11.2021, the Committee:**

- Took note of the circular resolution passed for the appointment of Smt. Kumkum Rathi as an Independent Director of the Company.
- Took note of the circular resolution passed for the appointment of Shri Manoj Shah as an Independent Director of the Company.

- iii. Recommended the appointment of Shri Davinder Kumar Chugh as a Nominee Director of the Company.
- iv. Recommended the appointment of Shri Atul Gupta as a Nominee Director of the Company.
- v. Recommended the appointment of Shri Vinod Kathuria as an Independent Director of the Company.
- vi. Recommended the re-appointment of Shri Ramesh Jayaswal as a Director liable to retire by rotation at the ensuing AGM.
- vii. Recommended to designate Shri Arvind Jayaswal, Managing Director & CEO of the Company as a Director whose period of office shall be liable to retirement by rotation.

**At its meeting held on 12.02.2022, the Committee:**

- i. Took note of the circular resolution passed for the appointment of Dr. Suranjan Sinha as an Independent Director of the Company.
- ii. Took note of the revised terms of reference of the Nomination & Remuneration Committee.
- iii. Evaluated the performance of all the Directors of the Company including the Independent Directors and the performance of the Board as a whole.

The terms of reference of Nomination and Remuneration Committee are as per the provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015 which inter-alia include the following:

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- for every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
- whether to extend or continue the term of appointment of the independent director on the basis of the report of performance evaluation of independent directors.
- to recommend to the Board all remuneration, in whatever form, payable to Senior Management.
- to perform all other functions as are required under the Listing Regulations as amended from time to time.

**Performance Evaluation Criteria for Directors including Independent Directors**

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria and process for performance evaluation of the Non-Executive Directors including Independent Directors and Executive Directors through questionnaire to judge the knowledge to perform the role, time and level of participation, performance of duties, professional conduct, independence etc. The appointment/ re-appointment/ continuation of Directors on the Board is based on the outcome of evaluation process.

Further, all the Independent Directors of the Company have registered themselves in the Independent Directors Database of the Indian Institute of Corporate Affairs as mandated by the Ministry of Corporate Affairs.

## **POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION**

The Nomination and Remuneration Committee has adopted a policy which, inter-alia, deals with the manner of selection of members of the Board including Executive and Non-Executive Directors, Key Managerial Personnel and Senior Management Personnel and their remuneration. The details of the policy are as follows:

### **1. APPOINTMENT CRITERIA AND QUALIFICATION:**

#### **i) For Non-Executive Directors**

- a. The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- b. In case of appointment of Independent Directors, the Nomination and Remuneration Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its functions and duties effectively.
- c. The Nomination and Remuneration Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- d. The Nomination and Remuneration Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director:
  - i. Qualification, expertise and experience of the Directors in their respective fields;
  - ii. Personal, Professional or business standing;
  - iii. Diversity of the Board.
- e. In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

#### **ii) For Executive Directors including Managing/ Whole-time Director and Key Managerial Personnel (KMP) and Senior Management Personnel**

For the purpose of selection, the Nomination and Remuneration Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfills such other criteria as laid down under the Companies Act, 2013 or other applicable laws.

The re-appointment of the Directors including both Executive and Non-Executive Directors shall be based on the outcome of the evaluation process.

### **2. REMUNERATION:**

#### **i) For Non-Executive Directors**

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees and reimbursement of expenses for participation in the Board / Committee meetings as detailed hereunder:

**By way of sitting fees as under:**

**Board Meeting** - Rs.25000/- per Meeting\*.

**Audit Committee Meeting** - Rs.5000/- per Meeting\*.

**Nomination and Remuneration Committee Meeting** - Rs.5000/- per Meeting\*.

**Corporate Social Responsibility Committee Meeting** - Rs. 5000/- per Meeting\*.

\*Subject to revision by the Board of Directors from time to time. The last revision was made w.e.f. 1<sup>st</sup> November, 2014.

Besides payment of sitting fee there is no pecuniary relationship or transactions of the Non-Executive Directors with the Company.



**ii) For Executive Directors including Managing/Whole-time Director, KMP and Senior Management Personnel**

- a) The remuneration / compensation / commission etc., as the case may be, to the Executive Directors including the Managing / Whole time Director shall be determined by the Nomination and Remuneration Committee in accordance with the provisions of the Companies Act, 2013 and rules made thereunder and recommended to the Board for approval. The remuneration / compensation / commission, etc., as the case may be, shall be subject to the prior / post approval of the shareholders of the Company and shall be in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder.

Further, the Managing Director/ Whole time Directors of the Company are authorised to decide the remuneration of KMP (other than Managing/Whole-time Directors) and Senior Management Personnel, and which shall be decided based on the standard market practice and prevailing HR policies of the Company. Provided that the appointment and remuneration of Managing Director/Whole Time Directors shall require approval of the Board on the recommendation of the Nomination and Remuneration Committee.

- b) The remuneration of the Executive Directors including Managing Director/ Whole Time Directors is broadly divided into a fixed component consisting of salary, allowances and perquisites as per Rules of the Company (within the limits approved by the Board and subject to requisite statutory approvals, if any).

No sitting fee is payable to Executive Directors of the Company for attending the Meetings of the Board and its Committees.

**3. TERM:**

The Term of the Directors including Managing / Whole time Director / Manager/ Independent Director shall be governed as per the provisions of the Act and Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended from time to time. The appointments of Managing/ Whole Time Directors are made under the service agreement.

**4. REMOVAL:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013 or under any other applicable Act, Rules and Regulations there under and / or for any disciplinary reasons and subject to such applicable Acts, Rules and Regulations, the Nomination and Remuneration Committee may recommend, to the Board, with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel.

**5. DETAILS OF REMUNERATION PAID TO THE DIRECTORS:**

The details of Remuneration paid to Directors during the financial year 2021-22 and the number of Equity Shares held by them in the Capital of the Company are as follows:

Sr. No.	Names of Directors	Designation	Service Contract	Notice Period	Remuneration drawn Amount (Rs in lacs)		No. of Equity Shares held	Stock Options Granted
					Salary, Allowances & Perquisites	Sitting fees		
1	Shri Basant Lall Shaw	Chairman	--	--	-	1.50	10312850	-
2	Shri Arvind Jayaswal	Managing Director & Chief Executive Officer (Foundry Division)	01.01.2020 to 31.12.2022	3 months' notice	122.16 (*)	-	2397920	-
3	Shri Ramesh Jayaswal	Joint Managing Director & Chief Executive Officer (Steel Plant Division)	01.01.2020 to 31.12.2022	3 months' notice	122.16 (*)	-	2397920	-
4	Shri P. K. Bhardwaj	Executive Director and CFO	25.02.2020 to 24.02.2023	3 months' notice	44.34 (*)	-	-	-
5	Shri B. K. Agrawal	Independent Director	--	--	-	2.15	7500	-
6	Shri S. N. Singh (upto 21.09.2021)	Independent Director	--	--	-	1.15	-	-

7	Shri D. K. Sahni (upto 30.04.2021)	Independent Director	--	--	-	0.00	-	-
8	Smt. Raji Nathani (upto 21.09.2021)	Independent Director	--	--	-	1.00	-	-
9	Shri Arvind Iyer (upto 12.11.2021)	Independent Director	--	--	-	1.60	140	-
10	Shri Megh Pal Singh	Executive Director (Steel) & Chief Operating Officer (Steel Plant Division)	13.11.2020 to 12.11.2023	3 months' notice	65.84(*)	-	-	-
11	Shri Rajendra Prasad Mohanka	Independent Director	--	--	-	1.75	-	-
12	Shri Ashwini Kumar (w.e.f. 14.08.2021)	Independent Director	--	--	-	1.00	-	-
13	Smt. Kumkum Rathie (w.e.f. 21.10.2021)	Independent Director	--	--	-	0.50	-	-
14	Shri Vinod kumar Kathuria (w.e.f. 11.11.2021)	Independent Director	--	--	-	0.25	-	-
15	Shri Manoj Shah (w.e.f. 21.10.2021)	Independent Director	--	--	-	0.25	-	-
16	Dr. Suranjan Sinha (w.e.f. 17.01.2022)	Independent Director	--	--	-	0.25	-	-
17	Shri Davinder Kumar Chugh (w.e.f. 11.11.2021)	Nominee Director	--	--	-	0.30	-	-
18	Shri Atul Gupta (w.e.f. 11.11.2021)	Nominee Director	--	--	-	0.25	-	-

Note: Company has not issued any Convertible Instruments.

(\*) Break up of Remuneration

(Amount Rs. in lacs)

Names of Directors	Salary and Allowances	Prov. Fund	Perks	Total
Shri Arvind Jayaswal	115.03	7.13	--	<b>122.16</b>
Shri Ramesh Jayaswal	115.03	7.13	--	<b>122.16</b>
Shri P. K. Bhardwaj	41.82	2.52	--	<b>44.34</b>
Shri Megh Pal Singh	62.78	3.06	--	<b>65.84</b>

#### Other payments to Directors:

During the year, the Company has paid an amount of Rs.21.30 Lacs to Shri Arvind Jayaswal, Managing Director & Chief Executive Officer (Foundry Division) and Shri Ramesh Jayaswal, Joint Managing Director & Chief Executive Officer (Steel Plant Division) as Rent for taking on lease the properties owned by them at Hyderabad for carrying on some of the operations of the Company. The details are as follows:

Sr. No.	Names of Directors	Amount (Rs. in lacs)
1	Shri Arvind Jayaswal, Managing Director & Chief Executive Officer (Foundry Division)	10.65
2	Shri Ramesh Jayaswal, Joint Managing Director & Chief Executive Officer (Steel Plant Division)	10.65
	<b>TOTAL</b>	<b>21.30</b>

#### V. SHARE TRANSFER – CUM – STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company has Share Transfer-Cum-Stakeholders Relationship Committee. The terms of reference of the Committee include resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc., Review of measures taken for effective exercise of voting rights by

shareholders, adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent and various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company. Investors' grievances are addressed within specified timelines from the date of receipt, provided the documents are complete in all respects. During the financial year ended 31<sup>st</sup> March, 2022, Company has received 1 complaint from the shareholder and it has been resolved timely.

Presently, Shri B. K. Agrawal, Non-Executive- Independent Director, is the Chairman of the Committee and Shri Arvind Jayaswal, Managing Director and Chief Executive Officer (Foundry Division) and Shri Ramesh Jayaswal, Joint Managing Director and Chief Executive Officer (Steel Plant Division) are the Members. During the financial year ended 31<sup>st</sup> March, 2022 the Committee met 5 times on 14.04.2021, 14.07.2021, 14.10.2021, 19.11.2021 and 18.01.2022.

## **VI. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The role of CSR Committee of the Board is to review, monitor and provide strategic direction to the Company's CSR practices. The Committee seeks to guide the Company in integrating its social and environmental objectives with its business strategies. The Committee has formulated and monitors the CSR policy and recommends to the Board the CSR Annual Action Plan comprising the CSR Budget and CSR activities of the Company in terms of Companies Act, 2013.

During the year, Corporate Social Responsibility Committee met on 30.04.2021, 26.07.2021, 26.10.2021 and 21.01.2022.

In the said meetings, the Committee members inter-alia, approved the CSR Annual Action Plan with Budget, planned the activities for the financial year 2021-22 and also took note of the amount spent on different CSR activities.

The composition of the Corporate Social Responsibility Committee and the attendance of Members at the Corporate Social Responsibility Committee meetings is as below:

<b>Sr. No.</b>	<b>Names of Members</b>	<b>Chairman/ Member</b>	<b>Attendance</b>
1	Shri Arvind Jayaswal	Chairman	4
2	Shri Ramesh Jayaswal	Member	4
3	Shri B. K. Agrawal	Member	4

The terms of reference of Corporate Social Responsibility Committee are as under -

- To formulate and recommend to the Board a Corporate Social Responsibility Policy which shall indicate the CSR activities that the Company shall pursue within the framework of activities mentioned in Schedule VII of the Companies Act, 2013 as amended from time to time.
- To recommend the amount of expenditure to be incurred by the Company on the activities proposed to be carried out under the head CSR during the relevant financial year.
- To monitor the Corporate Social Responsibility Policy of the Company from time to time.
- To comply with the directions of the Board as may be given from time to time in connection with pursuing CSR activities, expenditure thereon and such other matters related thereto.

## **VII RISK MANAGEMENT COMMITTEE**

The Board constituted the Risk Management Committee to periodically review the risk matrix and ensure that the executive management controls risk through properly defined framework. During the year, the Risk Management Committee met on 18.05.2021, 02.08.2021 & 21.01.2022. In these meetings, the Committee considered and took note of the steps taken during the financial year 2020-21 under the Risk Management Plan to manage and mitigate the identified risks, took note of the revised terms of reference of the committee, approved the Risk Management Policy of the Company and reviewed the risk management system of the Company.

The composition of the Risk Management Committee and the attendance of Members at the Risk Management Committee meeting is as below:

Sr. No.	Names of Members	Chairman/Member	Attendance
1	Shri Arvind Jayaswal	Chairman	3
2	Shri B. K. Agrawal	Member	3
3	Shri P. K. Bhardwaj	Member	2
4	Shri Kapil Shroff	Member	3

The terms of reference of Risk Management Committee are as under -

- (1) To formulate a detailed risk management policy which shall include:
  - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
  - (c) Business continuity plan.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
- (5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

## VIII INDEPENDENT DIRECTORS' MEETING

The Statutory role of Independent Directors Meeting is to review the performance of Non-Independent Directors, the Board and the Chairman of the Company and also to assess quality, content and timeliness of the flow of information between the Company Management and the Board and its Committees.

Meeting of the Independent Directors of the Company was held on 12<sup>th</sup> February, 2022 to review the performance of Non-Independent Directors including the Chairman and the Board as a whole.

## IX GENERAL MEETINGS

1. The location, date and time of the Annual General Meeting held during the last three financial years are as under:

For the year ended	Location	Date	Time
31.03.2021	Through VC/OAVM (Deemed Venue: F-8, MIDC Industrial Area, Hingna Road, Nagpur - 440 016).	30.12.21	12.30 P.M.
31.03.2020	Through VC/OAVM (Deemed Venue: F-8, MIDC Industrial Area, Hingna Road, Nagpur - 440 016).	24.12.20	12.30 P.M.
31.03.2019	Registered Office at F-8, MIDC Industrial Area, Hingna Road, Nagpur - 440 016.	27.09.19	12.30 P.M.

**2. Special Resolutions passed in the last three Annual General Meetings are as follows:**

**a. Annual General Meeting held on 30.12.2021**

- i. Resolution under provisions of Section 149 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the appointment of Shri Ashwini Kumar (DIN: 07694424) as an Independent Director of the Company, not liable to retire by rotation, for a term of 3 (Three) consecutive years w.e.f. 14<sup>th</sup> August, 2021.
- ii. Resolution under provisions of Section 149 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the appointment of Smt. Kumkum Rathi (DIN: 03128864) as an Independent Director of the Company, not liable to retire by rotation, for a term of 3 (Three) consecutive years w.e.f. 21<sup>st</sup> October, 2021.
- iii. Resolution under provisions of Section 149 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the appointment of Shri Manoj Shah (DIN: 00010473) as an Independent Director of the Company, not liable to retire by rotation, for a term of 3 (Three) consecutive years w.e.f. 21<sup>st</sup> October, 2021.
- iv. Resolution under provisions of Section 149 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the appointment of Shri Vinod Kathuria (DIN: 06662559) as an Independent Director of the Company, not liable to retire by rotation, for a term of 3 (Three) consecutive years w.e.f. 11<sup>th</sup> November, 2021.

**b. Annual General Meeting held on 24.12.2020**

- i. Resolution under provisions of Sections 196,197,198, 203 and all other applicable provisions of the Companies Act, 2013 read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) rules, 2014 and subject to prior approval of the Banks or Public Financial Institutions concerned and other secured creditors, for the re-appointment of Shri Arvind Jayaswal (DIN. 00249864), as Managing Director & Chief Executive officer (CEO) Foundry Division, of the Company for a period of 3 Years with effect from 1<sup>st</sup> January, 2020 up to 31<sup>st</sup> December, 2022.
- ii. Resolution under provisions of Sections 196,197,198, 203 and all other applicable provisions of the Companies Act, 2013 read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) rules, 2014 and subject to prior approval of the Banks or Public Financial Institutions concerned and other secured creditors, for the re-appointment of Shri Ramesh Jayaswal (DIN. 00249947), as Joint Managing Director & Chief Executive officer (CEO) Steel Plant Division, of the Company for a period of 3 Years with effect from 1<sup>st</sup> January, 2020 up to 31<sup>st</sup> December, 2022.
- iii. Resolution under provisions of Sections 196,197,198, 203 and all other applicable provisions of the Companies Act, 2013 read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) rules, 2014 and subject to prior approval of the Banks or Public Financial Institutions concerned and other secured creditors, for the re-appointment of Shri Pramod Kumar Bhardwaj (DIN. 03451077), as Executive Director & Chief Financial officer (CFO) of the Company for a period of 3 Years with effect from 25<sup>th</sup> February, 2020 up to 24<sup>th</sup> February, 2023.

- iv. Resolution under provisions of Sections 196,197,198, 203 and all other applicable provisions of the Companies Act, 2013 read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) rules, 2014 and subject to prior approval of the Banks or Public Financial Institutions concerned and other secured creditors, for the re-appointment of Shri Megh Pal Singh (DIN. 02635073), as Executive Director (Steel) & Chief Operating officer (COO) Steel Plant Division, of the Company for a period of 3 Years with effect from 13<sup>th</sup> November, 2020 up to 12<sup>th</sup> November, 2023.

**c. Annual General Meeting held on 27.09.2019**

- i. Resolution under provisions of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 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) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the re-appointment of Shri B.K Agrawal (DIN: 01223894) as an Independent Director of the Company not liable to retire by rotation with effect from 22<sup>nd</sup> September, 2019 to hold office for 5 (Five) consecutive years for a term up to 21<sup>st</sup> September, 2024.

**Note:** No Special Resolution was passed through Postal Ballot.

## **X. MEANS OF COMMUNICATION**

Effective communication of consistent, comparable, relevant and reliable information is an effective component of Corporate Governance. It is a process of sharing information, thoughts, opinion, and plans to all stakeholders which promote management-shareholder relations.

**Quarterly Results:** The Company's quarterly results are generally published in Loksatta, Indian Express and Financial Express and are displayed on its website ([www.necoindia.com](http://www.necoindia.com)).

**News releases, presentation:** Official news releases and official media releases which are relevant are sent to Stock Exchanges and are also displayed on the Company's website. Normally, the Company do not make any presentations to the Institutional Investors or the Analysts. Wherever it is required presentations will be made to the Institutional Investors or to the Analysts.

**Website:** The Company's website ([www.necoindia.com](http://www.necoindia.com)) contains a separate dedicated section 'Investors' (<https://www.necoindia.com/disclosure-under-regulation-46-of-the-lodr.php>) where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.

**Annual Report:** The Annual Report containing, inter alia, Audited Annual Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management's Discussions and Analysis Report forms part of the Annual Report and is displayed on the Company's website ([www.necoindia.com](http://www.necoindia.com)).

**NSE Electronic Application Processing System (NEAPS) & NSE Digital Portal:** The NEAPS & NSE Digital Portal are a web-based applications designed by NSE for corporates to make submissions. All periodical compliance filings like shareholding pattern, corporate governance report, corporate announcements etc. are filed electronically on NEAPS & NSE Digital Portal.

**BSE Corporate Compliance and Listing Centre (the 'Listing Centre'):** BSE's Listing Centre is a web-based application designed for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, corporate announcements etc. are also filed electronically on the Listing Centre.

**SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: Centralized data base of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.



## **XI OTHER DISCLOSURES**

1. All transactions entered into with Related Parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, during the financial year were in the ordinary course of business and on an arm's length pricing basis. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Ind-AS has been made in the notes to the Financial Statements.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website.

Weblink: <https://necoindia.com/pdf/Policy%20on%20Related%20Party%20Transactions.pdf>

2. The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a Vigil Mechanism/Whistle Blower Policy under which the employees are free to give their views on the accounting policies and practices of the Company, report unethical or undesirable behavior or practices, actual and suspected fraud taking place in the Company, violations of Company's Code of Conduct or ethics policy. The reportable matters may be disclosed to the Audit Committee through Company Secretary. In exceptional cases, employees may also report directly to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.
3. During the last three years, no non-compliance has been made by the Company and no penalties, strictures imposed on the Company by stock exchange, SEBI or any statutory authority in respect of any matter related to capital market.
4. The Board of Directors periodically reviewed the compliances of all applicable laws. The Company is in compliance of all mandatory requirements of Listing Regulations. In addition, the Company has also adopted the following non-mandatory requirements to the extent mentioned below:
  - **Reporting of Internal Auditor:** The internal auditors of the Company directly report to the Audit Committee on functional matters.
5. The Board has approved a policy for determining 'material' subsidiaries which has been uploaded on the Company's website.  
Weblink-<https://www.necoindia.com/images/investor/corporate-governance/Policy-on-Material-Subsidiaries.pdf>
6. **Commodity Price Risk and Hedging Activities**

### **Fluctuation in commodity prices**

#### **Impact:**

The overall price trends throughout the year have been volatile, marked by the second Covid wave led devastations during the first quarter of the fiscal. A sharp uptick from July 2021 due to pent-up demand was followed by the economy treading a steady path till December 2021 (barring November 2021). A slowdown in the momentum post- December, 2021 was on account of the third Covid wave related disruptions, supply-side constraints and soaring commodity prices. Boiling fuel and commodity prices remained a major contributor to the stressed margins.

Inflationary trend can be seen in this year as post Covid-19 recovery was faster than anticipated and supply chains were not ready for it. The commencement of Ukraine and Russia war in Jan-Feb, 2022 significantly escalated the inflationary trends including significant input cost pressures on the domestic steel mills.

Post Sep 2021 quarter, the prices of Coking coal and Met Coke have risen to record high levels due to various external factors.

The Company imports coking coal and high quality non coking coal and sources iron ore and fines domestically.

The Company's finished rolled products are in Alloy Steel-Long Products segment which has a structured market.

This year, Company witnessed a balance in demand driven price pull and a cost driven price push.

A pick-up in global and domestic demand, investment in capital expenditure and higher iron ore prices supported the upward movement in selling prices. Though the steel prices are determined by the interplay of market forces, it remained significantly influenced by the trends in the raw material prices, demand – supply conditions and international price trends among others.

Further global factors including environmental norms, policy issues of different governments, flooding etc. play a major role in volatility in the coking coal prices.

#### **Mitigation/ Hedging:**

The Company had augmented its facilities by creating large value addition steelmaking capacity as well as implemented various cost reduction capex with an objective to enable the Company to remain competitive by producing quality finished steel at low cost.

The Company's policy is to sell its products as per the prevailing market rates and it does not enter into any price hedging arrangements with its customers. The Company keeps a close watch on the steel prices to gauge its impact on its earnings.

The Company actively engages in price negotiations for its Alloy Steel products with its customers on periodic basis.

The Company constantly tries to scout for cheaper sources of quality iron ore and fines domestically, coking coal and non-coking coal internationally and negotiates hard while procuring them. Further, captive Iron Ore mines are being optimised for maximum productions.

The Company enters into contracts for procurement of materials, most of the transactions are short term fixed price or index linked contracts and few transactions are long term supply contracts.

For lower quality non-coking coal procurement, the Company has also secured coal linkages domestically at good prices to ensure sustained supply of quality non-coking coal. Further, it also opens International Letter of Credit for import procurements with payments terms at Index prices to take the benefit of price fluctuations.

The Risk Management Committee of the Company reviews the commodity related risks and suggests ways to reduce the risks or mitigate the effects of the risks. The Company's key focus is on cost optimization in procurement and production, improvement of yields, reduction of wastages, delivering quality product to the customers in timely manner and ensuring adequate customer satisfaction.

## **7. Foreign Exchange Risk and Hedging Activities**

### **Currency exchange rate fluctuations**

#### **Impact:**

The majority of the earnings of the Company is in Indian Currency as its products are mainly sold in the domestic market. The Company's exports are marginal.

On the import front, the Company imports mainly coking coal as raw material from various countries where the exchange fluctuation may have a negative or positive impact on the Company's earnings.

#### **Mitigation/ Hedging:**

The Company has a robust Foreign Exchange Management Policy and it has developed various controls in its forex management framework to hedge its forex exposures by booking forward covers to avoid unexpected forex losses, whenever required. The Company is not engaged in any forex speculation or buying derivative products. The Company's Executives with requisite knowledge tracks the currency movement and various events impacting the currency movement. The Company also seeks help from consultants to manage the forex fluctuations effectively.

The Risk Management Committee of the Company reviews the forex exposure and its hedging policy issues periodically and it suggests various ways to the Company's business divisions for improvements and changes, if any.

8. The Company has received a Certificate from M/s. R.A. Daga & Co., Practising Company Secretaries that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The said certificate is attached to the Corporate Governance report.
9. There was no instance of non-acceptance of any recommendation of any committee of the Board which is mandatorily required by law or any regulations.
10. The total fees for all services paid/payable by the Company on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part are as follows:

(Amount in Rs.)

Sr. No.	Name of Audit Firm	Services	Amount paid during the year
1.	M/s Pathak H.D & Associates	Limited Review	3,00,000 /-
2.	M/s. Naresh Patadia & Co.	Statutory Audit & Limited Review	22,35,000 /-
3.	M/s. Chaturvedi & Shah LLP	Statutory Audit & Limited Review	59,00,000/-
<b>TOTAL</b>			<b>84,35,000/-</b>

11. Disclosures under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has in place a policy for Prevention of Sexual Harassment at Workplace in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. This policy applies to all individuals who are employed for the time being in any capacity at any location of the Company. The Internal Complaints Committee has been set up to redress the complaints received regarding sexual harassment.

The following is the summary of the complaints received and disposed-off during the financial year ended 31<sup>st</sup> March, 2022:

Number of Complaints Received	<b>NIL</b>	Number of Complaints disposed off	<b>N.A</b>
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#### 12. DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT:

The Company has allotted 2,70,83,333 Equity Shares to the Promoters and 30,52,81,848 Equity Shares to the ACRE Trusts aggregating to 33,23,65,181 Equity Shares at a price of Rs. 28.80/- per Equity Share pursuant to the Restructuring Support Agreement and Shareholders' Agreement dated 23<sup>rd</sup> August, 2021 executed inter alia with 11 (eleven) trusts set up by Assets Care And Reconstruction Enterprise Limited (collectively, referred to as the "ACRE Trusts").

The total issue size was Rs. 957.21 crore. The equity shares allotted to the promoters was against conversion of debt of Rs. 20.00 crore and upfront contribution of Rs. 58.00 crore and to the ACRE Trusts was against the conversion of debt of Rs. 879.21 crore.

The fund utilization was as per the offer document/explanatory statement to the notice for the general meeting convened for the approval of preferential issue.

#### 13. DISCLOSURE OF 'LOANS AND ADVANCES IN THE NATURE OF LOANS TO FIRMS/COMPANIES IN WHICH THE DIRECTORS ARE INTERESTED':

(Amount in Rs.)

Name of firms/companies in which directors are interested	Amount of Loans and advances in the nature of loans given during the year	Balance Outstanding at the end of the year
Jayaswal Neco Urja Private Limited	Nil	8,96,22,762*

- \* ((i) The loan amount as mentioned above was given to Jayaswal Neco Urja Private Limited which, at that time, was a subsidiary of the Company.



- (ii) The entire loan amount of Rs. 896.22 lacs (including Interest Receivable) has been provided for in the books of account of the Company.
- (iii) The same has been disclosed in Note No. 40 (B)-Transactions and Balance with Related Parties of the Audited Balance Sheet of the Company as on 31.03.2022.

**XII. CONFIRMATION OF COMPLIANCE**

1. The Company has complied with the requirements specified in Regulations 17 to 23, 25 to 27 and clauses (b) to (i) of the Regulation 46(2) of the Listing Regulations. It has also fully complied with the requirements of sub para (2) to (10) of para-C of Schedule V of the Regulations.
2. The Company has laid down Code of Conduct for the Directors and Senior Management Personnel of the Company and they have affirmed to the Board that they have adhered to the Code of Conduct during the year ended 31.03.2022 and the declaration to that effect from Managing Director & CEO (Foundry Division) is annexed to this report.
3. The Certificate that the Company has complied with the conditions of Corporate Governance is annexed to the Report of the Board of Directors.
4. Matters required to be covered under Management Discussion and Analysis report are covered in the Report of the Board of Directors under relevant heads, hence not been given separately.

**XIII. GENERAL SHAREHOLDER INFORMATION:**

1. The Company is registered in the State of Maharashtra, India with the Registrar of Companies, Mumbai. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L28920MH1972PLC016154.
2. **Annual General Meeting**  
**Date, Time and Venue** : Thursday, 29<sup>th</sup> September, 2022 at 12:30 p.m.  
: Regd. Office at F-8, MIDC Industrial Area,  
Hingna Road, Nagpur - 440016 (through VC/OAVM).
3. **Book Closure Date** : 23<sup>rd</sup> September, 2022 to 29<sup>th</sup> September, 2022  
(both days inclusive).
4. **Dividend Payment Date** : Not Applicable since no dividend is proposed.
5. **Financial Year** : 1<sup>st</sup> April to 31<sup>st</sup> March
6. **Financial Calendar For the Year ending** : 31<sup>st</sup> March, 2023

Sr. No.	Particulars	Tentative Date
1	Unaudited Financial Results for the period of 3 months ending 30 <sup>th</sup> June, 2022.	First or Second week of August, 2022.
2	Unaudited Financial Results for the period of 3 months ending 30 <sup>th</sup> September, 2022.	First or Second week of November, 2022
3	Unaudited Financial Results for the Period of 3 months ending 31 <sup>st</sup> December, 2022.	First or Second week of February, 2023
4	Audited Financial Results for the year/3 months ending 31 <sup>st</sup> March, 2023.	Second Last or Last week of May, 2023
5	Annual General Meeting for the year ending 31 <sup>st</sup> March, 2023.	Second Last or Last week of September, 2023.

**7. Listing of Equity shares on :1) BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street,  
MUMBAI – 400 001.  
Scrip Code – 522285.

**: 2) National Stock Exchange of India Limited,**

Exchange Plaza, 5<sup>th</sup> Floor, Plot No. 6/1,  
Bandra Kurla Complex, 'G' Block, Bandra,  
MUMBAI – 400 051.  
NSE Symbol – JAYNECOIND

8. Annual Listing fees for the year 2022-2023 have been duly paid to both the above Stock Exchanges.

9. Annual Custody / Issuer fee for the year 2022-2023 have been duly paid to NSDL and CDSL.

**10. Stock Market Data:**

A. Data on the closing share prices of the Company on Stock Exchanges during the year under review is as follows:

Month / Year	BSE Limited (BSE)		National Stock Exchange of India Limited (NSE)	
	Price		Price	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low(Rs.)
Apr. '21	14.30	11.14	14.30	11.10
May '21	19.12	14.37	19.10	14.30
June '21	23.20	18.65	23.55	18.65
July '21	26.15	21.40	26.30	21.40
Aug. '21	24.25	18.05	24.50	17.95
Sep. '21	23.10	19.60	22.95	19.45
Oct. '21	30.95	23.70	30.80	23.55
Nov. '21	30.70	24.00	30.70	24.10
Dec. '21	27.65	23.80	27.15	24.15
Jan. '22	31.25	25.25	31.15	25.40
Feb. '22	30.60	22.50	30.65	22.45
Mar. '22	25.65	22.15	25.85	21.80

B. Equity Shares of the Company are regularly traded on both the Exchanges. During the year, approximately 1074.86 Lacs Equity Shares were traded.

C. Share Price Performance relative to BSE Sensex and NSE Nifty

Financial Year 2021 –2022	Percentage Change		
	Company	BSE Sensex	NSE Nifty
	111.69%	18.30%	18.88%

**11. Registrars and Transfer Agents:**

The Company has appointed the following as Registrar and Transfer Agent for shares held in both physical form and electronic form:

**Link Intime India Pvt. Ltd.**

C-101,247 Park,  
L.B.S. Marg, Vikhroli West,  
Mumbai – 400 083.

**SEBI Reg. No. INR 000004058.**



## 12. Share Transfer and Investors Grievances Redressal System Equity Shares:

### (a) Physical Form

In terms of requirements of Regulation 40 of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the request for transfer of securities shall not be processed unless the securities are held in the dematerialised form with Depositories. While the request for transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form.

Further, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/ CIR/2022/8 dated 25<sup>th</sup> January, 2022, has mandated the listed entities to issue securities for the following service requests only in dematerialised form: i. Issue of duplicate securities certificate; ii. Claim from Unclaimed Suspense Account; iii. Renewal/ Exchange of securities certificate; iv. Endorsement; v. Sub-division/ Splitting of securities certificate; vi. Consolidation of securities certificates/folios; vii. Transmission and viii. Transposition.

The shareholders holding shares in physical form are requested to get their shares dematerialized at the earliest to avoid any inconvenience while transferring the shares.

During the year, the Company had obtained, on yearly basis, a certificate, from a Company Secretary in Practice, certifying that all the requirements under Regulation 40(9) of the Listing Regulations has been complied and a copy of the same has been filed with the Stock Exchanges.

### (b) Electronic Form

The Company's Equity Shares are admitted into the Depository System of National Securities Depository Limited and Central Depository Services (India) Limited, as an eligible security under the Depositories Act, 1996.

As such, facilities for dematerialization of the Company's Equity Shares is already operational vide ISIN: INE 854B01010 at both the Depositories. Investors are required to establish an account with a Depository Participant to hold and trade shares in the dematerialized form. Requests received from Shareholders through their Depository Participants for dematerializing the Equity Shares of the Company are processed by the Registrar within specified time from the date of receipt of such requests and are approved where requests are complete and in order in all respect.

## 13. Shareholding Pattern as on 31<sup>st</sup> March, 2022:

CATEGORY	No. of Shares held	% of Total Shareholding	No. of Shareholders
<b>(A) Shareholding of Promoter and Promoter Group</b>			
Individuals:	15158690	1.56	5
Bodies Corporate:	451227484	46.47	13
<b>Sub-Total (A)</b>	<b>466386174</b>	<b>48.03</b>	<b>18</b>
<b>(B) Public Shareholding</b>			
<b>Institutions:</b>	12221	0.00	18
<b>Non-Institutions:</b>			
a) Bodies Corporate, NRI, OCB, Clearing Members, NBFC, HUF and FPI	435790732	44.88	1219
b) Individuals			
i. Individual Shareholders holding nominal Share Capital up-to Rs. 2 Lakhs.	19841984	2.04	35144
ii. Individual Shareholders holding nominal Share Capital in excess of Rs. 2 Lakhs.	48967133	5.04	260
<b>Sub-Total (B)</b>	<b>504612070</b>	<b>51.97</b>	<b>36641</b>
<b>GRAND TOTAL</b>	<b>970998244</b>	<b>100.00</b>	<b>36659</b>



**14. Distribution of shareholding as on 31<sup>st</sup> March, 2022:**

(Amount in Rs.)

Shares of Nominal Value	Number of Shareholders	% of Holders	Total Amount	% of Amount
Upto 5000	29699	81.01	44538720	0.46
5001 to 10000	2959	8.07	25424490	0.26
10001 to 20000	1556	4.25	25143610	0.26
20001 to 30000	642	1.75	16739280	0.17
30001 to 40000	311	0.85	11364780	0.12
40001 to 50000	327	0.89	15749530	0.16
50001 to 100000	531	1.45	40538390	0.42
100001 and Above	634	1.73	9530483640	98.15
<b>Total</b>	<b>36659</b>	<b>100.00</b>	<b>9709982440</b>	<b>100.00</b>

**15. Dematerialisation of Shares and Liquidity:**

968453154 Equity Shares i.e. 99.74 % of the total Equity Shares have been dematerialized up to 31.03.2022.

Presently, trading in Equity Shares of the Company on Stock Exchanges is permitted only in dematerialised form as per the directions issued by the Securities and Exchange Board of India in that behalf.

**16. Company has no outstanding GDR's, ADR's, Warrants or any other Convertible Instruments.**

**17. Plant Locations:**

1. Steel Plant Division - Siltara Growth Centre, Raipur (Chhattisgarh).
2. Centricast Division – F-8 & F-8/1, MIDC Area, Hingna Rd, Nagpur (Maharashtra).
3. Engineering Castings Division- T-41/42, MIDC Area, Hingna, Nagpur (Maharashtra).
4. Automotive Castings Division- Village Ruikhairi, Wardha Rd. Butibori, Nagpur (Maharashtra).
5. Construction Castings Divisions –Thanod Road, Anjora, Dist. Rajnandgaon (Chhattisgarh).

**18. Address for Investor Correspondence:**

**Registered Office:**

**Jayaswal Neco Industries Limited**  
F-8, MIDC Industrial Area,  
Hingna Road,  
Nagpur - 440 016.  
Ph. Nos. 07104-237276  
Email: [contact@necoindia.com](mailto:contact@necoindia.com)

**Registrar and Transfer Agents Office:**

**Linkintime India Private Limited**  
C-101, 247 Park,  
L.B.S. Marg, Vikhroli (West),  
Mumbai-400083.  
Ph. Nos. 022-49186270  
E-mail : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

**For and on behalf of Board of Directors**

**Date: 9<sup>th</sup> August, 2022**

**Place: Nagpur**

**Arvind Jayaswal**

**Managing Director & CEO (Foundry Division)**  
**(DIN 00249864)**

**P. K. Bhardwaj**

**Executive Director & CFO**  
**(DIN 03451077)**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To  
The Members of  
**JAYASWAL NECO INDUSTRIES LIMITED**  
F-8, MIDC INDUSTRIAL AREA, HINGNA ROAD,  
NAGPUR – 440016.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **JAYASWAL NECO INDUSTRIES LIMITED** having CIN:-L28920MH1972PLC016154 and having registered office at **F-8, MIDC INDUSTRIAL AREA, HINGNA ROAD, NAGPUR – 440016** (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

<b>SR. NO.</b>	<b>NAME OF DIRECTOR</b>	<b>DIN</b>	<b>DATE OF APPOINTMENT IN COMPANY</b>
1	MANOJ BALKRISHNA SHAH	00010473	21/10/2021
2	RAJENDRAPRASAD SHRINIWAS MOHANKA	00235850	27/07/2018
3	BASANT LAL SHAW	00249729	28/11/1972
4	ARVIND JAYASWAL	00249864	28/11/1972
5	RAMESH JAYASWAL	00249947	05/03/1983
6	BRAJKISHORE HARGOVIND AGRAWAL	01223894	10/08/1994
7	MEGH PAL SINGH	02635073	28/10/2010
8	KUMKUM RATHI	03128864	21/10/2021
9	PRAMOD KUMAR BHARDWAJ	03451077	25/02/2011
10	VINOD KUMAR KATHURIA	06662559	11/11/2021
11	ASHWINI KUMAR	07694424	14/08/2021
12	DAVINDER KUMAR CHUGH	09020244	11/11/2021
13	ATUL GUPTA	09314224	11/11/2021
14	SURANJAN SINHA	09461995	17/01/2022

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**R.A. DAGA & Co.**  
Company Secretaries

**Rachana Daga**  
Proprietor  
Membership No: 5522  
C. P. No: 5073  
UDIN :- F005522D000522456

Date: 23<sup>rd</sup> June, 2022  
Place: Nagpur

**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE**

**To**

**The Members of**

**JAYASWAL NECO INDUSTRIES LIMITED**

1. The Corporate Governance Report prepared by **JAYASWAL NECO INDUSTRIES LIMITED** ('the Company') for the financial year 2021-22 contains the details as stipulated in Regulations 17 to 27, clause (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ('Listing Regulations').
2. The Certificate is required by the Company for annual submission to the Stock Exchanges and to be sent to Shareholders of the Company.

**Management's Responsibility for compliance with the conditions of Listing Regulations**

3. The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

**Our Responsibility**

4. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the financial year 2021-22.

**Opinion**

6. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance for the financial year 2021-22 as stipulated in the above-mentioned Listing Regulations.
7. We 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.

**Restriction on use**

8. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For R. A. Daga & Co.  
Company Secretaries**

**Date: 9<sup>th</sup> August, 2022**

**Place: Nagpur**

**Rachana Daga  
Proprietor  
[M. No.: -F5522]  
[CP No.: 5073]  
UDIN: - F005522D000728849**



### **CERTIFICATION ON FINANCIAL STATEMENTS**

We, Shri Arvind Jayaswal, Managing Director & CEO (Foundry Division) and Shri P. K. Bhardwaj, Executive Director and CFO of the Company certify that:

- A. We have reviewed Financial Statements and the Cash Flow Statement of the Company and Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2022 and that to the best of our knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
- D. We have indicated to the Auditors and the Audit Committee that:
1. there are no Significant changes in internal control over financial reporting during the year;
  2. there are no significant changes in accounting policies during the year; and
  3. there are no instances of significant fraud of which we have become aware.

**P. K. Bhardwaj**  
**Executive Director and CFO**  
**DIN: 03451077**

**Arvind Jayaswal**  
**Managing Director & CEO (Foundry Division)**  
**DIN: 00249864**

**Date: 30<sup>th</sup> May, 2022**

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### **CODE OF CONDUCT**

It is hereby declared pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 that to the best of our knowledge and belief, all the Board Members and Senior Management Personnel have, for the year ended 31<sup>st</sup> March, 2022, adhered to the Code of Conduct laid down by the Company.

For **JAYASWAL NECO INDUSTRIES LIMITED**

**Arvind Jayaswal**  
**Managing Director & CEO (Foundry Division)**  
**DIN: 00249864**

**Date: 30<sup>th</sup> May, 2022**

## BUSINESS RESPONSIBILITY REPORT - 2021-22

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L28920MH1972PLC016154
2	Name of the Company	Jayaswal Neco Industries Limited
3	Registered Office address	F-8, MIDC Industrial Area, Hingna Road, Nagpur – 440016.
4	Website	www.necoindia.com
5	E-mail id	contact@necoindia.com
6	Financial Year reported	2021-22
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	i) Billets/Rolled products/Pellet/Pig Iron & Skull / Sponge Iron (2410) & ii) Iron & Steel Castings (2431)
8	List three key products/services that the Company manufactures/provides (as in Balance Sheet)	The Company is engaged in the manufacture and supply of Steel, Pellet, Pig Iron, Sponge Iron and Iron & Steel Castings.
9	Total number of locations where business activity is undertaken by the Company: a) Number of International Locations b) Number of National Locations	<b>a) Number of International Locations: Nil</b> <b>b) Number of National Locations:</b> <b>PLANT LOCATIONS:</b> 1. Steel Plant Division - Siltara Growth Centre, Raipur (CG). 2. Centricast Division - MIDC Area, Hingna Rd., Nagpur (MH). 3. Engineering Castings Division - MIDC Area, Hingna Road, Nagpur (MH). 4. Automotive Castings Division -Butibori, Nagpur (MH). 5. Construction Castings Division – Thanod Road, Anjora, Dist. Rajnandgaon (CG).  <b>OTHER OFFICE LOCATIONS (BRANCHES):</b> Faridabad, Ludhiana, Pune, Rajkot, Chennai, Bangalore, Jamshedpur, Hyderabad, Kolkata, Jaipur, Delhi, Gurgaon, Lucknow.
10	Markets served by the Company – Local/ State/ National/ International	Local, State, National & International

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

(Rs. In Lacs)

1	Paid up Capital (31.03.2022)	97099.82
2	Total Turnover (FY 2021-22)	595854.90
3	Total profit (Loss) after taxes (FY 2021-22)	224728.56
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	386.69 (The Company was not required to spend any amount on CSR activities during the financial year 2021-22)
5	List of activities in which expenditure in 4 above has been incurred:-	1) Health care, sanitation and providing drinking water 2) Education and training 3) Women empowerment 4) Environmental sustainability 5) Protection of national heritage, Promotion and development of traditional art and culture, Community welfare 6) Sports 7) Rural development projects

### SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/ Companies: - No
- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):- NA

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:-

The Company has no such arrangements with other business entities, being its suppliers, distributors etc., however they are encouraged to adopt such practices and follow the principle of being a responsible business entity.

#### SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR:-

a) Details of the Director/Directors responsible for implementation of the BR policy / policies

1. DIN Number: 02635073

2. Name:- Shri Megh Pal Singh\*

3. Designation:- Executive Director (Steel) and COO (Steel Plant Division)

\* As on 30<sup>th</sup> June, 2021, the Board has appointed Shri Megh Pal Singh as the BR head of the Company.

##### Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	02635073
2	Name	Shri Megh Pal Singh
3	Designation	Executive Director (Steel) and COO (Steel Plant Division)
4	Telephone number	07721-264241
5	e-mail id	meghpal.singh@necoindia.com

2. Principle-wise (as per NVGs) BR Policy/policies:-

a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	N	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The policies are based on and are in compliance with the applicable regulatory requirements and broadly conform to the National Guidelines for Responsible Business Conduct (NGRBCs) published by the Ministry of Corporate Affairs in March 2019.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Policies have been framed by the BR Head in consultation with the Managing Director/Joint Managing Director and signed by the Managing Director of the Company. Wherever it is mandatorily required, the policies are approved by the Board of the Company.								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Shri Megh Pal Singh, Executive Director (Steel) and COO (Steel Plant Division), is authorised to oversee the implementation of the policy under the overall supervision of the Board of Directors.								



6	Indicate the link for the policy to be viewed online?	The Business Responsibility Policy of the Company as approved by the Board can be viewed on the following link: <a href="https://www.necoindia.com/images/investor/corporate-governance/Business-Responsibility-and-Sustainability-Policy.pdf">https://www.necoindia.com/images/investor/corporate-governance/Business-Responsibility-and-Sustainability-Policy.pdf</a> . The policies based on each principle can be viewed on the links as given in <b>note no.1</b> below.
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes.
8	Does the company have in-house structure to implement the policy/ policies.	Yes.
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	The Company has an effective grievance redressal mechanism to address the stakeholder's grievances in a time bound and fair manner.
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The Company carried out the evaluation of the working of these policies internally.

**Note no. 1**

Principles	Applicable Policies	Link
1	a. Code of Conduct for employees b. Code of Conduct for Directors & SMP c. Whistle Blower Policy d. Anti-Bribery Policy	a) <a href="https://www.necoindia.com/images/investor/corporate-governance/Code-of-Conduct-for-Employees.pdf">https://www.necoindia.com/images/investor/corporate-governance/Code-of-Conduct-for-Employees.pdf</a> b) <a href="https://www.necoindia.com/images/investor/corporate-governance/Code-of-Conduct-for-Director-and-Senior-Management-Personnel.pdf">https://www.necoindia.com/images/investor/corporate-governance/Code-of-Conduct-for-Director-and-Senior-Management-Personnel.pdf</a> c) <a href="https://www.necoindia.com/pdf/Vigil-Mechanism-Whistle-Blower-Policy.pdf">https://www.necoindia.com/pdf/Vigil-Mechanism-Whistle-Blower-Policy.pdf</a> d) <a href="https://www.necoindia.com/pdf/investor/corporate-governance/Anti%20Bribery%20Policy.pdf">https://www.necoindia.com/pdf/investor/corporate-governance/Anti%20Bribery%20Policy.pdf</a>
2	Environment, Health and Safety Policy	<a href="https://www.necoindia.com/pdf/investor/corporate-governance/Environment,%20Health%20And%20Safety%20Policy.pdf">https://www.necoindia.com/pdf/investor/corporate-governance/Environment,%20Health%20And%20Safety%20Policy.pdf</a>
3	Policy on employee well being	<a href="https://www.necoindia.com/pdf/investor/corporate-governance/Policy%20on%20employee%20well%20being.pdf">https://www.necoindia.com/pdf/investor/corporate-governance/Policy%20on%20employee%20well%20being.pdf</a>
4	Stakeholder engagement policy	<a href="https://www.necoindia.com/pdf/investor/corporate-governance/Stakeholder%20engagement%20policy.pdf">https://www.necoindia.com/pdf/investor/corporate-governance/Stakeholder%20engagement%20policy.pdf</a>
5	Policy on human rights	<a href="https://www.necoindia.com/pdf/investor/corporate-governance/Policy%20on%20human%20rights.pdf">https://www.necoindia.com/pdf/investor/corporate-governance/Policy%20on%20human%20rights.pdf</a>
6	Environment, Health and Safety Policy	<a href="https://www.necoindia.com/pdf/investor/corporate-governance/Environment,%20Health%20And%20Safety%20Policy.pdf">https://www.necoindia.com/pdf/investor/corporate-governance/Environment,%20Health%20And%20Safety%20Policy.pdf</a>
7	Policy on responsible advocacy	<a href="https://www.necoindia.com/pdf/investor/corporate-governance/Policy%20on%20responsible%20advocacy.pdf">https://www.necoindia.com/pdf/investor/corporate-governance/Policy%20on%20responsible%20advocacy.pdf</a>
8	Corporate Social Responsibility Policy	<a href="https://www.necoindia.com/images/investor/corporate-governance/Corporate-Social-Responsibility-Policy-1.pdf">https://www.necoindia.com/images/investor/corporate-governance/Corporate-Social-Responsibility-Policy-1.pdf</a>
9	Policy on customer service	<a href="https://www.necoindia.com/pdf/investor/corporate-governance/Policy%20on%20customer%20service.pdf">https://www.necoindia.com/pdf/investor/corporate-governance/Policy%20on%20customer%20service.pdf</a>

b) If answer to the question at serial number 1 against any principle is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles					NA				
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles					NA				
3	The company does not have financial or manpower resources available for the task					NA				
4	It is planned to be done within next 6 months					NA				
5	It is planned to be done within the next 1 year					NA				
6	Any other reason (please specify)					NA				

### 3. Governance related to BR:-

a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:-**

The Board of Directors of the Company shall assess the BR performance of the Company as and when required.

b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

This report forms an integral part of the Annual Report of the Company. The Annual Report along with the BR Report shall be uploaded every year on the web site of the Company at [www.necoindia.com](http://www.necoindia.com).

### SECTION E: PRINCIPLE-WISE PERFORMANCE

#### **Principle 1 - Businesses should conduct and govern themselves with integrity in a manner that is Ethical, Transparent and Accountable.**

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/ Others?**

Policy on Anti-Corruption and Anti-Bribery of the Company applies to all individuals at all levels working for the company throughout the country, including but not limited to employees, officers, managers, directors, board members or other individuals associated with JNIL, regardless of location.

All contractors, employees, related parties/entities, their governing bodies and others are solicited and encouraged to comply with the principles and requirements of this policy in absolute terms.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

No complaints relating to ethics, bribery and corruption were received during the Financial Year 2021-22.

#### **Principle 2 - Businesses should provide goods and services in a manner that is sustainable and safe.**

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

The Company designs all its products in such a way that they are sustainable and safe.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

a. **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

The Company is equipped with total environmental control equipment's like Bag Filters, ESP, Zero Liquid Discharge facility, recycle of solid waste like dust, GCP Sludge, ESP Dust, Mill Scale dusts etc.

**b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

In Steel Plant Division (SPD) of the Company, due to re-processing of waste water through RO treatment plant at various points, the raw water intake had reduced. Please also refer “annexure B” to the Directors Report for report on conservation of energy by the Company.

**3. Does the company have procedures in place for sustainable sourcing (including transportation)?**

**(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

Yes, the Company ensures sustainable sourcing through responsible supply chain procurement practices & selection criteria. The internal processes and procedures ensure adequate safety during transportation and optimization of logistics.

**4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

**(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

The Company procure goods and services from local & small producers wherever feasible.

**5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

The Company have an adequate mechanism to recycle products and waste. Further, in Steel Plant Division (SPD) of the Company most of the solid waste is recycled back in the system and balance is sold to the adjoining plants for their manufacturing process.

**Principle 3 - Businesses should respect and promote the well-being of all employees, including those in their value chains.**

1. Please indicate the Total number of employees:- **4119** as on 31<sup>st</sup> March, 2022.
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis:- **35**.
3. Please indicate the Number of permanent women employees:- **24**.
4. Please indicate the Number of permanent employees with disabilities:- **01**
5. Do you have an employee association that is recognized by management:- **Yes in Steel Plant Division (SPD) of the Company**
6. What percentage of your permanent employees are members of this recognized employee association? **04%** of SPD unit.
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No. of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/ involuntary labour	No	Nil
2	Sexual harassment	No	Nil
3	Discriminatory employment	No	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
  - a. Permanent Employees More than 90%
  - b. Permanent Women Employees More than 90%
  - c. Casual/Temporary/Contractual Employees More than 90%
  - d. Employees with Disabilities 100%

**Principle 4 - Businesses should respect the interests of and be responsive to all their stakeholders.**

1. **Has the company mapped its internal and external stakeholders? Yes/No**

Yes.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.**

Yes.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

The Company has undertaken various initiatives for the betterment of lives in the vicinity of its plants and mines areas. Details of various initiatives undertaken by the Company are given in “Annex A” (relating to CSR) of the Director’s Report 2021-22.

**Principle 5 - Businesses should respect and promote human rights.**

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

The Company is committed to respecting the human rights of its workers, communities and those affected by its business (including its contractors, suppliers and customers) in accordance with prevailing laws and principles.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

No Complaints have been received from any stakeholder of the Company during the financial year 2021-22.

**Principle 6 - Businesses should respect and make efforts to protect and restore the environment.**

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

The Company’s Environmental, Health and Safety Policy is based on its Code of Conduct, Bylaws, Policies, Rules and Regulations and the legal and regulatory framework common in India. The policy reflects Company and its management’s commitment to high ethical standards related to the environment, health and safety in managing its operations, including the use of resources, using sustainability principles to reduce environmental impact and minimize impact on community. The Company ensures that all activities across the value chain are conducted as per the defined health and safety procedures.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

The Company is conscious of the global environment issues. The Company regularly monitors SOX and NOX and ensures that it never crosses the prescribed limit. Utilization of waste heat is a practice which is always followed by the company and the company presently generates 39 MW of power through recovery of waste heat and gas.

The Company also had taken initiative of reduction of carbon and generate carbon footprint by reducing down the consumption of fossil fuel and added bio-mass fuel in its power plant for generation of power.

3. **Does the Company identify and assess potential environmental risks? Y/N**

Yes.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

The company has installed Gas based Waste Heat recovery based Boilers and Biomass consumption-based Boilers for Generation of Power. The company presently generates 46.5 MW of power through these sources.

The company had installed regenerative type of reheating furnaces which replaces furnace oil and uses blast furnace gas as fuel for generation of heat. Through this lot of carbon emission is reduced due to use of BF gas.

With Oxygen enrichment in the Blast furnace a substantial quantity of coke/coal is reduced during the process of iron making. This help in reduction of carbon emission in the atmosphere.

Due to increase in Hot blast temperature with high quality refractory bricks in the stove, further reduction of coke / coal consumption is achieved in the blast furnace. Through this also reduction of carbon emission is achieved in the atmosphere.

The company had installed sinter plant which consumes all the solid waste which is iron bearing for making sinter.

Environment compliance report is regularly filed by the Company to CECB/MOEF&CC/CPCB.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

N.A.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Reports are submitted to Chhattisgarh Environment Conservation Board Chhattisgarh “CECB” Ministry of Environment and Forest and Climate Change MOEF&CC along with CPCB on a regular basis.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

No show cause/ legal notices received from CPCB/SPCB during the financial year 2021-22.

**Principle 7 - Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.**

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

- a. The Alloy Steel Producers Association of India (ASPA).
- b. Steel Furnace Association of India (SFA).
- c. Sponge Iron Manufacturers Association (SIMA).
- d. Pellet Manufacturers Association of India (PMAI).
- e. Institute of Indian Foundry
- f. Engineering Export of Promotion Council
- g. Indian Plumbing Association

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes, specify the broad areas (such as Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

Yes, the broad areas are- Economic Reforms, Inclusive Development Policies and Sustainable Business Principles.

**Principle 8 - Businesses should promote inclusive growth and equitable development.**

1. **Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.**

The Company through its CSR initiatives undertakes various programmes for the upliftment of the society. The details of the programmes undertaken and expenditure made are given in Annex A to the Director's Report 2021-22. The major areas in which the programmes undertaken are given below:

- 1) Health care, sanitation and providing drinking water
- 2) Education and training
- 3) Women empowerment
- 4) Environmental sustainability
- 5) Protection of national heritage, Promotion and development of traditional art and culture, Community Welfare
- 6) Sports
- 7) Rural development projects



- 2. Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organization?**

All the initiatives are undertaken through in-house team of the Company.

- 3. Have you done any impact assessment of your initiative?**

No.

- 4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.**

An amount of Rs.386.69 Lacs was spent towards various CSR projects during the Financial Year 2021-22 for the development of the Community.

- 5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Most of our programmes evolve from a thorough assessment of community requirements and input from target stakeholders. Several of our initiatives, such as Health care, sanitation, providing drinking water, Education etc. are the basic needs of the community and they adopted the programmes whole heartedly.

**Principle 9 - Businesses should engage with and provide value to their consumers in a responsible manner.**

- 1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

Nil.

- 2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information).**

The Company displays additional information over and above what is mandated as per the Local laws, as and when specified by the Customers.

- 3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

No.

- 4. Did your Company carry out any consumer survey/ consumer satisfaction trends?**

The Company carries out Customer Satisfaction survey whenever required.



## **INDEPENDENT AUDITORS' REPORT**

**TO**  
**THE MEMBERS OF JAYASWAL NECO INDUSTRIES LIMITED**  
**Report on the Audit of Financial Statements**

### **Opinion**

We have audited the accompanying financial statements of **JAYASWAL NECO INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, 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 significant accounting policies and other explanatory information (hereinafter referred to as "**Financial Statements**").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its Profit including Other Comprehensive Income, its Cash Flows and the Statement of Changes in Equity for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing ("SA") specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

### **Emphasis of Matters**

We draw your attention to the:

- a) Note no. 2.07 to the Financial Statements, regarding the attachment of the properties of the Company to the extent of Rs. 30,758.39 Lakhs by the Directorate of Enforcement, which has been contested by the Company and presently stayed.
- b) Note 18.01 to the Financial Statements, regarding accounting of the restructuring of debts as per the Restructuring Support Agreement dated August 23, 2021, as amended from time to time ("the RSA") effective from May 23, 2022 with the cut-off date March 31, 2020, during the year ended March 31, 2022, being an adjustable event as per IND AS-10 "Events after the Reporting Period".

Our opinion is not modified in respect of these matters.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for the year ended March 31, 2022. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matters below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the Financial Statements section of our report, including in relation to this matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Financial Statements.

Key Audit Matters	How our audit addressed the key audit matter
<b>1) Inventories</b>	
<p>As of March 31, 2022, inventories appear in the Financial Statements for an amount of Rs. 120760.01 Lakhs constitutes 19.10% of the total assets of the Company. Inventories are valued at the lower of cost and net realizable value</p> <p>The Company may recognize an inventory allowance if inventory items are damaged, if the selling price has declined, or if the estimated costs to completion or to be incurred to make the sale have increased.</p> <p>We considered this matter as key audit matter due to the:</p> <ul style="list-style-type: none"> <li>• Significance of the inventories balance.</li> <li>• Complexities involve in determining quality of inventories and quantities on hand due to the number, weight, location, diversity of inventory, storage, locations Valuation procedure including of obsolete inventories.</li> </ul> <p>Refer note no. 1(C)(VI) and 7 to the Financial Statements.</p>	<p>Our audit procedure included, among others:</p> <ul style="list-style-type: none"> <li>• Reviewing the Company's process and procedure for physical verification of the Inventories, identification of non-moving and obsolete items and accounting for the same.</li> <li>• Obtaining the physical inventory count reports of the Management as per verification plan, which were conducted in the presence of internal auditors of the Company and discussing with the internal auditors about the Control checks performed by the internal auditors.</li> <li>• Assessing the methods used to value inventories and ensuring the consistency of accounting methods.</li> <li>• Testing, by sampling, the effectiveness of the controls set up by Management to prevent or detect possible errors in valuation of inventories.</li> <li>• Analyzing the company's assessment of net realizable value and calculations for stock obsolescence.</li> <li>• Verifying the completeness of disclosure in the Financial Statements as per Ind AS 2.</li> <li>• Obtaining representation letter from the management as per SA 580 (revised) – Written representations.</li> </ul>
<b>2) Litigation and Regulatory Claims</b>	
<p>The Company is subject to number of significant litigations. Major risks identified by the Company in that area related to Energy Development Cess, Attachment of the Company's property by the Directorate of Enforcement, Application filed by a lender to NCLT under IBC for the recovery of loan, Arbitration with the vendors / suppliers, other litigation with Government authorities, etc. The amount of litigation may be significant and estimates of the amounts of provisions or contingent liabilities are subject to significant Management judgment. (Refer Note No. 2.07, 2.08, 3.03, 3.04, 28.01, 37, and 38 to the Financial Statements)</p> <p>Due to complexity involved in these litigation and regulatory claims, management's judgment regarding recognition and measurement of provisions for these legal proceedings is inherently uncertain and might change over time as the outcomes of the legal cases are determined. Accordingly, it has been considered as a key matter.</p>	<p>Our audit procedure included the following:</p> <ul style="list-style-type: none"> <li>• Assessing the procedures implemented by the Company to identify and gather the risks it is exposed to.</li> <li>• Obtaining an understanding of the risk analysis performed by the Company, with related supporting documentation, and studying written statements from internal legal experts, where applicable.</li> <li>• Discussion with the management on the development in these litigations during the year.</li> <li>• Enquiring from the company's legal counsel and studying the responses as received from them.</li> <li>• Verification that the accounting and / or disclosure as the case may be in the financial statements made by the Company is in accordance with the assessment of legal counsel / management, based on the information currently available to the Company.</li> <li>• Obtaining representation letter from the management on the assessment of these matters as per SA 580 (revised) – Written representations.</li> </ul>

#### Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the management discussion and analysis and director's report included in the annual report but does not include the Financial Statements and our auditors' report thereon. The above information is expected to be made available to us after the date of this auditors' report.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the above other information, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these Financial Statements that give a true and fair view of the Financial Position, Financial Performance including Other Comprehensive Income, Cash Flows and the Statement Of Changes in Equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

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 the appropriate accounting policies; making judgements 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 fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act;
  - e) On the basis of written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, 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 with reference to Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
  - g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid or provided by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V of the Act.

- h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and as represented by the management:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements as referred to in Note No. 2.07, 2.08, 3.03, 3.04, 28.01, 37 and 38 to the Financial Statements;

- ii. The Company has made provisions, as required under the applicable law or Ind AS, for material foreseeable losses, as applicable, on long term contracts including derivative contracts;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) Management has represented to us that, to the best of its knowledge and belief, as disclosed in the notes to the Financial Statements, during the year no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) Management has represented to us that, to the best of its knowledge and belief, as disclosed in the notes to the Financial Statements, during the year no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on our audit procedure conducted that have been considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the representation given by the management under paragraph (2) (h) (iv) (a) & (b) contains any material misstatement.
- v. The company has not declared or paid any dividend during the year and has also not proposed dividend for the year.

**Other Matter**

Attention is drawn to the fact that the figures for the year ended March 31, 2021 in the Financial Statements were jointly audited by predecessor auditors and one of the joint auditors (vide their modified audit report dated June 30, 2021).

Our opinion is not modified in respect of this matter.

**For Chaturvedi & Shah LLP**  
*Chartered Accountants*  
Firm Reg. No. 101720W / W100355

**R. Koria**  
**Partner**  
Membership No. 35629  
UDIN: 22035629AKDJQA9826

**Mumbai**  
**Date: May 30, 2022**

**For Naresh Patadia & Co.**  
*Chartered Accountants*  
Firm Reg. No. 106936W

**Naresh Patadia**  
**Proprietor**  
Membership No. 35620  
UDIN: 22035620AJWWJC4829

**Nagpur**  
**Date: May 30, 2022**

**“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT**

(Referred to in Paragraph 1 under the heading of “Report on other legal and regulatory requirements” of our report of even date to the members of JAYASWAL NECO INDUSTRIES LIMITED on the Financial Statements for the year ended March 31, 2022)

i) In respect of its Property, Plant and Equipment and Intangible Assets:

a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment on the basis of available information.

(B) The Company has maintained proper records showing full particulars of intangible assets on the basis of available information.

b) As explained to us, Property, Plant & Equipment have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification as compared with the available records.

c) According to the information and explanations provided to us and the records produced before us, title deeds in respect of immovable properties disclosed as property, plant and equipment (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) in the Financial Statements are in the name of the Company, except following Properties

(Rs. In Lakhs)

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company
Property Plant and Equipment	Leasehold Land	1534.99	Corporate Ispat Alloys Limited	No	01.04.2008	Steel division from Corporate Ispat Alloys Limited was demerged and acquired by the company. Due to some unresolved legal procedural issue with the government agencies, the properties are pending for transfer.
	Freehold Land	24.30	Jayaswal Chemicals Private Limited	No	01.04.1996	The title deeds are in the name of Jayaswal Neco Limited (earlier known as Jayaswal Chemicals Private Limited) erstwhile Company that was amalgamated with Jayaswal Neco Industries Limited under the Companies Act, 1956. The transfer process is in progress.
	Buildings	83.02				

d) According to information and explanations given to us and books of account and records produced before us, Company has not revalued its Property, Plant and Equipment or Intangible Assets or both during the year.

e) According to information and explanations and representation made to us by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.



- ii. a) As explained to us and on the basis of the records produced before us, in our opinion, physical verification of the inventories, except for inventories in transit for which management confirmation has been received, have been conducted at reasonable intervals by the management and having regard to the size and nature of business of the Company and nature of its inventory, the coverage and procedures of such verification by the management is appropriate. As explained to us and on the basis of the records examined by us, the value of the discrepancies noticed on physical verification by management did not exceed 10% or more in aggregate of each class of inventory.
- b) As per the information and explanation given to us, at the beginning of the year the Company had working capital facilities from only one lender bank. However, on April 30, 2021, that lender bank had also transferred its working capital facilities in favour of Assets Care & Reconstruction Enterprise Ltd (ACRE), acting in its capacity as trustee of various trusts and thereafter no working capital limits have been sanctioned by any bank or Financial institution to the Company, accordingly the Company is not required to file the quarterly returns or statements.
- iii. With respect to investments made in or any guarantee or security provided or any loans or advances in the nature of loans, secured or unsecured, granted during the year by the Company to Companies, Firms, Limited Liability Partnerships or any other parties:
- a) As per the information and explanations given to us and books of account and records produced before us, during the year Company has not provided any guarantee or security or has not granted any loans or advances in the nature of loans to Companies, Firms, Limited Liability Partnerships or any other entities.
- b) In our opinion and according to information and explanations given to us and on the basis of our audit procedures, during the year, the investments made are, *prima facie*, not prejudicial to Company's interest.
- c) According to the books of account and records produced before us in respect of the loan granted in earlier years, the schedule of repayment of principal and payment of interest was stipulated at the time of granting the loan. The repayments or receipts were not regular due to the financial crisis of that party. The Company also discontinued recognition of interest on such loan. The loan and interest thereon were fully provided for as doubtful in the books of account.
- d) According to the books of account and records produced before us, principal amount of Rs. 738.30 Lakhs and interest of Rs. 157.93 Lakhs are overdue for more than 90 days. As per the information and explanations given to us, no steps have been taken by the Company to recover principal and interest and full amount has been provided for as doubtful in the books of account in earlier years.
- e) In our opinion and according to information and explanation given and the books of account and records produced before us, except the case as referred to in clause (iii)(d) above, no loans are due during the year, therefore, the provisions of clause (iii) (e) of paragraph 3 of the Order are not applicable to the Company.
- f) In our opinion and according to information and explanation given and records produced before us, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment.
- iv. According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, as applicable, in respect of grants of loan as detailed in clause (iii)(c) above para, making investment and providing securities.
- v. According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause (v) of paragraph 3 of the Order is not applicable to the Company.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) (d) of the Act, as applicable and are of the opinion that, *prima facie*, the prescribed accounts and records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. According to the information and explanations given to us, in respect of statutory dues:

- a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income tax, Customs Duty, Cess, Goods and Service Tax and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as at March 31, 2022 for a period of more than six months from the date they became payable except Gram Panchayat tax of Rs. 40.01 Lakhs.
- b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Nature of Dues	Statute	Period Involved	Amount	Forum where dispute is pending
			(Rs. in Lakhs) (*)	
Custom Duty	Custom Act, 1962	2014-16	78.56	CESTAT
		2004-05	100.00	Commissioner
Excise Duty	Central Excise Act, 1944	2009-16	144.44	CESTAT
Service Tax	Finance Act, 1994	2005-08	101.12	CESTAT
		2015 -18	15.54	Commissioner
Sales Tax / VAT and Entry Tax	Central Sales Tax Act, 1956 and Sales Tax Acts of various states	2008-09	9.40	High Court
		2007-08, 2009-10, 2011-17	704.92	Chairman Tribunal
		2012-13	49.12	Additional Commissioner
		2016-17	49.19	Joint Commissioner
		1996-97, 2002-03, 2013-14	13.63	Deputy Commissioner
Railway charges	Railway Act	2011	200.00	High Court
Electricity Duty	Electricity Act	2015 to 2022	5,524.39	Supreme Court
Cross Subsidy	Electricity Act	2010	249.00	Supreme Court
Stamp duty	Indian Stamp Act	2016	67.00	High Court
<b>Total</b>			<b>7,306.31</b>	

\*Net of amount paid under protest

viii. According to the information and explanations given to us and representation made to us by the management, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

- ix. a) In our opinion and according to the information and explanations given to us and books of account and records produced before us, during the year the Company has defaulted in repayment of loans or other borrowings or in the payment of interest thereon to the lenders; however, subsequent to the yearend these borrowings have been restructured as per the Restructuring Support Agreement with Assets Care & Reconstruction Enterprise Ltd (ACRE) acting in its capacity as trustee of various trusts ("These Trusts") dated August 23, 2021, as amended from time to time ("the RSA") effective from May 23, 2022 with the cut- off date March 31, 2020 as detailed in note no. 18.01 to the Financial Statements. During the year the Company has repaid the principal and interest as per the RSA, accordingly as on March 31, 2022 there is no default in repayment of loans or other borrowings or in the payment of interest thereon to These Trusts. Further, details of period and amount of default of interest on unsecured loan from a related party are as under:

Nature of borrowing	Name of lender	Amount not paid on due date (Rs. in Lakhs)	Whether principal or interest	No. of days delay or unpaid	Remarks, if any
Current - Inter Corporate Deposits	Maa Usha Urja Limited	292.05	Interest	760	

- b) In our opinion, and according to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) In our opinion, and according to the information and explanations given and records examined by us, there are no unutilised loans at the beginning of the year. Therefore, the provisions of clause (ix)(c) of paragraph 3 of the Order are not applicable to the Company.
- d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the Financial Statements of the Company, we report that, *prima facie*, no funds raised on short-term basis have been used during the year for long-term purposes by the Company.
- e) The Company does not have any subsidiary, associate (having beneficiary interest in it) or joint venture. Therefore, the provisions of clause (ix)(e) of paragraph 3 of the Order are not applicable to the Company.
- f) The Company does not have any subsidiary, associate (having beneficiary interest in it) or joint venture. Therefore, the provisions of clause (ix)(f) of paragraph 3 of the Order are not applicable to the Company.
- x. a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments). Therefore, the provisions of clause (x)(a) of paragraph 3 of the Order are not applicable to the Company.
- b) During the year, the Company has allotted 33,23,65,181 equity shares face value of Rs. 10 each, at the issue price of Rs. 28.80 per share aggregating to Rs. 95,721.17 Lakhs on preferential basis comprising of 30,52,81,848 equity shares to Assets Care & Reconstruction Enterprise Ltd (ACRE) acting in its capacity as trustee of various trusts as detailed in Note No. 18.01 to the Financial Statements against conversion of their borrowings of Rs. 87,921.17 Lakhs and 2,70,83,333 equity shares to the Promoters / Promoter Group against conversion of Inter Corporate Deposits of Rs. 2,000.00 Lakhs given in earlier years and Advance against Share Application Money of Rs. 5,800.00 Lakhs. The funds for Rs. 5,800.00 Lakhs, received as Advance against Share Application Money have been utilized to service the lenders debt as per the RSA and complied with the requirements of Section 42 and Section 62 of the Companies Act, 2013 to the extent applicable. The Company has not issued any fully, optionally or partly convertible debentures during the year.
- xi. a) Based on the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and on the basis of information and explanations given by the management, no fraud by the Company or on the Company has been noticed or reported during the year.
- b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Act has been filed by auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. In our opinion, Company is not a nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Act and their details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- xiv. a) In our opinion, and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- b) We have considered the internal audit reports of the Company issued till date, for the period under audit.
- xv. According to the information and explanations provided by the management, the Company has not entered into any non-cash transaction with directors or persons connected with them as referred to in Section 192 of the Act. Therefore, the provisions of clause (xv) of paragraph 3 of the Order are not applicable to the Company.
- xvi. a) In our opinion and according to the information and explanations provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.



- b) In our opinion, and according to the information and explanations provided to us and on the basis of our audit procedures, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year as per the Reserve bank of India Act 1934.
- c) In our opinion, and according to the information and explanations provided to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- d) In our opinion, and according to the information and explanations provided to us, the Group does not have any Core Investment Company (CIC).
- xvii. In our opinion, and according to the information and explanations provided to us, the Company has not incurred any cash losses in the financial year, however cash losses of Rs. 29,217.02 Lakhs were incurred in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Therefore, provisions of clause (xviii) of paragraph 3 of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. With respect to CSR contribution under section 135 of the Act the company is not mandatorily required to do CSR expenses under Section 135 of the Act. Therefore, provisions of sub-clause (a) and (b) of clause (xx) of paragraph 3 of the Order are not applicable to the Company.

For **Chaturvedi & Shah LLP**  
*Chartered Accountants*  
Firm Reg. No. 101720W / W100355

**R. Koria**  
**Partner**  
Membership No. 35629  
UDIN: 22035629AKDJQA9826

**Mumbai**  
**Date: May 30, 2022**

For **Naresh Patadia & Co.**  
*Chartered Accountants*  
Firm Reg. No. 106936W

**Naresh Patadia**  
**Proprietor**  
Membership No. 35620  
UDIN: 22035620AJWWJC4829

**Nagpur**  
**Date: May 30, 2022**

## **ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT**

**(Referred to in paragraph 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date to the members of JAYASWAL NECO INDUSTRIES LIMITED on the Financial Statements for the year ended March 31, 2022)**

### **Report on the Internal Financial Controls with Reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls with reference to Financial Statements of **JAYASWAL NECO INDUSTRIES LIMITED** (“the Company”) as of March 31, 2022 in conjunction with our audit of the 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 with reference to Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to 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 system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls over financial reporting with reference to these 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 auditors’ 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 Company’s internal financial controls system over financial reporting with reference to these financial statements.

#### **Meaning of Internal Financial Controls With Reference To These Financial Statements**

A company’s internal financial control with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to these 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 With Reference To These Financial Statements**

Because of the inherent limitations of internal financial controls with reference to these financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to these financial statements to future periods are subject to the risk that the internal financial control with reference to these 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls (new accounting software implemented during the year which is being stabilised) with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls issued by the ICAI.

For **Chaturvedi & Shah LLP**

*Chartered Accountants*

Firm Reg. No. 101720W / W100355

**R. Koria**

**Partner**

Membership No. 35629

UDIN: 22035629AKDJQA9826

**Mumbai**

**Date: May 30, 2022**

For **Naresh Patadia & Co.**

*Chartered Accountants*

Firm Reg. No. 106936W

**Naresh Patadia**

**Proprietor**

Membership No. 35620

UDIN: 22035620AJWWJC4829

**Nagpur**

**Date: May 30, 2022**



**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2022**

(Rs.in lakhs)

PARTICULARS	Note No.	As at 31.03.2022	As at 31.03.2021
<b>I. ASSETS</b>			
<b>1) Non Current Assets</b>			
(a) Property, Plant and Equipment	2	373246.56	398472.24
(b) Capital Work in Progress	2	5423.65	4559.05
(c) Intangible Assets	3	1189.21	777.86
(d) Intangible Assets under Development	3	4063.90	3602.64
(e) Financial Assets			
(i) Other Financial Assets	4	734.20	2171.42
(f) Non Current Tax Assets (Net)	5	596.42	244.61
(g) Other Non Current Assets	6	4619.14	4445.61
		<b>389873.08</b>	<b>414273.43</b>
<b>2) Current Assets</b>			
(a) Inventories	7	120760.01	89878.95
(b) Financial Assets			
(i) Investments	8	0.21	0.05
(ii) Trade Receivables	9	45748.63	32750.42
(iii) Cash and Cash Equivalents	10	18187.14	29075.22
(iv) Bank Balances other than (iii) above	11	30360.22	7820.37
(v) Loans	12	-	-
(vi) Other Financial Assets	13	234.99	243.63
(c) Current Tax Assets (Net)	14	467.93	467.93
(d) Other Current Assets	15	26385.93	15558.09
		<b>242145.06</b>	<b>175794.66</b>
<b>3) Assets Held for Sale</b>	47	226.12	-
		<b>226.12</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>632244.26</b>	<b>590068.09</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	16	97099.10	63862.58
(b) Other Equity	17	86240.22	(200122.90)
		<b>183339.32</b>	<b>(136260.32)</b>
<b>LIABILITIES</b>			
<b>1) Non Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	343625.40	188024.33
(ia) Lease Liabilities	19	465.57	450.07
(ii) Other Financial Liabilities	20	1.66	1.86
(b) Provisions	21	28.67	25.97
(c) Deferred Tax Liabilities (Net)	22	6373.79	-
		<b>350495.09</b>	<b>188502.23</b>
<b>2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	23	40323.72	194348.97
(ia) Lease Liabilities	24	81.96	70.45
(ii) Trade Payables	25		
Total Outstanding dues of Micro Enterprises and Small Enterprises		3221.50	4110.51
Total outstanding dues of Creditors other than Micro enterprises and Small Enterprises		23888.60	13811.53
(iii) Other Financial Liabilities	26	16889.38	311083.40
(b) Other Current Liabilities	27	5685.77	6544.61
(c) Provisions	28	8318.92	7856.71
		<b>98409.85</b>	<b>537826.18</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>632244.26</b>	<b>590068.09</b>
Significant Accounting Policies	1		
Notes to the Financial Statements	2 to 53		

As per our Report of even date

For and on behalf of Board of Directors

**For CHATURVEDI & SHAH LLP**

Chartered Accountants

(Registration No. : 101720W/W100355)

**R.KORIA**

Partner

Membership No.: 35629

**For NARESH PATADIA & CO.**

Chartered Accountants

(Registration No. : 106936W)

**NARESH PATADIA**

Proprietor

Membership No.: 35620

**VIKASH KUMAR AGARWAL**

Company Secretary

Membership No.: A19583

**ARVIND JAYASWAL**

Managing Director & Chief Executive Officer

DIN : 00249864

**P. K. BHARDWAJ**

Executive Director & Chief Financial Officer

DIN : 03451077

Nagpur, 30<sup>th</sup> May, 2022

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022****(Rs.in lakhs)**

<b>PARTICULARS</b>	<b>Note No.</b>	<b>For the year ended 31.03.2022</b>	<b>For the year ended 31.03.2021</b>
<b>1 Revenue from Operations</b>	29	<b>595854.90</b>	370504.62
<b>2 Other Income</b>	30	<b>628.02</b>	638.45
<b>3 Total Income (1+2)</b>		<b>596482.92</b>	371143.07
<b>4 Expenses</b>			
Cost of Materials Consumed		<b>264477.31</b>	166311.99
Purchase of Stock in Trade		<b>14097.93</b>	8485.09
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	31	<b>(7589.06)</b>	5639.90
Employee Benefits Expense	32	<b>25449.18</b>	21957.95
Finance Costs	33	<b>45863.28</b>	90862.74
Depreciation and Amortisation Expense	34	<b>26099.21</b>	26675.62
Other Expenses	35	<b>169449.73</b>	107102.42
<b>Total Expenses</b>		<b>537847.58</b>	427035.71
<b>5 Profit / (Loss) Before Exceptional Items and Tax (3-4)</b>		<b>58635.34</b>	(55892.64)
<b>6 Exceptional Items</b>	51	<b>(172449.95)</b>	-
<b>7 Profit / (Loss) Before Tax (5-6)</b>		<b>231085.29</b>	(55892.64)
<b>8 Tax Expenses :</b>			
Deferred Tax	22	<b>6357.75</b>	69.12
Income Tax for Earlier Years		<b>(1.02)</b>	(3.95)
		<b>6356.73</b>	65.17
<b>9 Profit / (Loss) for the Year (7-8)</b>		<b>224728.56</b>	(55827.47)
<b>10 Other Comprehensive Income</b>			
(i) <b>Items that will not be reclassified to profit or loss</b>			
Remeasurement Gains / (Losses) on Defined Benefit Plans		<b>63.73</b>	274.63
Tax Effect on above	22	<b>(16.04)</b>	(69.12)
(ii) <b>Items that will be reclassified to profit or loss</b>		-	-
<b>Total Other Comprehensive Income (Net of Tax)</b>		<b>47.69</b>	205.51
<b>Total Comprehensive Income for the Year (9+10)</b>		<b>224776.25</b>	(55621.96)
<b>11 Earnings per Equity Share of Rs. 10/- each</b>	36		
a) Basic after Exceptional items (Rs.)		<b>28.40</b>	(8.74)
b) Basic before Exceptional items (Rs.)		<b>6.60</b>	(8.74)
c) Diluted after Exceptional items (Rs.)		<b>23.57</b>	(8.74)
d) Diluted before Exceptional items (Rs.)		<b>5.81</b>	(8.74)
Significant Accounting Policies	1		
Notes to the Financial Statements	2 to 53		

As per our Report of even date  
**For CHATURVEDI & SHAH LLP**  
Chartered Accountants  
(Registration No. : 101720W/W100355)

For and on behalf of Board of Directors

**R.KORIA**  
Partner  
Membership No.: 35629

**For NARESH PATADIA & CO.**  
Chartered Accountants  
(Registration No. : 106936W)

**VIKASH KUMAR AGARWAL**  
Company Secretary  
Membership No.: A19583

**ARVIND JAYASWAL**  
Managing Director & Chief Executive Officer  
DIN : 00249864

**P. K. BHARDWAJ**  
Executive Director & Chief Financial Officer  
DIN : 03451077

**NARESH PATADIA**  
Proprietor  
Membership No.: 35620

**Nagpur, 30<sup>th</sup> May, 2022**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

A. EQUITY SHARE CAPITAL

(Rs. in lakhs)

PARTICULARS	Balance as at 01.04.2020	Changes during the year	Balance as at 31.03.2021	Changes during the year	Balance as at 31.03.2022
Equity Share Capital	63862.58	-	63862.58	33236.52	97099.10

B. OTHER EQUITY

(Rs. in lakhs)

PARTICULARS	Equity Component of Compound Financial Instruments	Reserves and Surplus					Revaluation Reserve	Item of Other Comprehensive Income	Total
		Capital Reserve	Securities Premium	General Reserve	Capital Redemption Reserve	Retained Earnings		Remeasurements of Defined Benefit Plans	
Balance as at 1 <sup>st</sup> April, 2020	1518.42	7762.89	96345.81	16700.87	5100.37	(272388.65)	21.47	437.88	(144500.94)
Total Comprehensive Income for the year	-	-	-	-	-	(55827.47)	-	205.51	(55621.96)
Balance as at 31 <sup>st</sup> March, 2021	1518.42	7762.89	96345.81	16700.87	5100.37	(328216.12)	21.47	643.39	(200122.90)
Balance as at 1 <sup>st</sup> April, 2021	1518.42	7762.89	96345.81	16700.87	5100.37	(328216.12)	21.47	643.39	(200122.90)
Total Comprehensive Income for the year	-	-	-	-	-	224728.56	-	47.69	224776.25
Less: Issue of Equity Shares (Refer Note No.16.02)	(897.78)	-	-	-	-	-	-	-	(897.78)
Add: Issue of Equity Shares on Preferential Basis	-	-	62484.65	-	-	-	-	-	62484.65
Balance as at 31 <sup>st</sup> March, 2022	620.64	7762.89	158830.46	16700.87	5100.37	(103487.56)	21.47	691.08	86240.22

As per our Report of even date

For CHATURVEDI & SHAH LLP

Chartered Accountants

(Registration No. : 101720W/W100355)

R. KORIA

Partner

Membership No. : 35629

For NARESH PATADIA & CO.

Chartered Accountants

(Registration No. : 106936W)

NARESH PATADIA

Proprietor

Membership No. : 35620

For and on behalf of Board of Directors

ARVIND JAYASWAL

Managing Director & Chief Executive Officer

DIN : 00249864

P. K. BHARDWAJ

Executive Director & Chief Financial Officer

DIN : 03451077

Nagpur, 30<sup>th</sup> May, 2022



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

(Rs. in lakhs)

PARTICULARS	For the Year ended 31.03.2022	For the Year ended 31.03.2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before Tax as per the Statement of Profit and Loss	231085.29	(55892.64)
<b>ADJUSTED FOR</b>		
Depreciation and Amortisation Expense	26099.21	26675.62
Exceptional Items (Refer Note No. 51)	(172449.95)	-
(Gain)/Loss on Sale / Discard of Property, Plant and Equipment (Net)	99.78	(0.01)
(Gain)/Loss on Financial Instruments measured at Fair Value through	(0.15)	(0.01)
Profit or Loss (Net)	-	3.98
Intangible assets under development Written Off	-	(150.06)
Account Written Back	-	(99.63)
Interest Income	(381.67)	90862.74
Finance Costs	45863.28	7.54
Unrealised loss on Foreign Currency Transaction (Net)	14.12	2538.20
Bad Debts / Advances written off (Net of reversal)	475.51	1086.93
Provision for Credit Impaired Trade Receivables / Advances	(287.84)	(658.68)
Provision for Expected Credit Loss on Trade Receivables	(69.26)	
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	130448.32	64373.98
<b>ADJUSTMENTS FOR</b>		
Trade and Other Receivables	(24178.46)	(10706.14)
Inventories	(30784.51)	(4493.11)
Trade and Other Payables	10898.52	(5199.62)
<b>CASH GENERATED FROM OPERATIONS</b>	86383.87	43975.11
Direct Taxes (Paid) / Refund	(350.79)	785.23
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	86033.08	44760.34
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment, Capital work in progress, Intangible Assets and Intangible assets under development	(3029.85)	(1760.16)
Sale of Property, Plant and Equipment	24.47	0.03
Interest Income	412.66	61.16
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(2592.72)	(1698.97)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Lease Liability	(22.30)	(43.55)
Repayment of Non Current Borrowings	(66242.30)	(759.81)
Current Borrowings (Net)	-	(10988.99)
Finance Costs	(6961.21)	(3772.35)
Margin Money (Net)	(21102.63)	575.08
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	(94328.44)	(14989.62)
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	(10888.08)	28071.75

<b>NET CASH AND CASH EQUIVALENTS</b>		
<b>(OPENING BALANCE)</b>	<b>29075.22</b>	<b>1003.47</b>
Effect of Exchange rate on Cash and Cash Equivalents	(0.19)	(0.17)
Balance of Cash and Cash Equivalents	<u>18187.33</u>	<u>29075.39</u>
<b>CASH AND CASH EQUIVALENTS (CLOSING BALANCE)</b>	<b>18187.14</b>	<b>29075.22</b>
<b>(Refer Note No. 10.01)</b>		

**Changes in Liabilities arising from financing activities on account of Non-Current (Including Current Maturities) and Current Borrowings**

		(Rs.in lakhs)
Particulars	31.03.2022	31.03.2021
Opening Balance of Liabilities arising from Financing Activities	382893.82	394049.26
Less : Changes from Cash Flow from Financing Activities (Net)	(66264.60)	(11792.35)
Add/(Less) : Changes in Fair Value	(30716.29)	636.91
Less : Inter-Corporate Deposits Written back and Upfront Debt Waiver	(17092.77)	-
Less : Conversion to Equity Shares	(1595.24)	-
Less: Conversion of Inter-Corporate Deposits to Equity Shares	(1015.48)	-
Add : Interest accrued and due converted into Term Loan as per Debt Restructuring Terms	118287.21	-
<b>Closing Balance of Liabilities arising from Financing Activities</b>	<u><b>384496.65</b></u>	<u><b>382893.82</b></u>

- (i) The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statement of Cash Flows".
- (ii) Figures in brackets indicate Outflows.
- (iii) Previous Year's figures have been regrouped / rearranged wherever necessary to make them comparable with those of current year.

As per our Report of even date

**For CHATURVEDI & SHAH LLP**

Chartered Accountants

(Registration No. : 101720W/W100355)

For and on behalf of Board of Directors

**R. KORIA**

Partner

Membership No.: 35629

**ARVIND JAYASWAL**

Managing Director & Chief Executive Officer

DIN : 00249864

**For NARESH PATADIA & CO.**

Chartered Accountants

(Registration No. : 106936W)

**VIKASH KUMAR AGARWAL**

Company Secretary

Membership No.: A19583

**P. K. BHARDWAJ**

Executive Director & Chief Financial Officer

DIN : 03451077

**NARESH PATADIA**

Proprietor

Membership No.: 35620

**Nagpur, 30<sup>th</sup> May, 2022**

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2022

### NOTE: 1

#### A CORPORATE INFORMATION:

Jayaswal Neco Industries Limited ("the Company") is domiciled and incorporated in India under the provisions of the Companies Act, 1956 and its shares are listed on the Bombay Stock Exchange ('BSE') and National Stock Exchange of India ('NSE'). The registered office of the Company is situated at F-8, MIDC Industrial Area, Hingna Road, Nagpur - 440016, Maharashtra, India and manufacturing facilities are located in the states of Chhattisgarh and Maharashtra, in India.

The Company is engaged in manufacture and supply of pig iron, sponge iron, pellet, steel and Iron & steel castings.

The financial statements of the Company for the year ended 31<sup>st</sup> March, 2022 were approved and adopted by Board of Directors in their meeting dated 30<sup>th</sup> May, 2022.

#### B BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS:

The financial statements of the Company have been prepared on a going concern basis and to comply with the Indian Accounting Standards (Ind AS), including the rules under the relevant provisions of the Companies Act, 2013.

The financial statements have been prepared on a historical cost basis except certain financial assets and liabilities, assets held for sale and defined benefit plans measured at fair value:

Financial Statements are presented in Indian Rupees (Rs.), which is the Company's functional and presentation currency. All amounts are rounded to the nearest lakhs and two decimals thereof, except as stated otherwise.

#### C SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### (I) PROPERTY, PLANT AND EQUIPMENT (PPE):

PPE are stated at cost net of recoverable taxes, less accumulated depreciation and impairment loss, if any. Such cost includes purchase price, borrowing cost and any other cost directly attributable to bringing the asset to its working condition for its intended use, the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. 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 entity and the cost can be measured reliably.

In case of Property, Plant and Equipment, the Company has availed the carrying value as deemed cost on the date of Ind AS transition i.e. 1<sup>st</sup> April, 2015.

PPE not ready for the intended use on the date of Balance Sheet are disclosed as "Capital Work-in-Progress" and expenses incurred relating to it, net of income earned during the project development stage, are disclosed as pre-operative expenses under "Capital Work-in-Progress".

Gains or losses arising from derecognition of a PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

##### Depreciation on PPE

- a) Depreciation on the PPE is provided to the extent of depreciable amount on the Straight Line Method over the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in respect of following assets where the useful life is different than those prescribed in Schedule II as per technical evaluation:

Particulars	Useful life considered for depreciation
Various plants at its Integrated Steel Complex and Flat product making facilities at Raipur	Over 40 years
Certain Plant and equipments including Furnace Sand Plants, Moulding Machines etc. at Automotive Casting Division (II) Nagpur.	Over 30 years



The Management believes that the useful lives as given above represent the period over which management expects to use these assets.

- b) PPE acquired under finance lease is depreciated on a straight line basis over the lease term.
- c) The leasehold land is amortized over the lease period.
- d) Depreciation on PPE which are added / disposed off during the year is provided on pro-rata basis with reference to the date of addition / deletion. Freehold land is not depreciated.
- e) The residual values, useful lives and method of depreciation of PPE are reviewed at each reporting date and adjusted prospectively, if appropriate.

## **(II) INTANGIBLE ASSETS:**

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization and accumulated impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use.

In case of Intangible Assets the Company has availed the carrying value as deemed cost on the date of Ind AS transition i.e. 1<sup>st</sup> April, 2015.

The Company does not have any intangible assets having indefinite life. Intangible assets are amortized on a straight line method based on useful lives estimated by the management. Technical Know-how is amortized over the useful life of the underlying plant. Softwares are amortized over a period of three years and Indefeasible Right to Use has been amortized over the period of the agreement.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

## **(III) MINING RIGHTS / MINE DEVELOPMENT EXPENDITURE:**

Mining rights / mine development expenditure includes leases, costs incurred for acquiring / developing properties / rights up to the stage of commercial production. If the exploration activities are found to be not fruitful, the expenditure on such exploratory work included in mine development expenditure is written off in the year in which it is decided to abandon the project.

Mining rights / Mine development expenditure are depreciated over the useful life of the mine or lease period whichever is shorter.

## **(IV) LEASES:**

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset.

### **Company as a Lessee**

The Company will recognize a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

#### **(V) IMPAIRMENT OF NON FINANCIAL ASSETS – PPE AND INTANGIBLE ASSETS:**

The Company assesses at each reporting date as to whether there is any indication that any PPE and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognized in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

#### **(VI) INVENTORIES:**

The inventories i.e. Raw Materials, Stores and Spares, Finished Goods etc. are measured at lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. The cost of inventories comprise of all costs of purchase, costs of conversion and other costs incurred in bringing them to their respective present location and condition.

The cost of Raw Materials and Stores & Spares are determined at first-in-first-out method and weighted average method respectively. By-products are measured at net realisable value. The cost of Work-In-Progress and Finished Goods is determined on absorption costing method.

#### **(VII) CASH AND CASH EQUIVALENT:**

Cash and cash equivalent in the balance sheet comprise cash at banks, on hand, cheques in hand, and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**(VIII) NON CURRENT ASSETS HELD FOR SALE:**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when a sale is highly probable from the date of classification, management are committed to the sale and the asset is available for immediate sale in its present condition. Non-current assets are classified as held for sale from the date these conditions are met and are measured at the lower of carrying amount and fair value less cost to sell. Any resulting impairment loss is recognized in the statement of profit and loss as a separate line item. On classification as "held for sale" the assets are no longer depreciated. Assets and liabilities classified as "held for sale" are presented separately as current items in the Balance Sheet.

**(IX) FINANCIAL INSTRUMENTS:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**(i) Financial Assets -Initial recognition and measurement**

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost. Purchase and sale of financial assets are recognized using trade date accounting.

**(ii) Financial Assets -Subsequent measurement****a) Financial Assets carried at amortized cost (AC)**

Financial assets are measured at amortized cost if it is held within a business model whose objective is to hold asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**b) Financial Assets measured at fair value through other comprehensive income (FVTOCI)**

Financial assets are measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling of financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**c) Financial Assets measured at fair value through profit and loss ( FVTPL)**

A financial asset which is not classified in any of the above categories is measured at FVTPL.

**(iii) Financial Assets - Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's Balance Sheet) when:

- a) The rights to receive cash flows from the asset have expired, or
- b) The Company has transferred its rights to receive cash flow from the asset.

**(iv) Impairment of Financial Assets**

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

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

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognized from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

**(v) Financial Liabilities - Initial recognition and measurement**

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

**(vi) Financial Liabilities - Subsequent measurement**

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

**(vii) Financial Liabilities – Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another, from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

**(viii) Reclassification of Financial Assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

**(ix) Offsetting of Financial Instruments**

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

**(X) FAIR VALUE MEASUREMENT:**

The Company measures financial instruments at fair value at each balance sheet date.

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:

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy.

#### **(XI) PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS AND COMMITMENTS:**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognized in the statement of profit and loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognized. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognized as an asset.

##### **Decommissioning Liability**

The Company records a provision for decommissioning costs towards site restoration activity related to leasehold land. The decommissioning costs are provided at the present value of future expenditure using a current pre tax rate expected to be incurred to fulfill decommissioning obligations and are recognized as part of the cost of the underlying assets. Any change in the present value of the expenditure, other than unwinding of discount on the provision, is reflected as adjustment to the provision and the corresponding assets. The change in the provision due to the unwinding of discount is recognized in the statement of Profit and Loss.

#### **(XII) CURRENT AND NON-CURRENT CLASSIFICATION:**

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

The Company has presented non-current assets and current assets, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by Ministry of Corporate Affairs (MCA).

##### **An asset is current when it is:**

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

All other assets are classified as non-current

##### **A liability is current when it is:**

- a) Expected to be settled in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Due to be settled within twelve months after the reporting period or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are treated as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has identified twelve months as its normal operating cycle.

### **(XIII) FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION:**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

### **(XIV) FINANCIAL DERIVATIVES:**

The Company uses derivative financial instruments such as forward currency contracts to hedge its foreign currency risks. Derivative financial instrument are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each period. Any gain or loss arising from changes in the fair value of derivative is taken directly to statement of profit and loss.

### **(XV) REVENUE RECOGNITION:**

#### **Sale of Goods and Services**

The Company derives revenues primarily from sale of products comprising of pig iron, sponge iron, pellet, steel and Iron & steel casting.

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. Generally, control is transfer upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue is measured at the amount of consideration which the company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Revenue from rendering of services is recognized over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

**Contract balances****Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional.

**Contract liabilities**

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

**Other Income**

Incentives on exports and other Government incentives related to operations are recognized in the statement of profit and loss after due consideration of certainty of utilization/receipt of such incentives.

**Interest Income**

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**Dividend**

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

**(XVI) EMPLOYEE BENEFITS EXPENSE:****Short Term Employee Benefits**

Short-term employee benefits are recognized as an expense in the Statement of Profit and Loss/Pre-operative expenditure of the year in which the related service is rendered.

Leave encashment being a short term benefit is accounted for using the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the year in which they arise.

**Post-Employment Benefits****Defined Contribution Plans**

Contribution to Provident Fund, a defined contribution plan, is made in accordance with the statute, and is recognized as an expense in the year in which employees have rendered services.

**Defined Benefit Plans**

The cost of providing gratuity, a defined benefit plan, is determined using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Other costs are accounted in statement of profit and loss.

Re-measurements of defined benefit plan in respect of post employment and other long term benefits are charged to the other comprehensive income in the year in which they occur. Re-measurements are not reclassified to statement of profit and loss in subsequent periods.

**(XVII) BORROWING COSTS:**

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporary deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. For general borrowing used for the purpose of obtaining a qualifying



asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period. All other borrowing costs are expensed in the period in which they occur.

#### **(XVIII) CUSTOMS:**

Liability on account of Customs Duty on Imported materials in transit or in bonded warehouse is accounted in the year in which the goods are cleared from customs.

#### **(XIX) EARNING PER SHARE:**

Basic earnings per share is computed using the net profit for the year attributable to the shareholders and weighted average number of shares outstanding during the year.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholders and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

#### **(XX) TAXES ON INCOME:**

Tax expense represents the sum of current tax (including income tax for earlier years) and deferred tax. Tax is recognized in the statement of profit and loss, except to the extent that it relates to items recognized directly in equity or other comprehensive income, in such cases the tax is also recognized directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognized in equity or other comprehensive income is also recognized in equity or other comprehensive income.

Current tax provision is computed for income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are off set, and presented as net.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the applicable tax rates. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

### **D SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### **i. Depreciation / Amortization and useful lives of Property Plant and Equipment (PPE) / Intangible Assets:**

PPE / intangible assets are depreciated / amortized over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortization for future periods are revised if there are significant changes from previous estimates.

**ii. Revenue:**

The Company's contracts with customers could include promises to transfer products and services to a customer. The Company assesses the products / services promised in a contract and identify distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, price concessions and incentives. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and is reassessed at the end of each reporting period.

**iii. Decommissioning Liabilities:**

The Liability for decommissioning costs is recognized when the Company has obligation to perform site restoration activity. In determining the fair value of such provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the site and the expected timing of those costs. The expected cost to be incurred at the end of the lease term is based on the estimates provided by the internal technical experts.

**iv. Tax:**

The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to an adjustment to the amounts reported in the financial statements.

**v. Contingencies:**

Management has estimated the possible outflow of resources at the end of each annual financial year, if any, in respect of contingencies / claim / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

**vi. Impairment of Financial Assets:**

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

**vii. Impairment of non-Financial Assets:**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent to those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

**viii. Defined Benefits Plans:**

The Cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary

increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**ix. Recoverability of Trade Receivable:**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

**x. Provisions:**

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

**xi. Fair value measurement of Financial Instruments:**

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**xii. Determination of lease term & discount rate:**

Ind AS 116- "Leases" requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

**xiii. Standards Issued But Not Effective:**

On March 23, 2022, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2022. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 1, 2022.

Ind AS 101 – First time adoption of Ind AS

Ind AS 103 – Business Combination

Ind AS 109 – Financial Instrument

Ind AS 16 – Property, Plant and Equipment

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets

Ind AS 41 – Agriculture

Application of above amended standards are not expected to have any significant impact on the company's financial statements.

**NOTE : 2**

**PROPERTY, PLANT AND EQUIPMENT**

**(Rs.in lakhs)**

PARTICULARS	Leasehold Land	Freehold Land	Buildings	Railway Siding	Plant and Equipment	Leasehold Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Right to Use Assets (Office Building)	Total
<b>COST / DEEMED COST</b>											
Balance as at 1st April, 2020	1928.54	3358.20	40829.04	730.09	501818.99	1468.59	396.67	193.62	99.38	-	550823.12
Additions	-	-	117.51	-	1653.31	-	35.43	4.49	-	-	1810.74
Disposals / Adjustments	-	-	-	-	-	-	-	-	0.06	-	0.06
Balance as at 31st March, 2021	1928.54	3358.20	40946.55	730.09	503472.30	1468.59	432.10	198.11	99.32	-	552633.80
Additions	-	-	24.13	-	948.10	-	56.72	11.22	29.45	23.93	1093.55
Disposals / Adjustments	-	24.35	-	-	410.47	-	1.02	-	0.25	-	436.09
Transfer to Assets Held for Sale (Refer Note No. 47)	1.57	-	299.38	-	39.41	-	-	-	-	-	340.36
<b>Balance as at 31st March, 2022</b>	<b>1926.97</b>	<b>3333.85</b>	<b>40671.30</b>	<b>730.09</b>	<b>503970.52</b>	<b>1468.59</b>	<b>487.80</b>	<b>209.33</b>	<b>128.52</b>	<b>23.93</b>	<b>552950.90</b>
<b>ACCUMULATED DEPRECIATION / IMPAIRMENT</b>											
Depreciation and Amortisation Balance as at 31st March, 2020	115.70	-	6827.86	126.05	106268.80	530.93	244.31	95.97	56.41	-	114266.03
Impairment Balance as at 31st March, 2020	-	-	2001.13	-	10737.87	730.59	-	-	-	-	13469.59
Depreciation Expense for the year	21.84	-	1432.55	25.18	24823.12	51.59	47.09	14.80	9.81	-	26425.98
Disposals / Adjustments	-	-	-	-	-	-	-	-	0.04	-	0.04
Impairment	-	-	-	-	-	-	-	-	-	-	-
Depreciation and Amortisation Balance as at 31st March, 2021	137.54	-	8260.41	151.23	131091.92	582.52	291.40	110.77	66.18	-	140691.97
Impairment Balance as at 31st March, 2021	-	-	2001.13	-	10737.87	730.59	-	-	-	-	13469.59
Depreciation Expense for the year	22.40	-	1393.30	23.75	24351.76	10.54	45.19	12.20	10.18	2.99	25872.31
Disposals / Adjustments	-	-	-	-	214.88	-	0.41	-	-	-	215.29
Transfer to Assets Held for Sale (Refer Note No. 47)	0.15	-	77.08	-	37.01	-	-	-	-	-	114.24
Impairment	-	-	-	-	-	-	-	-	-	-	-
<b>Depreciation and Amortisation Balance as at 31st March, 2022</b>	<b>159.79</b>	<b>-</b>	<b>9576.63</b>	<b>174.98</b>	<b>155191.79</b>	<b>593.06</b>	<b>336.18</b>	<b>122.97</b>	<b>76.36</b>	<b>2.99</b>	<b>166234.75</b>
<b>Impairment Balance as at 31st March, 2022</b>	<b>-</b>	<b>-</b>	<b>2001.13</b>	<b>-</b>	<b>10737.87</b>	<b>730.59</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13469.59</b>
<b>NET CARRYING VALUE</b>											
Balance as at 31st March, 2021	1791.00	3358.20	30685.01	578.86	361642.51	155.48	140.70	87.34	33.14	-	398472.24
<b>Balance as at 31st March, 2022</b>	<b>1767.18</b>	<b>3333.85</b>	<b>29093.54</b>	<b>555.11</b>	<b>338040.86</b>	<b>144.94</b>	<b>151.62</b>	<b>86.36</b>	<b>52.16</b>	<b>20.94</b>	<b>373246.56</b>

**2.01 Title deeds of Immovable Property not held in the name of the Company:**
**(Rs.in lakhs)**

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Property Plant and Equipment	Leasehold Land	1534.99	Corporate Ispat Alloys Limited	No	01.04.2008	Steel Division from Corporate Ispat Alloys Limited was demerged and acquired by the company. Due to some unresolved legal procedural issue with the government agencies, the properties are pending for transfer.
	Freehold Land	24.30	Jayaswal Chemicals Private Limited	No	01.04.1996	The title deeds are in the name of Jayaswal Neco Limited (earlier known as Jayaswal Chemicals Private Limited) erstwhile Company that was amalgamated with Jayaswal Neco Industries Limited under the Companies Act, 1956. The transfer process is in progress.
	Buildings	83.02				

**2.02** Buildings include cost of building aggregating to Rs. 125.82 lakhs (Previous Year : Rs. 125.82 lakhs) constructed on Land, ownership of which does not vest with the Company.

**2.03** Property, Plant and Equipment include assets pledged as security. (Refer Note No. 18 and 23)

**2.04** Refer Note No. 37D for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.

**(Rs. in lakhs)**
**2.05 CAPITAL WORK-IN-PROGRESS INCLUDES :**

	As at 31.03.2022	As at 31.03.2021
Building under Construction	67.51	4.07
Plant and Equipment under installation	24938.22	24137.06
Pre-operative Expenses (Refer Note No. 2.06)	23765.01	23765.01
Impairment	(43347.09)	(43347.09)
<b>TOTAL</b>	<b>5423.65</b>	<b>4559.05</b>

**(a) CWIP AGEING (NET OF IMPAIRMENT) AS AT 31ST MARCH 2022 AND 31ST MARCH 2021 ARE AS FOLLOWS:**

**(Rs.in lakhs)**

CWIP as on 31.03.2022	Amount in CWIP for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	935.66	165.31	23.68	-	1124.65
Projects temporarily suspended	-	-	-	4299.00	4299.00
<b>TOTAL</b>	<b>935.66</b>	<b>165.31</b>	<b>23.68</b>	<b>4299.00</b>	<b>5423.65</b>

(Rs.in lakhs)

CWIP as on 31.03.2021	Amount in CWIP for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	227.90	32.15	-	-	260.05
Projects temporarily suspended	-	-	-	4299.00	4299.00
<b>TOTAL</b>	<b>227.90</b>	<b>32.15</b>	<b>-</b>	<b>4299.00</b>	<b>4559.05</b>

(b) The expected completion of the amounts lying in capital work in progress which are delayed are as below.

(Rs.in lakhs)

CWIP as on 31.03.2022	To be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects temporarily suspended					
Bilha Bilaspur Project (Refer note no. 2.10)	-	-	-	4299.00	4299.00
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4299.00</b>	<b>4299.00</b>

(Rs.in lakhs)

CWIP as on 31.03.2021	To be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects temporarily suspended					
Bilha Bilaspur Project (Refer note no. 2.10)	-	-	-	4299.00	4299.00
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4299.00</b>	<b>4299.00</b>

## 2.06 Pre-operative Expenses

Details of Pre-operative Expenses included as part of Capital Work-in-Progress and Intangible Assets under Development are as under:

(Rs. in lakhs)

Particulars	31.03.2022	31.03.2021
Pre-operative Expenses upto Previous Year	23795.52	23795.68
Less : Charged to the Statement of Profit and Loss	-	0.16
<b>TOTAL</b>	<b>23795.52</b>	<b>23795.52</b>

**2.07** In the earlier years, the Directorate of Enforcement by way of two attachments had provisionally attached the Plant and Machinery under installation at Dagori Integrated Steel Plant situated at Bilha, Bilaspur (Chhattisgarh) and certain property, plant and equipment at Steel Plant Division, Siltara, Raipur to the extent of Rs. 30758.39 Lakhs for alleged misuse of coal raised from Gare Palma IV/4 coal block in Chhattisgarh.

The Adjudicating Authority had confirmed the above provisional attachments. Subsequently, the Appellate Authority stayed both the attachments on an appeal filed by the Company where the matter has been put up for hearing on 22nd September 2022. The Company has a good case on merits, is likely to succeed in refuting the allegations and does not expect any material liability on the Company on this account.

**2.08** In the earlier years, after completion of investigation the CBI had filed Charge-Sheet against the Company and Mr. Ramesh Jayaswal, Jt. Managing Director (JMD) alleging misrepresentation and violation of the terms and conditions of the Gare IV/4 Coal Block Allotment Letter and the executed Mining Lease.

The aforesaid action was in connection with FIR of Central Bureau of Investigation (CBI), Economic Offence Wing, New Delhi registered on 22nd May 2014 against the Company and unknown Public Servants in connection with the allotment of Gare IV/4 Coal Block situated in the State of Chhattisgarh.

On 30<sup>th</sup> May 2019, the Special CBI Court, New Delhi, took cognizance of the matter and issued summons against the Company and Mr. Ramesh Jayaswal – JMD. The summons were received by the Company in June, 2019. The Company had been summoned for offence under section 120-B/420/406 of the Indian Penal Code (IPC), whereas Mr. Ramesh Jayaswal had been summoned for offence under section 120-B/406 of the IPC.

The Company strongly refutes all the allegations. The Company believes it has a good case on merits and is confident that the Company and Mr Ramesh Jayaswal –JMD would be able to defend themselves before the authorities during the course of trial.

- 2.09** During the year active development of project of DRI and Captive Power Plant at Bilaspur, Chhattisgarh remained suspended and accordingly the Company has not capitalised Borrowing Costs as per Ind AS - 23.
- 2.10** CWIP includes Bilha Bilaspur project amounting to Rs. 47646.09 lakhs had been put under abeyance on account of cancellation of the captive coal mines of the Company by the Honorable Supreme Court of India. The Company had recognised an impairment provision of Rs. 43347.09 lakhs for the same in accordance with the Indian Accounting Standards (Ind AS) 36 – ‘Impairment of Assets’ and the project remained suspended during the year.
- 2.11** In accordance with the Indian Accounting Standard (Ind AS 36 ) on “Impairment of Assets”, during the year, the management carried out an exercise of identifying the assets that may have been impaired in accordance with the said Ind AS. On the basis of a review carried out by the management, there was no further impairment loss on property, plant and equipment and Capital Work in Progress during the year ended 31<sup>st</sup> March, 2022.

#### NOTE : 3

##### INTANGIBLE ASSETS \*

(Rs. in lakhs)

PARTICULARS	Software	Technical Know-How	Indefeasible Right to Use	Mining Rights	Total
<b>COST / DEEMED COST</b>					
Balance as at 1 <sup>st</sup> April, 2020	116.29	337.21	1.30	2055.19	2509.99
Additions	4.29	-	-	-	4.29
Disposals / Adjustments	-	-	-	-	-
Balance as at 31 <sup>st</sup> March, 2021	120.58	337.21	1.30	2055.19	2514.28
Additions	638.25	-	-	-	638.25
Disposals / Adjustments	-	-	-	-	-
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>758.83</b>	<b>337.21</b>	<b>1.30</b>	<b>2055.19</b>	<b>3152.53</b>
<b>ACCUMULATED AMORTISATION</b>					
Balance as at 1 <sup>st</sup> April, 2020	105.14	140.92	1.00	1239.72	1486.78
Amortisation Expense for the year	7.75	28.15	0.20	213.54	249.64
Disposals / Adjustments	-	-	-	-	-
Depreciation and Amortisation Balance as at 31 <sup>st</sup> March, 2021	112.89	169.07	1.20	1453.26	1736.42
Amortisation Expense for the year	20.83	28.15	0.08	177.84	226.90
Disposals / Adjustments	-	-	-	-	-
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>133.72</b>	<b>197.22</b>	<b>1.28</b>	<b>1631.10</b>	<b>1963.32</b>
<b>NET CARRYING VALUE</b>					
Balance as at 31 <sup>st</sup> March, 2021	7.69	168.14	0.10	601.93	777.86
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>625.11</b>	<b>139.99</b>	<b>0.02</b>	<b>424.09</b>	<b>1189.21</b>

\* Other than internally generated

- 3.01** Indefeasible Right to Use represents the cost incurred by the Company for the exclusive right of usage of certain pieces of land during the contract period.



(Rs. in lakhs)

<b>3.02 INTANGIBLE ASSETS UNDER DEVELOPMENT :</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
Mining Rights	4033.39	3395.23
Software Under Development	-	176.90
Pre-operative Expenses (Refer Note No. 2.06)	30.51	30.51
<b>TOTAL</b>	<b>4063.90</b>	<b>3602.64</b>

**(a) INTANGIBLE ASSETS UNDER DEVELOPMENT AGEING AS AT 31<sup>ST</sup> MARCH 2022 AND 31<sup>ST</sup> MARCH 2021 ARE AS FOLLOWS :**

(Rs.in lakhs)

Intangible assets under development as on 31.03.2022	Amount in Intangible assets under development for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	638.16	288.33	1542.38	-	2468.87
Projects temporarily suspended (Refer Note no. 3.03)	-	-	-	1595.03	1595.03
<b>TOTAL</b>	<b>638.16</b>	<b>288.33</b>	<b>1542.38</b>	<b>1595.03</b>	<b>4063.90</b>

(Rs.in lakhs)

Intangible assets under development as on 31.03.2021	Amount in Intangible assets under development for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	465.23	1542.38	-	-	2007.61
Projects temporarily suspended (Refer Note no. 3.03)	-	-	-	1595.03	1595.03
<b>TOTAL</b>	<b>465.23</b>	<b>1542.38</b>	<b>-</b>	<b>1595.03</b>	<b>3602.64</b>

**(b)** The Company does not have any intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan except as mentioned in Note No.3.03.

**3.03** The Intangible Assets under Development include Rs. 1520.75 Lakhs towards Metabodeli Mines (50 Hectares) and Rs. 46.88 Lakhs towards the Ramdongri Mines and Rs. 27.40 Lakhs towards Sonadehi Mines; in case of Metabodeli Mines, the Company had challenged the validity of section 10 A (2) (c) of the MMDR Amendment Act, 2015 and Rule 8 (4) of the MCR 2016 before the Hon'ble Chhattisgarh High Court which was pleased to pass an interim order dated 12th January, 2017, keeping the application of the company alive for consideration. Presently, the matter has been transferred to the Hon'ble Supreme Court where the interim order of the Hon'ble High Court continues to be alive.

In case of Ramdongri Mines, the State Government of Maharashtra had granted Mining Lease in favor of the Company on 17th August, 2004. The said order was challenged by an aggrieved party before the Mines Tribunal which after hearing both the parties on 5th October 2007, was pleased to uphold the order dated 17th August 2004 of the State Government. Subsequently, the order of Mines Tribunal was challenged before the Hon'ble Bombay High Court, Nagpur Bench, Nagpur, wherein on 2nd November 2017 the Hon'ble Court was pleased to issue interim order thereby allowing the parties to complete all other processes in pursuance of getting various permissions, licenses, approvals, except execution of Mining Lease, until further orders.

During the pendency of the matter, MMDR Act was amended by the Central Government in the year 2015, however the Hon'ble High Court vide its order dated 6th January 2017 held that amendment to MMDR Act will not affect the right of the company. The matter continues with the Hon'ble High Court.

That on 20th March, 2021, the Parliament enacted Mines and Minerals (Development and Regulation) Amendment Act, 2021, whereby, section 10 (A) of the principal Act was amended as under:-

“In section 10A of the principal Act, in sub-section (2),— (i) in clause (b), the following provisos shall be inserted, namely:— “Provided that for the cases covered under this clause including the pending cases, the right to obtain a prospecting licence followed by a mining lease or a mining lease, as the case may be, shall lapse on the date of commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2021.”

The company has challenged the 2021 Amendment to the MMDR Act, 1957, before the Hon'ble Chhattisgarh High Court, vide Writ Petition No. 3696 of 2021, wherein, after hearing the parties, the Hon'ble High Court was pleased to grant interim stay on 6th October 2021. The operative portion of the interim order reads as under:-

“Let there be status quo as it exists today, in respect of processing of Mining Lease for the subject area involved in the respective petitions.”

Vide the above referred Writ Petition, the company has included Sonadehi, Devpura and Metabodeli Mines while challenging the provisions of Amendment of MMDR Act, 2021.

Writ Petition Filed by the Company for the Metabodeli Mines Under Section 10 A (2) (b) of the MMDR Act, 1957:-

That on 9<sup>th</sup> October, 2017, the Central Government issued a clarification to the State Government of Chhattisgarh, wherein, the Central Government has specifically clarified that all the cases where Prospecting License is granted and Prospecting License holder has submitted application for the grant of Mining Lease, are eligible to obtain the Mining Lease irrespective of the fact that whether the previous approval under section 5 (1) of MMDR Act, 1957, for grant of Mining Lease has been obtained after 12<sup>th</sup> January 2015.

In view of the above clarification, the Company opines that its case with respect to the Metabodeli Mines falls Under Section 10 A (2) (b) and not under clause (C) thereof, as advised by the State Government in the past. That in view of above, the company filed Writ Petition No. 2757 of 2020, before the Hon'ble Chhattisgarh High Court, to ensure that the Mining Lease over the subject area is granted in favor of the Company in terms of Section 10 A (2) (b) of the MMDR act, 1957, upon completion of all the conditions contained therein. Presently the matter is pending for consideration before the Hon'ble High Court. The Company is also of the view that the Company's above cases are already pending under Section 10A (2) (c) of the Mining Act and the matters are subjudice, therefore the amendments done in Section 10A (2) (b) will not have any impact on the status of the Mines. Further the amendment under the Mining Act in the second Proviso of Section 10A (2) (b) provides that “the holder of a reconnaissance permit or prospecting license whose rights lapsed under the first proviso, shall be reimbursed the expenditure incurred towards reconnaissance or prospecting operations in such a manner as may be prescribed by the Central Government”; accordingly the Company does not envisage any losses on account of the above amendment.

- 3.04** The Company had filed Mining Lease applications for Rowghat Iron Ore Deposit, Bastar, Chhattisgarh. The Chhattisgarh State Government (SG) had rejected the same by a common order which was challenged by the Company. The SG had filed a complaint before the Ministry of Mines which had referred the matter to the Chief Vigilance Officer (CVO), which couldn't make out any case against the Company. The revision petition of the Company was allowed and subsequently the Hon'ble Delhi High Court also confirmed the order. The Hon'ble Delhi High Court had specifically observed that the Company had successfully undertaken prospecting operations in the area.

Subsequently in 2012, SG filed a fresh complaint containing the same allegations before the Chief Vigilance Commission (CVC). The Central Bureau of Investigation (CBI) on the directions of the CVC had registered an FIR against the Company alleging certain irregularities. Post completion of the investigations by CBI, the Chargesheet was filed by the CBI before Special CBI Court Nagpur. The Company doesn't expect any financial effect of the above matter under litigation.

- 3.05** In accordance with the Indian Accounting Standard (Ind AS)- 36 on “Impairment of Assets”, the Management during the year carried out an exercise of identifying the assets that may have been impaired in respect of each cash generating unit in accordance with the said Ind AS. On the basis of this review carried out by the management, there was no impairment loss on Intangible Assets during the year ended 31<sup>st</sup> March, 2022.

**NOTE : 4**

<b>OTHER NON CURRENT FINANCIAL ASSETS</b>		<b>(Rs. in lakhs)</b>
<b>PARTICULARS</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
Fixed Deposits with Banks held as Margin Money	<b>734.20</b>	2171.42
<b>TOTAL</b>	<b>734.20</b>	2171.42

**NOTE : 5**

<b>NON-CURRENT TAX ASSETS (NET)</b>		<b>(Rs. in lakhs)</b>
<b>PARTICULARS</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
Advance Payment of Income-Tax (Net)	<b>596.42</b>	244.61
<b>TOTAL</b>	<b>596.42</b>	244.61

**NOTE : 6**

**OTHER NON CURRENT ASSETS**

*(Unsecured, Considered Good unless stated otherwise)*

		<b>(Rs. in lakhs)</b>
<b>PARTICULARS</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
Capital Advances	-	27.81
Security Deposits with Government and others		
Considered Good	<b>4560.88</b>	4415.51
Credit Impaired	<b>5.54</b>	5.54
	<b>4566.42</b>	4421.05
Less : Provision for Credit Impaired	<b>5.54</b>	5.54
	<b>4560.88</b>	4415.51
Prepaid Expenses	<b>58.26</b>	2.29
<b>TOTAL</b>	<b>4619.14</b>	4445.61

**NOTE : 7**

<b>INVENTORIES</b>		<b>(Rs. in lakhs)</b>
<b>PARTICULARS</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
Raw Materials	<b>53089.98</b>	33990.37
Raw Materials-in-Transit	<b>1165.50</b>	4147.06
Work-in-Progress	<b>3539.86</b>	3046.46
Finished Goods	<b>40563.54</b>	29826.08
Finished Goods-in-Transit	<b>4940.13</b>	8581.84
Stock in Trade	<b>24.60</b>	24.69
Stores, Spares and Consumables	<b>17436.40</b>	10262.45
<b>TOTAL</b>	<b>120760.01</b>	89878.95

**7.01** For method of valuation Refer Note No. 1C(VI).

**7.02** For Inventories hypothecated as security refer Note No. 18 and 23.



NOTE : 8

CURRENT INVESTMENTS

(Rs. in lakhs)

PARTICULARS	As at		As at	
	31.03.2022		31.03.2021	
	Rs.		Rs.	
	Number of Shares/Units		Face	
	31.03.2022	31.03.2021	Value	
<b>Investment designated at Fair Value through Profit and Loss</b>				
<b>In Equity Shares - Fully Paid Up (Quoted)</b>				
Datar Switchgears Limited	2200	2200	10	0.00
Antarctica Limited	53000	53000	1	0.00
Triveni Sheet Glass Limited	1000	1000	10	0.05
<b>In Equity Shares - Fully Paid Up (Unquoted)</b>				
Elbee Services Limited	1400	1400	10	0.00
Essar Steel Limited	60	60	10	0.00
Saraswat Co-operative Bank Limited	50	0	10	0.01
<b>TOTAL</b>				<b>0.21</b>
<b>8.01</b> Aggregate Amount of Quoted Investments				<b>0.20</b>
<b>8.02</b> Aggregate Market Value of Quoted Investments				<b>0.20</b>
<b>8.03</b> Aggregate Amount of Unquoted Investments				<b>0.01</b>

NOTE : 9

TRADE RECEIVABLES

(Unsecured)

(Rs. in lakhs)

PARTICULARS	As at		As at	
	31.03.2022		31.03.2021	
Trade Receivable				
Considered Good	46136.69		33181.90	
Significant Increase in Credit Risk	44.54		70.38	
Credit Impaired	1491.66		3874.69	
	47672.89		37126.97	
Less : Provision for Credit Impaired	1491.66		3874.69	
Less : Provision for Expected Credit Loss	432.60		501.86	
	45748.63		32750.42	
<b>TOTAL</b>	<b>45748.63</b>		<b>32750.42</b>	

### 9.01 Trade Receivables Ageing Schedule

(Rs. in lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment as on 31.03.2022					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	30865.09	14391.89	596.65	179.59	103.47	-	46136.69
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	44.54	44.54
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	336.71	336.71
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	0.28	141.18	17.87	995.62	1154.95
<b>Sub Total</b>	<b>30865.09</b>	<b>14391.89</b>	<b>596.93</b>	<b>320.77</b>	<b>121.34</b>	<b>1376.87</b>	<b>47672.89</b>
Less: Allowance for Credit Impaired	-	-	0.28	141.18	17.87	1332.33	1491.66
Less: Expected Credit Loss							432.60
<b>TOTAL</b>	<b>30865.09</b>	<b>14391.89</b>	<b>596.65</b>	<b>179.59</b>	<b>103.47</b>	<b>44.54</b>	<b>45748.63</b>

(Rs. in lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment as on 31.03.2021					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	14420.01	17993.84	291.09	386.26	90.71	-	33181.91
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	70.38	70.38
Undisputed Trade Receivables – credit impaired	-	-	387.50	10.74	8.31	532.51	939.06
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	41.78	38.22	108.33	17.87	26.34	2703.08	2935.62
<b>Sub Total</b>	<b>14461.79</b>	<b>18032.06</b>	<b>786.92</b>	<b>414.87</b>	<b>125.36</b>	<b>3305.97</b>	<b>37126.97</b>
Less: Allowance for Credit Impaired	41.78	38.22	495.83	28.61	34.65	3235.59	3874.68
Less: Expected Credit Loss							501.87
<b>TOTAL</b>	<b>14420.01</b>	<b>17993.84</b>	<b>291.09</b>	<b>386.26</b>	<b>90.71</b>	<b>70.38</b>	<b>32750.42</b>

**NOTE : 10****CASH AND CASH EQUIVALENTS****(Rs. in lakhs)**

<b>PARTICULARS</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
Balances with Banks in Current Accounts	<b>18162.96</b>	29051.55
Cash on hand	<b>24.18</b>	23.67
<b>TOTAL</b>	<b>18187.14</b>	29075.22

**10.01 For the purpose of the Statement of Cash Flow, Cash and Cash Equivalents comprise the followings :****(Rs. in lakhs)**

<b>PARTICULARS</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
Balances with Banks in Current Accounts	<b>18162.96</b>	29051.55
Cash on hand	<b>24.18</b>	23.67
<b>TOTAL</b>	<b>18187.14</b>	29075.22

**NOTE : 11****BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS****(Rs.in lakhs)**

<b>PARTICULARS</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
Fixed Deposits with Banks Pledged as Margin Money	<b>30360.22</b>	2017.24
Balances with Bank in Current Account (Refer Note No. 11.01)	-	5803.13
<b>TOTAL</b>	<b>30360.22</b>	7820.37

**11.01** This amounts includes Rs. NIL ( Previous Year Rs. 3.13 Lakhs) being current account under lien by VAT Department (Bhilai)**NOTE : 12****CURRENT LOANS***(Unsecured)***(Rs. in lakhs)**

<b>PARTICULARS</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
<b>Financial Assets Measured at Amortised Cost</b>		
Loans to Related Party (Refer Note No. 40)		
Considered Good	-	-
Credit Impaired	<b>738.30</b>	738.30
	<b>738.30</b>	738.30
Less : Provision for Credit Impaired	<b>738.30</b>	738.30
	-	-
<b>TOTAL</b>	<b>-</b>	-

**NOTE : 13**

**OTHERS CURRENT FINANCIAL ASSETS**

*(Unsecured, Considered Good unless stated otherwise)*

**(Rs.in lakhs)**

<b>PARTICULARS</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
Security Deposits		
Considered Good	<b>67.81</b>	64.49
Considered Doubtful	<b>35.06</b>	51.11
	<b>102.87</b>	115.60
Less : Provision for Doubtful	<b>35.06</b>	51.11
	<b>67.81</b>	64.49
Interest Receivables		
Considered Good	<b>98.74</b>	129.73
Considered Doubtful	<b>157.93</b>	157.93
	<b>256.67</b>	287.66
Less : Provision for Doubtful	<b>157.93</b>	157.93
	<b>98.74</b>	129.73
Others *		
Considered Good	<b>68.44</b>	49.41
Considered Doubtful	<b>-</b>	29.09
	<b>68.44</b>	78.50
Less : Provision for Doubtful	<b>-</b>	29.09
	<b>68.44</b>	49.41
<b>TOTAL</b>	<b>234.99</b>	243.63

\* Mainly includes export incentive and other receivable.

**NOTE : 14**

**CURRENT TAX ASSETS (NET)**

**(Rs. in lakhs)**

<b>PARTICULARS</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
Advance Payment of Income-Tax (Net)	<b>467.93</b>	467.93
<b>TOTAL</b>	<b>467.93</b>	467.93





**NOTE : 15**

**OTHER CURRENT ASSETS**

(Rs. in lakhs)

PARTICULARS	As at 31.03.2022	As at 31.03.2021
Advances to Suppliers		
Related Parties (Refer Note No. 40)	-	24.52
Others		
Unsecured Considered Good	24958.44	14114.71
Considered Doubtful	2112.96	2322.00
	27071.40	16461.23
Less : Provision for Doubtful	2112.96	2322.00
	24958.44	14139.23
Prepaid Expenses	260.91	275.97
Other Receivables*	1166.58	1142.89
<b>TOTAL</b>	<b>26385.93</b>	<b>15558.09</b>

\* Mainly includes VAT Refund Receivable, Entry Tax Receivable, Cess Receivable, GST Receivable and others.

**NOTE : 16**

**EQUITY SHARE CAPITAL**

(Rs. in lakhs)

PARTICULARS	As at 31.03.2022	As at 31.03.2021
<b>Authorised</b>		
2,50,00,00,000 (Previous Year 2,50,00,00,000) Equity Shares of Rs.10/- each	250000.00	250000.00
	250000.00	250000.00
<b>Issued, Subscribed and Paid up</b>		
97,09,98,244 (Previous Year 63,86,33,063) Equity Shares of Rs.10/- each fully paid up	97099.82	63863.30
Less : Allotment Money Unpaid (from other than Directors)	0.72	0.72
	97099.10	63862.58

**16.01 Reconciliation of Equity Shares outstanding at the beginning and at the end of the year**

PARTICULARS	As at 31.03.2022		As at 31.03.2021	
	No. of Shares	Amount (Rs. in lakhs)	No. of Shares	Amount (Rs. in lakhs)
Shares outstanding at the beginning of the year	63,86,33,063	63863.30	63,86,33,063	63863.30
Add: Issue of Equity Share (Refer Note no. 16.02)	33,23,65,181	33236.52	-	-
Shares outstanding at the end of the year	97,09,98,244	97099.82	63,86,33,063	63863.30

**16.02** Pursuant to the agreements as detailed in note 18.01, on 28th October 2021, the Company has issued and allotted 30,52,81,848 equity shares to Assets Care & Reconstruction Enterprise Ltd (ACRE) acting in its capacity as trustee of various trusts ("These Trusts") and 2,70,83,333 equity shares to the Promoters / Promoter Group (face value of Rs. 10 each) at the issue price of Rs. 28.80 per share aggregating to Rs. 95721.17 Lakhs.

Accordingly, Rs. 87921.17 Lakhs of the total borrowings from these trusts and Rs. 5800.00 Lakhs of Advance against Share Application Money and Rs. 2000.00 Lakhs of Inter Corporate Deposits of the Promoters / Promoter Group in the Company have been converted into equity shares of the Company. The funds for Rs. 5800.00 Lakhs, received as Advance against Share Application Money and converted into equity shares, have been utilized to service the lenders debt as per the stipulations of the “Restructuring Support Agreement”.

Category of Equity shareholders	Pre-issue equity shareholding on a fully diluted basis	Post-issue equity shareholding on a fully diluted basis
Promoter and Promoter Group	68.79%	48.03%
Public	31.21%	51.97% *
- Out of which, These Trust	Nil	31.44%

\* Includes Shares of These Trust

The existing promoter and promoter group of the Company continue to retain management control of the Company post the aforesaid issuance & allotment of equity shares.

#### 16.03 Details of Shareholders, holding more than 5% shares of the Company

Name of Shareholders	As at 31.03.2022		As at 31.03.2021	
	No of Shares held	Percentage held	No of Shares held	Percentage held
Jayaswal Holdings Private Limited	5,30,98,951	5.47	5,30,98,951	8.31
Karamveer Impex Private Limited	4,72,29,000	4.86	4,72,29,000	7.40
Nine Star Plastic Packaging Services Private Limited	4,79,40,433	4.94	4,42,94,600	6.94
Jayaswal Neco Metallica Private Limited	4,47,03,555	4.60	4,07,10,500	6.37
Jayaswal Neco Energy Private Limited	4,44,19,500	4.57	3,97,32,000	6.22
Avon Sales and Services Private Limited	3,90,95,000	4.03	3,90,95,000	6.12
Anurag Sales and Services Private Limited	3,89,31,000	4.01	3,89,31,000	6.10
Jayaswal Neco Power Private Limited	3,73,96,167	3.85	3,63,54,500	5.69
Apex Spinning Mills Private Limited	3,80,77,378	3.92	3,52,99,600	5.53
Jayaswal Neco Infrastructures Private Limited	3,92,46,611	4.04	3,43,85,500	5.38
Assets Care And Reconstruction Enterprise Limited	30,52,81,848	31.44	-	-

#### 16.04 Shares held by promoters and promoter group in the company

S. No.	Promoter's Name	No. of Shares as on 31.03.2022	% of total shares	No. of Shares as on 31.03.2021	% of total shares	% Change during the Year
1	Basant Lall Shaw	1,03,12,850	1.06	1,03,12,850	1.61	(0.55)
2	Arvind Jayaswal	23,97,920	0.25	23,97,920	0.38	(0.13)
3	Ramesh Jayaswal	23,97,920	0.25	23,97,920	0.38	(0.13)
4	Nisha Jayaswal	25,000	0.00	25,000	0.00	-
5	Rita Jayaswal	25,000	0.00	25,000	0.00	-
6	Neco Valves And Pumps Private Limited	8,64,000	0.09	8,64,000	0.14	(0.05)
7	Neco Leasing And Finance Private Limited	8,99,500	0.09	8,99,500	0.14	(0.05)
8	Jayaswal Neco Steel And Mining Limited	1,93,26,389	1.99	1,32,50,000	2.07	(0.08)
9	Jayaswal Neco Infrastructures Private Limited	3,92,46,611	4.04	3,43,85,500	5.38	(1.34)

10	Apex Spinning Mills Private Limited	<b>3,80,77,378</b>	<b>3.92</b>	3,52,99,600	5.53	(1.61)
11	Jayaswal Neco Power Private Limited	<b>3,73,96,167</b>	<b>3.85</b>	3,63,54,500	5.69	(1.84)
12	Anurag Sales And Services Private Limited	<b>3,89,31,000</b>	<b>4.01</b>	3,89,31,000	6.10	(2.09)
13	Avon Sales And Services Private Limited	<b>3,90,95,000</b>	<b>4.03</b>	3,90,95,000	6.12	(2.09)
14	Jayaswal Neco Energy Private Limited	<b>4,44,19,500</b>	<b>4.58</b>	3,97,32,000	6.22	(1.64)
15	Jayaswal Neco Metallica Private Limited	<b>4,47,03,555</b>	<b>4.60</b>	4,07,10,500	6.38	(1.78)
16	Nine Star Plastic Packaging Services Private Limited	<b>4,79,40,433</b>	<b>4.94</b>	4,42,94,600	6.94	(2.00)
17	Karamveer Impex Private Limited	<b>4,72,29,000</b>	<b>4.86</b>	4,72,29,000	7.40	(2.54)
18	Jayaswal Holdings Private Limited	<b>5,30,98,951</b>	<b>5.47</b>	5,30,98,951	8.31	(2.84)
<b>Total</b>		<b>46,63,86,174</b>	<b>48.03</b>	43,93,02,841	68.79	(20.76)

#### 16.05 Rights of Equity Shareholders

The Company has only one class of equity shares having a face value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the equity shareholders will be entitled to receive any of remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**16.06** There are no shares reserved for issue under options and contracts / commitments.

**16.07** Dividend Paid and Proposed of Rs. Nil (Previous Year : Rs. Nil)

#### NOTE : 17

#### OTHER EQUITY

(Rs. in lakhs)

PARTICULARS	As at 31.03.2022	As at 31.03.2021
<b>Equity Component of Compound Financial Instruments</b>		
Balance as per last Balance Sheet	1518.42	1518.42
Less: Converted to Equity Shares	897.78	-
	<b>620.64</b>	1518.42
<b>Capital Reserve</b>		
Balance as per last Balance Sheet	<b>7762.89</b>	7762.89
<b>Securities Premium</b>		
Balance as per last Balance Sheet	96345.81	96345.81
Add: Issue of Equity Shares on Preferential Basis	62484.65	-
	<b>158830.46</b>	96345.81
<b>General Reserve</b>		
Balance as per last Balance Sheet	<b>16700.87</b>	16700.87
<b>Capital Redemption Reserve</b>		
Balance as per last Balance Sheet	<b>5100.37</b>	5100.37
<b>Retained Earnings</b>		
Balance as per last Balance Sheet	<b>(328216.12)</b>	(272388.65)
Add : Profit/ (Loss) for the year	<b>224728.56</b>	(55827.47)
	<b>(103487.56)</b>	(328216.12)
<b>Revaluation Reserve</b>		
Balance as per last Balance Sheet	<b>21.47</b>	21.47
<b>Other Comprehensive Income ( OCI )</b>		
Balance as per last Balance Sheet	<b>643.39</b>	437.88
Add : Movement in OCI (Net) during the year	<b>47.69</b>	205.51
	<b>691.08</b>	643.39
<b>TOTAL</b>	<b>86240.22</b>	(200122.90)

## **NATURE AND PURPOSE OF RESERVES**

### **Capital Reserve**

The Capital Reserve was created pursuant to the Scheme of Merger of the Steel Division of Corporate Ispat Alloys Limited, Amalgamation of Nagpur Alloy Casting Limited and Capital incentive received from Government of Maharashtra. It shall be utilised in accordance with the provisions of the Companies Act, 2013.

### **Securities Premium**

Securities Premium was created when shares were issued at premium. It shall be utilised in accordance with the provisions of the Companies Act, 2013.

### **General Reserve**

The General Reserve was created pursuant to the Scheme of Amalgamation of Inertia Iron and Steel Industries Private Limited, Merger of Sponge Iron Plant and Power Plant of Corporate Ispat Alloys Limited and Abhijeet Infrastructure Limited. It shall be utilised in accordance with the provisions of the Companies Act, 2013.

### **Capital Redemption Reserve**

Capital Redemption Reserve was created for redemption of Preference Shares. It shall be utilised in accordance with the provisions of the Companies Act, 2013.

### **Retained Earnings**

Retained Earnings represent the accumulated profits/losses made by the Company over the years.

### **Revaluation Reserve**

Revaluation Reserve was created for revaluation of Factory Building and Shed. It shall be utilised in accordance with the provisions of the Companies Act, 2013.

### **Other Comprehensive Income**

Other Comprehensive Income (OCI) represents the amount recognised in Other Equity consequent to remeasurement of Defined Benefit Plan.

### **Equity Component of Compound Financial Instruments**

The Company had received the Interest free Inter Corporate Deposits from the Promoters and under Ind AS the difference between the Fair Value and Transaction Value is recognised as Equity Component of Compound Financial Instruments under Other Equity.

## **NOTE: 18**

### **NON CURRENT BORROWINGS**

**(Rs. in lakhs)**

<b>PARTICULARS</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
<b>Secured</b>		
Term Loans #		
- From Assets Reconstruction Company (ARC) (Refer Note No. 18.01)	<b>340231.49</b>	182978.10
<b>Unsecured</b>		
Sales Tax Deferral (Under Package Scheme of Incentives)	<b>3393.91</b>	4030.75
Inter Corporate Deposits from Related Parties (Refer Note No. 40)	-	1015.48
<b>TOTAL</b>	<b>343625.40</b>	188024.33

# Net off of processing fees amounting to Rs. Nil (Previous Year : Rs. 133.06 lakhs).

**18.01** As of 31st March 2022, eleven out of twelve bankers of the Company have assigned their fund-based debt along with the underlying financial documents together with their rights, benefits and obligations in favour of These Trusts. One banker has done One Time Settlement (OTS) of its debt dues with the Company.

On 23<sup>rd</sup> August 2021, the Company has entered into a restructuring support agreement ("RSA") with These Trusts in relation to restructuring of its outstanding debt owed to These Trusts, in accordance with Section 9 of the Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 ("SARFAESI Act"), as amended and restated from time to time ("Restructuring Support Agreement").

To comply with the conditions of the "Restructuring Support Agreement", which is the principal agreement, as part of the transaction documents, the Company has also entered into a Shareholders' Agreement (SHA) on 23<sup>rd</sup> August 2021 with These Trusts and the Promoters and Promoter Group of the Company.

Subsequent to the year end, the Company has complied with all the conditions precedents under the RSA for achieving effectiveness of the debt restructuring which has been confirmed by These Trusts vide their letter dated 23<sup>rd</sup> May 2022 with the RSA effectiveness date as 23<sup>rd</sup> May 2022.

As per IND AS-10 -Events after the Reporting Period, this is an Adjusting event, and accordingly this event has been given accounting effect in the Books of Accounts of the Company for the year ended 31<sup>st</sup> March 2022. The Company has restructured its Debt with These Trusts with the Cut-off date as 31<sup>st</sup> March 2020. Accordingly the new loan facilities have been carved out from the existing loan balances of the Cut-off date i.e. 31<sup>st</sup> March 2020.

Hence in the year ended March 2022, the Company has reallocated all its payments made to These Trusts in Financial Year (FY) 2020-2021 and FY 2021-2022 respectively as per the new loan facilities under the agreed terms & conditions of the Restructuring Support Agreement. Further, the Company has also booked the Interest expenses for FY 2020-2021 and FY 2021-2022 respectively as per the new loan facilities under the agreed terms & conditions of the RSA. The Company has reversed the excess interest charged to Profit & Loss accounts for the FY 2020-21 and FY 2021-22. The Impact of the Debt Restructuring has been given in the books of accounts for the year ended 31<sup>st</sup> March 2022.

**18.02** The Movement of Loan Outstanding and Interest Outstanding between Pre-Restructured Outstanding and Post Restructured Outstanding (From 1<sup>st</sup> April 2020 till 31<sup>st</sup> March 2022) is as follows-

Impact of Debt Restructuring on the Closing Balances of Loan and Interest Outstanding between Pre-Restructured Outstanding and Post Restructured Outstanding from 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2022.

<b>(Rs. in lakhs)</b>		
<b>Sr. No.</b>	<b>Particulars</b>	<b>Amount</b>
1	Pre-Restructured Loan and Interest Outstanding as on 31st March 2020	568409.95
2	Add: Letter of Credit Devolved and assigned to three ACRE Trusts in FY 2020-21	9715.89
3	Less: UCO Bank One time settlement done in Financial Year 2021-22 (Outstanding as on 31st March 2020)	2223.51
4	Less: Upfront Debt Waiver as per the Restructuring terms	8689.22
5	Add: Interest Charged for the FY 2020-21 as per Restructuring terms	4200.00
6	Less: Loan repayment in FY 2020-21 made by the Company as per the Restructuring terms	8476.95
7	Add: Interest Charged for the FY 2021-22 as per Restructuring terms	7919.94
8	Less: Loan repayment and Interest payment in FY 2021-22 made by the Company as per Restructuring terms	70635.37
9	Less: Debt converted into Equity as per the Restructuring terms on 28th October 2021	87921.17
10	<b>Closing Balance as on 31st March 2022 before Fair Value Impact</b>	<b>412299.56</b>
11	Less: Fair Value Impact - Initial Recognition	106689.25
12	Add: Amortisation (Fair Value Impact as on 31st March 2021)	38771.55

13	Add: Amortisation (Fair Value Impact as on 31st March 2022)	37201.40
14	<b>Closing Balance as on 31st March 2022 after Fair Value Impact (Loan Outstanding Including Current Maturities-Refer note no. 23)</b>	<b>377383.26</b>
15	<b>Closing Balance as on 31st March 2022 (Interest Accrued but not due - Refer Note no. 26)</b>	<b>4200.00</b>

The summary impact of the above Debt Restructuring and other adjustments on the Statement of Profit & Loss of the Company, which is considered as Exceptional Items (Gain), are as below:

(Rs. in lakhs)

Sr. No.	Particulars	Amount
1	Interest Expenses earlier charged to Statement of Profit & Loss before Restructuring and now Reversed for the year ended 31.03.2021.	88489.11
2	Less: Interest Expenses charged as per Restructuring terms to Statement of Profit & Loss for the year ended 31.03.2021.	4200.00
3	Add: Upfront Debt Waiver as per Restructuring terms	8689.22
4	Add: Fair Value Impact - Initial Recognition	106689.25
5	Less: Amortisation (Fair Value Impact for the year ended 31st March 2021)	38771.55
6	Add: Write back of borrowings due to One time settlement of debt dues by one banker with the company	1110.25
7	Add: Write back of Inter Corporate Deposit (Refer Note 23.02)	10443.67
8	<b>Net Impact on the Statement of Profit &amp; Loss</b>	<b>172449.95</b>

**18.03** The Term Loans from ARC referred to above aggregating to Rs. 370947.78 lakhs (Rs. 340231.49 lakhs with Fair Value Adjustment) and Rs. 37151.77 lakhs included in Current Maturities of Long Term Debts in Note No. 23 are guaranteed by an unconditional and irrevocable personal guarantee provided by Mr. Basant Lall Shaw (Chairman of Company), Mr. Arvind Jayaswal (Managing Director of Company) and Mr. Ramesh Jayaswal (Joint Managing Director of Company) vide the Deed of Guarantee dated 18<sup>th</sup> May 2022. Further entire Term Loans from ARC are secured by way of pledge of the entire Equity Shares of the Company held by the Promoters and Promoter Group Companies vide the Promoter Pledge Agreement dated 18<sup>th</sup> May 2022.

**18.04** Term loans from Banks and ARC referred to above aggregating to Rs. 370947.78 lakhs (Rs. 340231.49 lakhs with Fair Value Adjustment) and Rs. 37151.77 lakhs included in Current Maturities of Long Term Debts in Note No. 23 are secured/to be secured by way of :

- a. a pari passu first charge / equitable mortgage on all the immovable properties of the Company (excluding the ED Attached Assets – Dagori (Bilaspur) and the CIAL Assets acquired under merger), including but not limited to the immovable properties of the Company.
- b. a pari passu first charge/equitable mortgage on the Neco Ceramics Land and other immovable assets, if any.
- c. a pari passu first charge on all the present and future movable fixed assets of the Company (excluding the ED Attached Assets – Dagori (Bilaspur)), including but not limited to its movable plant and machinery, machinery spares, tools and accessories and movables (except current assets), including but not limited to goodwill, undertaking, uncalled capital and intellectual property rights, present and future howsoever and whosoever in the possession of the Company vide the Deed of Hypothecation dated 18<sup>th</sup> May 2022.
- d. a pari passu second charge on all the present and future current assets of the Company, including but not limited to raw materials, finished and semi-finished goods, book debts, revenue and receivables, claims, consumable stores and marketable securities vide the Deed of Hypothecation dated 18<sup>th</sup> May 2022.



The above mentioned security in (a) to (d) has been extended by the company to "These Trusts" as per the terms of RSA. The creation and modification in respect of above securities in favour of These Trusts with the Registrar of Companies (ROC) are pending and will be done within the statutory period (refer note no. 18.01).

**18.05** Term Loans from ARC referred to above aggregating to Rs. 370947.78 lakhs (Rs. 340231.49 lakhs with Fair Value Adjustment) and Rs. 37151.77 lakhs included in Current Maturities of Long Term Debt in Note No. 23 are to be repaid as per sanction terms as under :

Rs. 37151.77 lakhs is repayable in 4 structured quarterly installments, ending in March, 2023.

Rs. 206572.78 lakhs is to be Refinanced by 31<sup>st</sup> March 2023.

Rs. 120000.00 lakhs is to be Refinanced by 31<sup>st</sup> March 2023.

Rs. 24975.00 lakhs will be adjusted against Cash Sweep, as and when done if any, and balance amount will be Refinanced by 31<sup>st</sup> March 2023.

Rs. 19400.00 lakhs will be waived off as on 31<sup>st</sup> March 2023 if by 31<sup>st</sup> March 2023 all required terms and conditions of RSA are fulfilled by the Company.

Rs. 4200.00 Lakhs is shown in Other Financial Liabilities under Interest Accrued but not due, is to be Refinanced by 31<sup>st</sup> March 2023.

**Maturity Profile of Term Loans is as under :**

**(Rs.in lakhs)**

	Financial Year	Financial Year	Amount
<b>Principal Term Loans from ARC (Without Fair Value Adjustment)</b>	Repayment	2022-2023	37151.77
	Refinance	By 31st March 2023 (which is extendable by 8.5 months from 31st March 2023)	370947.78

**18.06** The Company was entitled to defer its liability to pay Sales Tax (including a portion of Purchase Tax) in respect of its certain units. The liability under the Schemes as on 31<sup>st</sup> March, 2022 is Rs. 7863.02 lakhs (Previous Year : Rs. 7863.02 lakhs) which is provided for on the basis of its Net Present Value (Net of payments) of Rs. 4327.95 lakhs (Previous Year : Rs. 4865.53 lakhs). This Sales-tax liability is repayable in five equal annual installments starting at the end of the tenth year from the year to which it relates and will be fully paid up by 30<sup>th</sup> April, 2028.

**NOTE : 19**

**LEASE LIABILITIES:**

**(Rs. in lakhs)**

PARTICULARS	As at 31.03.2022	As at 31.03.2021
Finance Lease Obligations	465.57	450.07
<b>Total</b>	<b>465.57</b>	<b>450.07</b>

**19.01** In respect of Property, Plant and Equipment acquired on finance lease, the minimum lease rentals outstanding as on 31st March, 2022 are as follows:

**a. In relation to Leasehold Land**

	31.03.2022 (Rs. in lakhs)	31.03.2021 (Rs. in lakhs)
<b>Minimum Lease Payments</b>		
(i) Payable not later than 1 year	73.03	73.03
(ii) Payable later than 1 year and not later than 5 years	190.52	184.00
(iii) Payable later than 5 years	3837.19	3887.27
<b>Total Minimum Lease Payments</b>	<b>4100.74</b>	<b>4144.30</b>



Less : Future Finance Charges	<b>3574.47</b>	3623.78
Present Value of Minimum Lease Payments	<b>526.27</b>	520.52
<b>Present Value of Minimum Lease Payments</b>		
(i) Payable not later than 1 year	<b>70.44</b>	70.45
(ii) Payable later than 1 year and not later than 5 years	<b>139.93</b>	135.13
(iii) Payable later than 5 years	<b>315.90</b>	314.94
Total Present Value of Minimum Lease Payments	<b>526.27</b>	520.52

General description of Lease terms :

- (i) Lease Rentals are charged on the basis of agreed terms.
- (ii) Assets are taken on lease for a period of 5 to 99 years.

**b. In relation to Right of Use Asset**

	<b>31.03.2022</b> (Rs. in lakhs)	31.03.2021 (Rs. in lakhs)
(i) Opening Balance	-	-
(ii) Add: Addition during the Year	<b>23.93</b>	-
(iii) Add: Finance cost accrued during the Year	<b>0.63</b>	-
(iv) Less: Payment of lease liabilities	<b>3.30</b>	-
Closing Balance	<b>21.26</b>	-

**The following is the contractual maturity profile of lease liabilities:**

(i) Less than one year	<b>13.30</b>	-
(ii) One year to Five years	<b>10.20</b>	-
(iii) More than five years	-	-
<b>Total</b>	<b>23.50</b>	-

**19.02** As on 31st March, 2022, the Company has overdue of Lease Obligations of Rs.29.48 lakhs (Previous Year : Rs. 29.48 lakhs) and Interest of Rs.0.52 lakhs (Previous Year : Rs. 0.52 lakhs) included in Current Maturities of Lease Obligations and Interest Accrued and Due in Note No. 24 and 26 respectively.

**NOTE : 20**

**OTHER NON-CURRENT FINANCIAL LIABILITIES**

(Rs. in lakhs)

PARTICULARS	As at 31.03.2022	As at 31.03.2021
Security Deposits	<b>1.66</b>	1.86
<b>TOTAL</b>	<b>1.66</b>	1.86

**NOTE : 21**

**NON CURRENT PROVISIONS**

(Rs. in lakhs)

PARTICULARS	As at 31.03.2022	As at 31.03.2021
Provision for Assets Retirement Obligations	<b>28.67</b>	25.97
<b>TOTAL</b>	<b>28.67</b>	25.97



NOTE : 22

INCOME TAX

22.01 THE MAJOR COMPONENTS OF TAX (EXPENSES) / INCOME ARE AS FOLLOWS :

(Rs. in lakhs)

PARTICULARS	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>Recognised in the Statement of Profit and Loss</b>		
Deferred Tax - Relating to Origination and Reversal of Temporary Differences	6357.75	69.12
Income Tax for Earlier Years	(1.02)	(3.95)
<b>Total Tax (Expenses) / Income</b>	<b>6356.73</b>	<b>65.17</b>

22.02 Reconciliation between Tax (Expenses) / Incomes and Accounting Profit/(Loss) multiplied by Tax Rate for the year ended 31st March, 2022 and 31st March, 2021:

(Rs. in lakhs)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Accounting Profit/(Loss) before Tax	231085.29	(55892.64)
Applicable tax rate (in %)	25.17	25.17
Computed Tax (Expenses) / Income	(58159.55)	14067.06
<b>Tax effect on account of :</b>		
Property, Plant and Equipment and Intangible Assets	10959.33	4410.83
Expenses / Income not allowed	(99.01)	(61.78)
Items disallowed u/s 43B of the Income Tax Act, 1961	(27757.30)	(5110.95)
Utilisation/credit of unrecognised tax losses	68676.86	(14,579.10)
Fair Value	21.92	1,343.06
Income Tax for Earlier Years	1.02	(3.95)
<b>Income Tax (Expenses) / Incomes recognised in the Statement of Profit and Loss</b>	<b>(6356.73)</b>	<b>65.17</b>

22.03 Deferred Tax Liabilities / (Assets) relates to the following :

(Rs. in lakhs)

PARTICULARS	Balance Sheet		Statement of Profit and Loss including OCI	
	As at 31.03.2022	As at 31.03.2021	For the year ended 31.03.2022	For the year ended 31.03.2021
Property, Plant and Equipment and Intangible Assets	33374.03	42638.94	(9264.91)	(1477.07)
Financial Instruments - Liabilities	6503.61	(1107.78)	7611.39	(1484.62)
Financial Instruments - Assets	(1.10)	(1.14)	0.04	0.00
Items disallowed under the Income Tax Act, 1961	(2147.05)	(32884.08)	30737.03	1572.41
Provision for Doubtful Debts/Expected Credit Loss	(1251.86)	(1933.03)	681.17	(56.59)
Provision for Non-moving Inventories	(162.97)	(162.97)	-	-
Unabsorbed Depreciation	(29933.65)	(49736.66)	19803.01	(12289.25)

Assets Retirement Obligations	(7.22)	(6.54)	(0.68)	(0.62)
Deferred Tax Assets not recognised	-	43193.26	(43193.26)	13666.62
	<b>6373.79</b>	-	<b>6373.79</b>	(69.12)
Related to Other Comprehensive Income	-	-	-	69.12
<b>TOTAL</b>	<b>6373.79</b>	-	<b>6373.79</b>	-

#### 22.04 Reconciliation of Deferred Tax Liabilities (Net):

(Rs. in lakhs)

PARTICULARS	As at 31.03.2022	As at 31.03.2021
<b>Opening Balance at the beginning of the year</b>	-	-
Deferred Tax (Expense) / Income recognised in the Statement of Profit and Loss	(6357.75)	(69.12)
Deferred Tax (Expense) / Income recognised in OCI	(16.04)	69.12
<b>Closing Balance at the end of the year</b> <b>TOTAL</b>	<b>(6373.79)</b>	-

#### NOTE : 23

#### CURRENT BORROWINGS

(Rs. in lakhs)

PARTICULARS	As at 31.03.2022	As at 31.03.2021
<b>Secured</b>		
Working Capital Rupee Loans		
- From Banks	-	6187.03
- From Assets Reconstruction Company (ARC)	-	56865.96
- Current Maturities of Long term borrowings	37151.77	117779.62
<b>Unsecured</b>		
Current Maturities of Sales Tax Deferral	934.04	834.78
Inter Corporate Deposits taken from :		
Related Parties (Refer Note No. 40)	2237.91	2237.91
Others (Refer Note No. 23.02)	-	10443.67
	<b>3171.95</b>	13516.36
<b>TOTAL</b>	<b>40323.72</b>	194348.97

**23.01** As on 31st March, 2022, the Company has overdue Working Capital Interest Rs. Nil (Previous Year : Rs. 17831.40 lakhs) included in Interest Accrued and Due in Note No. 26.

**23.02** Pursuant to the Scheme of Arrangement in relation to demerger and merger of Steel Division at Siltara, Raipur with the Company Under Section 391 to 394 of the Companies Act, 1956 as approved by the Hon'ble High Court of Mumbai, Nagpur Bench, Nagpur vide it's order dated 16th September, 2013, an amount payable of Rs. Nil (Previous year : Rs. 10443.67 Lakhs) was recognised in the books of the Company. The above amount payable remained subject matter of dispute between the Company and the Demerged Company. The Demerged Company also filed winding up petition under the provisions of Section 434 of the Companies Act, 1956, before the Hon'ble Bombay High Court, Nagpur Bench, Nagpur which was disputed by the Company. The said petition was subsequently withdrawn by the Demerged Company as confirmed by the Hon'ble Bombay High Court, Nagpur Bench, Nagpur, vide it's order dated 25<sup>th</sup> February, 2021 and thereafter no further claim in this regard has been received by the Company. In view of the above, the management is of the view that the above mentioned amount is no more payable and hence the same has been written back during the year and included in exceptional items.



**23.03** As on 31<sup>st</sup> March, 2022, the Company has overdue Interest on unsecured loan Rs. 292.05 lakhs (Previous Year : Rs. 292.05 Lakhs) included in Interest Accrued and Due in Note No. 26 for a period of less than 3 years.

**NOTE : 24**

**LEASE LIABILITIES**

(Rs. in lakhs)

PARTICULARS	As at 31.03.2022	As at 31.03.2021
Finance Lease Obligations	81.96	70.45
<b>TOTAL</b>	<b>81.96</b>	<b>70.45</b>

**NOTE : 25**

**TRADE PAYABLES**

(Rs. in lakhs)

PARTICULARS	As at 31.03.2022	As at 31.03.2021
Micro, Small and Medium Enterprises	3696.01	4751.61
Others	23414.09	13170.43
<b>TOTAL</b>	<b>27110.10</b>	<b>17922.04</b>

**25.01 Disclosures of the Micro, Small And Medium Enterprises Development Act, 2006**

Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information as available with the Company and the required disclosures are given below:

(Rs. in lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	3696.01	4751.61
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	40.25	44.71
(iii) The amount of Interest paid, along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of Interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	40.25	44.71
(vi) The amount of Further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

**25.02 Trade Payables Ageing**

(Rs. in lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment as on 31.03.2022				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues- MSME	283.07	3376.46	26.84	9.64	-	3696.01
(ii) Undisputed dues- Others	1077.94	21092.02	256.93	128.45	858.75	23414.09
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
<b>TOTAL</b>	<b>1361.01</b>	<b>24468.48</b>	<b>283.77</b>	<b>138.09</b>	<b>858.75</b>	<b>27110.10</b>

(Rs. in lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment as on 31.03.2021				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues- MSME	328.21	4248.46	146.48	27.20	1.27	4751.62
(ii) Undisputed dues- Others	849.14	10514.77	569.17	285.56	951.78	13170.42
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
<b>TOTAL</b>	<b>1177.35</b>	<b>14763.23</b>	<b>715.65</b>	<b>312.76</b>	<b>953.05</b>	<b>17922.04</b>

**NOTE : 26**

**OTHER CURRENT FINANCIAL LIABILITIES**

(Rs. in lakhs)

PARTICULARS	As at 31.03.2022	As at 31.03.2021
Interest Accrued but not due on Borrowings	4200.00	-
Interest Accrued and due	332.82	294974.22
Advance against Share Application Money	-	5800.00
Other Payables*	12356.56	10309.18
<b>TOTAL</b>	<b>16889.38</b>	<b>311083.40</b>

\* Mainly includes Provision for Expenses, Payable to Employees and Others

**NOTE : 27**

**OTHER CURRENT LIABILITIES**

(Rs. in lakhs)

PARTICULARS	As at 31.03.2022	As at 31.03.2021
Advances from Customers	3074.92	2621.59
Statutory Liabilities	2085.85	3923.02
Others*	525.00	-
<b>TOTAL</b>	<b>5685.77</b>	<b>6544.61</b>

\* Includes advance against Assets held for Sale

**NOTE : 28**

**CURRENT PROVISIONS**

(Rs. in lakhs)

PARTICULARS	As at 31.03.2022	As at 31.03.2021
Provision for Employee Benefits	2416.29	2338.12
Provision for Energy Development Cess (Refer Note No. 28.01)	5505.88	5121.84
Other Provisions*	396.75	396.75
<b>TOTAL</b>	<b>8318.92</b>	<b>7856.71</b>

\* Includes provision for disputed Entry Tax and Cess on Metallurgical Coke.

**28.01** During the year 2005, the Government of Chhattisgarh published the Chhattisgarh Upkar (Sansodhan) Adhiniyam, 2004, according to which the Company is liable to pay energy development cess @ 10 paise per unit generated from its captive power plants. The levy of energy development cess has been disputed by the Company and the matter is pending before the Hon'ble Supreme Court of India.

The Office of the Chief Electrical Inspector, Government of Chhattisgarh, had sent demands for the energy development cess since the Hon'ble Supreme Court of India vide its interim order dated 2nd November 2007, permitted the department to raise the bill, however it directed that no coercive steps shall be taken by the State to recover the dues till further orders.

The legislative competence of the Government of Chhattisgarh is not under challenge. The Company had been legally advised in the past that it is highly unlikely that the provision by which the State Government has imposed energy development cess will be struck down by the Hon'ble Supreme Court of India. In view of the above and as a matter of prudence, the Company has made a provision of energy development cess aggregating to Rs. 5505.88 Lakhs till 31st March 2022 (Previous year Rs. 5121.84 Lakhs).

**NOTE : 29**
**REVENUE FROM OPERATIONS**
**(Rs. in lakhs)**

<b>PARTICULARS</b>	<b>For the Year ended 31.03.2022</b>	<b>For the Year ended 31.03.2021</b>
Sale of Products	594259.85	368186.85
Sale of Services / Job Work Income	1244.93	61.49
Other Operating Revenues - Sale of Scrap	350.12	2256.28
<b>TOTAL</b>	<b>595854.90</b>	<b>370504.62</b>

**29.01 Revenue Disaggregation by type of Products and Services are as follows :**
**(Rs. in lakhs)**

<b>PARTICULARS</b>	<b>For the Year ended 31.03.2022</b>	<b>For the Year ended 31.03.2021</b>
Iron and Steel Castings	46948.61	38576.78
Pig Iron / Skull	28878.02	19561.81
Billets / Rolled Products	363331.99	207581.60
Sponge Iron	63971.34	43509.79
Pellet	84318.71	48857.91
Job Work / Commission	1244.93	61.49
Others	7161.30	12355.24
<b>TOTAL</b>	<b>595854.90</b>	<b>370504.62</b>

**29.02 Revenue disaggregation by geography is as follows:**
**(Rs. in lakhs)**

<b>PARTICULARS</b>	<b>For the Year ended 31.03.2022</b>	<b>For the Year ended 31.03.2021</b>
India	585098.16	368264.49
Outside India	10756.74	2240.13
<b>TOTAL</b>	<b>595854.90</b>	<b>370504.62</b>

**29.03 Reconciliation of Revenue from Operations with Contract Price:**
**(Rs. in lakhs)**

<b>PARTICULARS</b>	<b>For the Year ended 31.03.2022</b>	<b>For the Year ended 31.03.2021</b>
Contract Price	602945.81	374754.54
Reduction towards variables considerations components *	7090.91	4249.92
<b>TOTAL</b>	<b>595854.90</b>	<b>370504.62</b>

\* The reduction towards variable consideration comprises of volume discounts, quality claims, breakage etc.

**NOTE : 30**

**OTHER INCOME**

(Rs. in lakhs)

PARTICULARS	For the Year ended 31.03.2022	For the Year ended 31.03.2021
Interest Income from Financial Assets measured at Amortised Cost		
- Fixed Deposits with Banks	381.67	99.63
- Others	92.66	148.19
Profit on Sale of Property, Plant and Equipment (Net)	-	0.01
Gain on Financial Instruments measured at Fair Value through Profit and Loss (Net)	0.15	0.01
Gain on Foreign Currency Fluctuation (Net)	-	71.05
Account Written Back	-	150.06
Export Incentives	130.51	155.32
Other Miscellaneous Receipts	23.03	14.18
<b>TOTAL</b>	<b>628.02</b>	<b>638.45</b>

**NOTE : 31**

**CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

(Rs. in lakhs)

PARTICULARS	For the Year ended 31.03.2022	For the Year ended 31.03.2021
<b>Closing Inventories</b>		
Finished Goods	40563.54	29826.08
Finished Goods in Transit	4940.13	8581.84
Work-in-Progress	3539.86	3046.46
Stock in Trade	24.60	24.69
	<b>49068.13</b>	<b>41479.07</b>
<b>Opening Inventories</b>		
Finished Goods	29826.08	40848.28
Finished Goods in Transit	8581.84	1647.76
Work-in-Progress	3046.46	4597.81
Stock in Trade	24.69	25.12
	<b>41479.07</b>	<b>47118.97</b>
<b>(Increase) / Decrease in Inventories</b>	<b>(7589.06)</b>	<b>5639.90</b>
<b>TOTAL</b>		

**NOTE : 32**

**EMPLOYEE BENEFITS EXPENSE**

(Rs. in lakhs)

PARTICULARS	For the Year ended 31.03.2022	For the Year ended 31.03.2021
Salaries, Wages and Allowances	22932.40	19516.70
Contribution to Provident and Other Funds	1779.17	1591.32
Welfare and Other Amenities	737.61	849.93
<b>TOTAL</b>	<b>25449.18</b>	<b>21957.95</b>



32.01 As per Ind AS - 19 “Employee Benefits”, the disclosures of Employee Benefits as defined in the Ind AS are given below :

Particulars	(Rs. in lakhs)	
	2021-22	2020-21
<b>a) Contribution to Defined Contribution Plan, recognised as expense for the year are as under</b>		
Employer's Contribution to Provident Fund, ESIC and Other Funds	1321.60	1139.80

**(b) Defined Benefit Plan**

The Employees Gratuity Fund Scheme, which is a Defined Benefit Plan, is managed by Life Insurance Corporation of India (LIC). The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefits entitlement and measures each unit separately to build up the final obligation.

Particulars	Gratuity (Funded)	
	As at 31.03.2022	As at 31.03.2021
<b>Actuarial Assumptions</b>		
	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Mortality Table (LIC)		
Salary growth	7.25% & 6.98%	7% & 8%
Discount rate	6.82% & 6.86%	6.86% & 6.82%
Attrition age	2.50%	2.50%

Particulars	Gratuity (Funded)	
	As at 31.03.2022	As at 31.03.2021
<b>Movement in Present Value of Defined Benefit Obligations</b>		
Defined Benefit Obligations at the beginning of the year	5351.97	5033.12
Current Service Cost	448.97	417.05
Interest Cost	355.88	341.26
Benefit Paid	(273.56)	(126.61)
Actuarial Loss / (Gain)	(89.07)	(312.85)
<b>Defined Benefit Obligations at the end of the year</b>	<b>5794.19</b>	<b>5351.97</b>
<b>Movement in Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at the beginning of the year	4844.83	4090.66
Interest Income	347.27	306.79
Employer Contribution	440.62	612.21
Benefit Paid	(273.56)	(126.61)
Remeasurement Loss arising from return on Plan Assets	(25.34)	(38.22)
<b>Fair Value of Plan Assets at the end of the year</b>	<b>5333.82</b>	<b>4844.83</b>
<b>Expense recognised in the Statement of Profit and Loss</b>		
Current Service Cost	448.97	417.05
Past Service Cost	-	-
Interest on Defined Benefit Obligations	355.88	341.26
Interest Income	(347.27)	(306.79)
<b>Total included in “Remuneration and Benefits to Employees”</b>	<b>457.57</b>	<b>451.52</b>
<b>Remeasurements (recognised in Other Comprehensive Income)</b>		
Effect of changes in financial assumptions	(89.07)	(312.85)
Loss on Plan Assets (excluding Interest Income)	(25.34)	(38.22)
<b>Total remeasurements included in OCI</b>	<b>(63.73)</b>	<b>(274.63)</b>

<b>(c) Fair Value of Plan Assets</b>		
Life Insurance Corporation of India (LIC)	<b>5333.82</b>	4844.83
<b>(d) Net Defined Benefit Obligations / (Assets) reconciliation</b>		
Present Value of Obligations at the end of the year	<b>5794.19</b>	5351.97
Less : Fair Value of Plan Assets at the end of the year	<b>5333.82</b>	4844.83
<b>Net Obligations recognised at the end of the year</b>	<b>460.37</b>	507.14
<b>(e)</b> The estimate of rate of escalation in Salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other retirement factors including supply and demand in the employment market. The above information is certified by the actuary.		

### 32.02 Sensitivity Analysis (Rs. in lakhs)

	Change in Assumption	As at 31.03.2022	As at 31.03.2021
		Effect on Gratuity Increase/ (Decrease)	
Discount Rate	+1%	(536.93)	(520.41)
Discount Rate	-1%	625.54	609.56
Salary Increase Rate	+1%	548.19	542.41
Salary Decrease Rate	-1%	(493.36)	(480.17)
Attrition Rate	+1%	(42.95)	(58.14)
Attrition Rate	-1%	52.08	69.34

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of Defined Benefit Obligation has been calculated using the Projected Unit Credit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognised in the Balance Sheet.

### 32.03 Expected payments towards contributions to gratuity in future years :

	(Rs.in lakhs)
Year Ended	Expected Payment
31st March, 2023	293.97
31st March, 2024	288.52
31st March, 2025	359.54
31st March, 2026	399.57
31st March, 2027	370.43
31st March, 2028 to 31st March, 2032	2188.77

### 32.04 Risk Exposures

These plans typically expose the company to Actuarial risks as Investment Risk, Interest Rate risk, Longevity risk and Salary risk.

Investment Risk	The present value of the defined benefit plan obligation is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest Rate Risk	A decrease in the bond interest rate will increase the plan obligation; however, this will be partially offset by an increase in the return on the plan debt investments.
Longevity Risk	The present value of the defined benefit plan Obligation is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's obligation.
Salary Risk	The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's obligation.



## NOTE : 33

## FINANCE COSTS

(Rs.in lakhs)

PARTICULARS	For the Year ended 31.03.2022	For the Year ended 31.03.2021
Interest Expenses on Financial Liabilities measured at Amortised Cost	45673.85	90467.49
Other Borrowing Cost	189.43	395.25
<b>TOTAL</b>	<b>45863.28</b>	<b>90862.74</b>

## NOTE : 34

## DEPRECIATION AND AMORTISATION EXPENSE

(Rs. in lakhs)

PARTICULARS	For the Year ended 31.03.2022	For the Year ended 31.03.2021
Depreciation of Property, Plant and Equipment (Refer Note No. 2)	25872.31	26425.98
Amortisation of Intangible Assets (Refer Note No. 3)	226.90	249.64
<b>TOTAL</b>	<b>26099.21</b>	<b>26675.62</b>

## NOTE : 35

## OTHER EXPENSES

(Rs.in lakhs)

PARTICULARS	For the Year ended 31.03.2022	For the Year ended 31.03.2021
<b>MANUFACTURING EXPENSES</b>		
Consumables, Stores and Spares Consumed	58342.04	28140.66
Power and Fuel	34076.10	22772.89
Repairs and Maintenance -		
Buildings	83.68	53.87
Plant and Equipments	25721.06	17374.89
Others	1.09	0.58
Royalty and Cess	9577.61	4736.37
Internal Material Movement	8490.06	6049.75
Lease Rent	840.00	840.00
Other Manufacturing Expenses	1830.17	1497.22
	<b>138961.81</b>	<b>81466.23</b>
<b>SELLING AND DISTRIBUTION EXPENSES</b>		
Advertisement and Publicity	13.10	12.12
Commission	120.90	115.75
Sales Promotion Expenses	52.60	52.01
Freight and Forwarding	16826.16	13271.49
	<b>17012.76</b>	<b>13451.37</b>
<b>ADMINISTRATIVE EXPENSES</b>		
Rent	238.93	228.56
Rates and Taxes	108.27	118.44
Insurance	576.03	430.90
Loss on Foreign Currency Fluctuation (Net)	51.47	-
Printing and Stationery	50.14	29.62
Communication	82.66	71.62
Travelling and Conveyance	1109.76	682.99

Vehicle Maintenance	196.90	159.93
Legal and Professional Charges	2327.59	2196.47
Payment to Auditors (Refer Note No. 35.01)	85.61	72.55
Security Expenses	600.78	578.26
Miscellaneous	3048.32	1705.26
	8476.46	6274.60

**OTHER EXPENSES**

Bank Charges and Commission	24.47	21.58
Bad Debts / Advances written off	2824.88	2741.60
Less : Provision written back	2349.37	203.40
	475.51	2538.20
Cash Discount	4749.34	2914.98
Provision for Credit Impaired Trade Receivable / Advances (Net off)	(287.84)	1086.93
Provision for Expected Credit Loss on Trade Receivable	(69.26)	(658.68)
Loss on Sale / Discard of Property, Plant and Equipment (Net)	99.78	-
Intangible Assets under development Written off	-	3.98
Donations	6.70	3.23
	4998.70	5910.22
<b>TOTAL</b>	169449.73	107102.42

**35.01 Break-up of Payment to Auditors :**

(Rs. in lakhs)

Particulars	For the Year ended 31.03.2022	For the Year ended 31.03.2021
For Statutory Audit	75.35	63.55
For Quarterly Review Fees	9.00	9.00
For Reimbursement of Expenses	1.26	-
<b>TOTAL</b>	85.61	72.55
Cost Audit Fees	1.44	1.44
Tax Audit Fees	8.25	8.25

**NOTE : 36**

**EARNINGS PER SHARE**

(Rs. in lakhs except per equity share data)

PARTICULARS	For the Year ended 31.03.2022	For the Year ended 31.03.2021
<b>Basic Earnings Per Share</b>		
Profit / (Loss) for the year after Exceptional items (A)	224728.56	(55827.47)
Profit / (Loss) for the year before Exceptional items (B)	52278.61	(55827.47)
Weighted average number of Equity Shares (Nos.) (C)	791361199	638633063
Basic Earnings Per Share of Rs.10/- each after Exceptional items Rs. (A) / (C)	28.40	(8.74)
Basic Earnings Per Share of Rs.10/- each before Exceptional items Rs. (B) / (C)	6.60	(8.74)

**Diluted Earnings Per Share**

Amount available for calculation of Diluted EPS after Exceptional items	(A)	<b>228892.43</b>	(55827.47)
Amount available for calculation of Diluted EPS before Exceptional items	(B)	<b>56442.48</b>	(55827.47)
Weighted average number of Equity Shares (Nos.)		<b>791361199</b>	638633063
Add : Potential number of Equity Shares		<b>179637045</b>	-
No. of shares used for calculation of Diluted EPS	(C)	<b>970998244</b>	638633063
Diluted Earnings Per Share of Rs.10/- each after Exceptional items	Rs. (A) / (C)	<b>23.57</b>	(8.74)
Diluted Earnings Per Share of Rs.10/- each before Exceptional items	Rs. (B) / (C)	<b>5.81</b>	(8.74)

**NOTE : 37**
**(Rs. in lakhs)**
**CONTINGENT LIABILITIES AND COMMITMENTS**
**31.03.2022**
**31.03.2021**
**(to the extent not provided for)**
**A. I GUARANTEES**

a. Guarantees given by the Company's Bankers (Bank guarantees are provided under contractual / legal obligation)	<b>1850.38</b>	4163.69
b. Corporate Guarantee (Given to Banks against the borrowings taken by one of the Associate Company)	-	1181.00

**TOTAL**
**1850.38**
**5344.69**
**II LETTER OF CREDIT OUTSTANDING**

a. Letters of Credit opened in favour of Suppliers (Cash flow is expected on receipt of material from suppliers)	<b>24764.72</b>	143.97
b. Liability in respect of Bills Discounted	<b>747.53</b>	3861.80

**TOTAL**
**25512.25**
**4005.77**
**III OTHER CONTINGENT LIABILITIES**
**Claims against the Company not acknowledged as debts**

a. Disputed Excise Duty and Service Tax	<b>265.60</b>	397.50
b. Disputed Sales Tax	<b>1266.28</b>	1274.09
c. Disputed Customs Duty	<b>184.79</b>	184.79
d. Other Disputed Demands (Mainly related to demand of Electricity Duty and Stamp Duty)	<b>6408.01</b>	5842.80
e. Third Party Claims # (Matters are pending before various forums)	<b>4911.24</b>	4227.61

**TOTAL**
**13035.92**
**11926.79**
**# Third Party claims include :**

The Company had entered into a Contract for setting up 70 TPD Oxygen Plant and its operations and maintenance with M/S Goyal MG Gases Pvt Ltd in the year 2002-03. Subsequently in the year 2015-16 dispute arose between both the parties on couple of issues and the matter was referred to the Sole Arbitrator for adjudication of dispute.

On 4th August 2017 and corrected vide its order dated on 15th September 2017, the Sole Arbitrator passed an Arbitral Award against the company. As per the Arbitral Award, the claims of the company were Rejected, and the counter claims were allowed. The Company had challenged the Arbitral Award before the Hon'ble Delhi High Court

under the Arbitration and Conciliation Act 1996. The Hon'ble High Court dismissed the appeals filed by the company vide its judgment dated 21<sup>st</sup> December 2017 and judgement dated 5<sup>th</sup> April 2018.

The Company believes that the entire award is contrary to public policy, is without any evidence and reasoning. Counter claims to the tune of Rs 940.88 Lakhs have been allowed. The Learned Arbitrator has allowed the payment of lease rentals and at the same time has also directed the company to hand over possession of the plant which is contrary in nature.

Considering the above-described factual aspects, the company believes that it has good case on merits. Hence the Company filed Special Leave Petition (SLP) in the Hon'ble Supreme Court which granted stay on any action on the request of the Company.

As on 31<sup>st</sup> March 2022, the Company has estimated the total amount of Arbitral award is to be around Rs. 4656.52 lakhs, out of which Rs. 800.00 Lakhs have been deposited by the Company with the Supreme Court Registry on the instructions of the Hon'ble Supreme Court. The pleadings have been completed and now the matter is fixed for final hearing on 19<sup>th</sup> July 2022. The management is of the view that at this stage no provisioning is required against the said award.

- B** Management is of the view that above litigations will not impact significantly the financial position of the Company.
- C** The Company had received Show Cause notices from the Excise department which mainly relate to demand of duty for sale of exempted goods and denial of credit on structural steel, new plants, railway receipt, bank expenses and outward freight etc. The Company has also received a Show Cause notice from the Additional Director General, DGGI, which relates to demand of service tax on amount received against the cancellation of three coal mines/block. The Company does not foresee any losses on this account.

**D Capital Commitments :**

Estimated amount of contracts remaining to be executed on  
Capital Accounts and not provided for (Net of Advances)

**3131.95**

**24174.32**

**NOTE :38** On account of the acquisition of the entire Principal Outstanding debt of the Company by the various trusts declared and managed by Assets Care & Reconstruction Enterprise Limited in its capacity as a trustee of These trusts (Refer Note No. 18.01) and the Company having entered into Restructuring Support Agreement with the These trusts, the Special Leave Petition filed by the Company with the Hon'ble Supreme Court challenging the Judgment dated 5<sup>th</sup> March 2018 passed by the Hon'ble Bombay High Court has been disposed off by the Hon'ble Supreme Court as withdrawn on 4<sup>th</sup> May 2022.

On account of the acquisition of the entire Principal Outstanding debt of the Company by These trusts declared and managed by Assets Care & Reconstruction Enterprise Limited ('ACRE') in its capacity as a trustee of These trusts (Refer Note No. 18.01) and the Company having entered into Restructuring Support Agreement with These trusts, ACRE-54 Trust (acting through its trustee ACRE and being assignee of the debt of State Bank of India) has made the necessary filing for substitution and withdrawal of insolvency proceeding earlier initiated against the Company by the State Bank of India before the National Company Law Tribunal (NCLT), Mumbai Bench, under Section 7 of the Insolvency and Bankruptcy Code, in view of no default under the debt restructuring by the Company. The NCLT Mumbai Bench has closed the matter for appropriate order after hearing the matter on 10<sup>th</sup> May 2022. The Final order copy is awaited.

**NOTE : 39 SEGMENT REPORTING :**

**A. Segment information as per Indian Accounting Standard - 108 - "Operating Segments" :** Information provided in respect of Revenue items for the year ended 31<sup>st</sup> March, 2022 and in respect of Assets / Liabilities as at 31<sup>st</sup> March, 2022.

Information about Primary (Product wise) segments:

(Rs. in lakhs)

Particulars	Steel	Iron & Steel Castings	Others	Unallocated	Eliminations	Total
<b>1. REVENUE</b>						
External Sales	<b>544858.98</b> (331536.12)	<b>50994.55</b> (38963.38)	<b>1.37</b> (5.12)	- (-)		<b>595854.90</b> (370504.62)
Inter-segment Sales	<b>5421.20</b> (3015.73)	- (2.10)	- (-)	- (-)	<b>(5421.20)</b> (-3017.83)	- (-)
<b>Total Revenue</b>	<b>550280.18</b> (334551.85)	<b>50994.55</b> (38965.48)	<b>1.37</b> (5.12)	- (-)	<b>(5421.20)</b> (-3017.83)	<b>595854.90</b> (370504.62)
<b>2. RESULTS</b>						
Segment Results	<b>105342.31</b> (39121.54)	<b>(408.51)</b> (-3880.21)	<b>1.28</b> (-3.25)	- (-)		<b>104935.08</b> (35238.08)
Less : Unallocated Corporate Expenses	- (-)	- (-)	- (-)	<b>823.57</b> (406.08)		<b>823.57</b> (406.08)
Less : Unallocated Depreciation	- (-)	- (-)	- (-)	<b>4.70</b> (4.70)		<b>4.70</b> (4.70)
<b>Operating Profit / (-) Loss</b>	<b>105342.31</b> (39121.54)	<b>(408.51)</b> (-3880.21)	<b>1.28</b> (-3.25)	<b>(828.27)</b> (-410.78)		<b>104106.81</b> (34827.30)
Less : Finance Cost	- (-)	- (-)	- (-)	<b>45863.28</b> (90862.74)		<b>45863.28</b> (90862.74)
Add : Unallocated Interest Income	- (-)	- (-)	- (-)	<b>381.67</b> (99.63)		<b>381.67</b> (99.63)
Add : Unallocated Income	- (-)	- (-)	- (-)	<b>10.14</b> (43.17)		<b>10.14</b> (43.17)
Less : Exceptional Items	- (-)	- (-)	- (-)	<b>(172449.95)</b> (-)		<b>(172449.95)</b> (-)
Less : Tax Expenses (Including Deferred Tax)	- (-)	- (-)	- (-)	<b>(6356.73)</b> (-65.17)		<b>(6356.73)</b> (-65.17)
<b>Net Profit / (-) Loss</b>	<b>105342.31</b> (39121.54)	<b>(408.51)</b> (-3880.21)	<b>1.28</b> (-3.25)	<b>132506.94</b> (-91065.55)		<b>224728.56</b> (-55827.47)
<b>3. OTHER INFORMATION</b>						
Segment Assets	<b>556987.81</b> (552608.95)	<b>24332.88</b> (26091.45)	<b>38.80</b> (38.57)	- (-)		<b>581359.49</b> (578738.97)
Unallocated Corporate Assets	- (-)	- (-)	- (-)	<b>50884.77</b> (11329.12)		<b>50884.77</b> (11329.12)
<b>Total Assets</b>	<b>556987.81</b> (552608.95)	<b>24332.88</b> (26091.45)	<b>38.80</b> (38.57)	<b>50884.77</b> (11329.12)		<b>632244.26</b> (590068.09)
Segment Liabilities	<b>48126.51</b> (35857.26)	<b>5290.20</b> (6715.32)	- (-)	- (-)		<b>53416.71</b> (42572.58)
Unallocated Corporate Liabilities	- (-)	- (-)	- (-)	395488.23 <b>(683755.83)</b>		395488.23 <b>(683755.83)</b>
<b>Total Liabilities</b>	<b>48126.51</b> (35857.26)	<b>5290.20</b> (6715.32)	- (-)	<b>395488.23</b> (683755.83)		<b>448904.94</b> (726328.41)
Capital Expenditure	<b>2709.46</b> (1384.60)	<b>320.39</b> (375.56)	- (-)	- (-)		<b>3029.85</b> (1760.16)
Depreciation	<b>25018.40</b> (25561.21)	<b>1076.11</b> (1109.71)	- (-)	<b>4.70</b> (4.70)		<b>26099.21</b> (26675.62)
Non-cash Expenses other than Depreciation	- (166.84)	<b>190.08</b> (2799.61)	- (-)	- (-)		<b>190.08</b> (2966.45)

**Note : Figures in brackets represent previous year's 2020-21 amounts.**



**B. Segment Identification, Reportable Segments and definition of each segment :**

**i. Reportable Segments :**

The Company's operating segments are established on the basis of those components that are evaluated regularly by the Chief Operating Decision Maker, in deciding how to allocate resources and in assessing performance. These have been identified and reported taking into account the differing risks and returns, nature of products, the organisational structure and the internal reporting system of the Company.

**ii. Primary / Secondary Segment Reporting Format :**

- a) The risk-return profile of the Company's business is determined predominantly by the nature of its products. Accordingly, the business segments constitute the Primary Segments for disclosure of segment information.
- b) Since all the operations of the Company are predominantly conducted within India, there are no separate reportable geographical segments.
- c) No Non-Current Assets of the Company is located outside India as on 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March 2021.
- d) No single customer has accounted for more than 10% of the Company revenue for the year ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March 2021.

**iii. Segment Composition :**

- a) Steel Segment is engaged in manufacture and sale of Pig Iron, Billets, Rolled Products, Sponge Iron and includes its captive Power Plants at its unit located at Siltara, Raipur and Mining activities in the state of Chhattisgarh and Maharashtra.
- b) Iron and Steel Castings Segment comprises of manufacture and sale of Engineering and Automotive Castings with production facilities at Nagpur, Bhilai and Anjora.
- c) Other Segment comprises of trading of Coal, Coke and PVC pipes.

**NOTE : 40 RELATED PARTY DISCLOSURES :**

In accordance with the requirements of Ind AS 24, on Related Party Disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported year, are as detailed below:

**A. List of Related Parties :**

**I. Associate Company**

Maa Usha Urja Limited

**II. Key Management Personnel and their Relatives**

**Key Management Personnel**

Shri B. L. Shaw  
 Shri Arvind Jayaswal  
 Shri Ramesh Jayaswal  
 Shri P. K. Bhardwaj  
 Shri Vikash Kumar Agarwal  
 Shri M. P. Singh

**Relatives of Key Management Personnel**

Shri Avneesh Jayaswal  
 Shri Anshul Bhardwaj



**III. Enterprises in which key managerial personnel and their relatives are able to exercise significant influence with whom transactions have taken place during the year :**

**Other Related Parties**

Apex Spinning Mills Private Limited	Jayaswal Neco Energy Private Limited
Jayaswal Neco Infrastructures Private Limited	Jayaswal Neco Urja Private Limited
Jayaswal Neco Metallica Private Limited	Neco Defence Systems Private Limited
Jayaswal Neco Steel and Mining Limited	Neco Heavy Engineering and Castings Limited
Jayaswal Neco Power Private Limited	Nine Star Plastic Packaging Services Private Limited
The Jayaswal Basant Lall Shaw Family Trust	NSSL Private Limited
Shashi Enterprises	Synergy CapCorp India Private Limited*
Neco Mining Company Private Limited	(w.e.f.11 <sup>th</sup> November,2021)

\* Nominee Director is able to exercise significant influence.

**B. Transactions and Balances with Related Parties : (Rs. in lakhs)**

Nature of Transactions	Name of the Related Parties	2021-22	2020-21
<b>Transactions with Associate :</b>			
Commission Income on Corporate Guarantee	Maa Usha Urja Limited	-	5.91
Lease Rent	Maa Usha Urja Limited	600.00	600.00
Reimbursement of Expenses to the Company	Maa Usha Urja Limited	-	4.43
<b>Transactions with Other Related Parties:</b>			
Purchase of Property, Plant and Equipment	Neco Heavy Engineering and Castings Limited	3.82	-
	Neco Defence Systems Private Limited	-	19.80
	NSSL Private Limited	19.91	-
Sale of Products	NSSL Private Limited	10944.23	6535.54
	Neco Heavy Engineering and Castings Limited	689.97	300.78
	Neco Defence Systems Private Limited	-	0.51
Purchase of Goods and Services	NSSL Private Limited	11453.21	7477.69
	Neco Heavy Engineering and Castings Limited	533.71	223.57
	Neco Defence Systems Private Limited	-	0.07
Other Manufacturing Expenses	NSSL Private Limited	103.18	129.50
	Neco Heavy Engineering and Castings Limited	497.87	234.12
	Neco Mining Company Private Limited	3450.46	-
Consultancy Charges	Synergy CapCorp India Private Limited	324.73	-
Rent / Lease Rent	The Jayaswal Basant Lall Shaw Family Trust	92.40	92.40
	Shashi Enterprises	16.10	15.92
	Shri Arvind Jayaswal	10.65	10.56
	Shri Ramesh Jayaswal	10.65	10.56
Interest Expense	Apex Spinning Mills Private Limited	4.34	6.74
	Nine Star Plastic Packaging Services Private Limited	8.68	13.48
	Jayaswal Neco Infrastructures Private Limited	17.34	26.97
	Jayaswal Neco Energy Private Limited	17.34	26.96
	Jayaswal Neco Metallica Private Limited	21.68	33.70
	Jayaswal Neco Steel and Mining Limited	17.34	26.96

Shares Allotted	Apex Spinning Mills Private Limited	<b>800.00</b>	-
	Nine Star Plastic Packaging Services Private Limited	<b>1050.00</b>	-
	Jayaswal Neco Infrastructures Private Limited	<b>1400.00</b>	-
	Jayaswal Neco Power Private Limited	<b>300.00</b>	-
	Jayaswal Neco Energy Private Limited	<b>1350.00</b>	-
	Jayaswal Neco Metallica Private Limited	<b>1150.00</b>	-
	Jayaswal Neco Steel and Mining Limited	<b>1750.00</b>	-
Sitting Fees	Shri B.L. Shaw	<b>1.50</b>	1.00
Managerial Remuneration	Shri Arvind Jayaswal	<b>122.16</b>	113.10
	Shri Ramesh Jayaswal	<b>122.16</b>	114.89
	Shri P. K. Bhardwaj	<b>44.34</b>	43.91
	Shri M.P. Singh	<b>65.84</b>	58.52
	Shri Avneesh Jayaswal	<b>53.10</b>	48.85
	Shri Vikash Kumar Agarwal	<b>32.32</b>	25.20
	Shri Anshul Bhardwaj	<b>2.62</b>	2.14
Reimbursement of Expenses to the Company	Neco Heavy Engineering and Castings Limited	<b>8.34</b>	-
	NSSL Private Limited	<b>26.81</b>	-

(Rs.in lakhs)

Nature of Transactions	Name of the Related Parties	As at 31.03.2022	As at 31.03.2021
<b>Balances with Associate :</b>			
Corporate Guarantee Given	Maa Usha Urja Limited	-	1181.00
Current Borrowings-Inter Corporate Deposits	Maa Usha Urja Limited	<b>2237.91</b>	2237.91
Trade payables	Maa Usha Urja Limited	<b>336.80</b>	337.05
Interest Accrued and due	Maa Usha Urja Limited	<b>292.05</b>	292.05
<b>Balance with Other Related Parties :</b>			
Non Current Borrowings-Inter Corporate Deposits	Apex Spinning Mills Private Limited	-	50.78
	Nine Star Plastic Packaging Services Private Limited	-	101.55
	Jayaswal Neco Infrastructures Private Limited	-	203.10
	Jayaswal Neco Energy Private Limited	-	203.09
	Jayaswal Neco Metallica Private Limited	-	253.87
	Jayaswal Neco Steel and Mining Limited	-	203.09
	Advance against Share Application Money	Apex Spinning Mills Private Limited	-
Nine Star Plastic Packaging Services Private Limited		-	850.00
Jayaswal Neco Infrastructures Private Limited		-	1000.00
Jayaswal Neco Power Private Limited		-	300.00
Jayaswal Neco Energy Private Limited		-	950.00
Jayaswal Neco Metallica Private Limited		-	650.00
Jayaswal Neco Steel and Mining Limited		-	1350.00
Trade Payables	NSSL Private Limited	<b>33.23</b>	132.21
	Neco Heavy Engineering and Castings Limited	<b>39.05</b>	51.54
	Synergy CapCorp India Private Limited	<b>66.73</b>	-
	Neco Mining Company Private Limited	<b>259.65</b>	-
Deposit Given	The Jayaswal Basant Lall Shaw Family Trust	<b>23.10</b>	23.10
	Shashi Enterprises	<b>3.00</b>	3.00
	Shri Arvind Jayaswal	<b>2.40</b>	2.40
	Shri Ramesh Jayaswal	<b>2.40</b>	2.40



Current - Loans	Jayaswal Neco Urja Private Limited	<b>738.30</b>	738.30
Interest Receivables	Jayaswal Neco Urja Private Limited	<b>157.92</b>	157.92
Provision for Doubtful Advance (Including Interest Receivables)	Jayaswal Neco Urja Private Limited	<b>896.22</b>	896.22
Advances to Suppliers	NSSL Private Limited	-	20.34
	Neco Defence Systems Private Limited	-	4.18
Trade Receivables	Neco Heavy Engineering and Castings Limited	<b>389.11</b>	8.44
Rent / Lease Rent Payable	Shri Arvind Jayaswal	<b>0.87</b>	8.14
	Shri Ramesh Jayaswal	<b>0.87</b>	8.14

**C. Compensation to Key Managerial Personnel of the Company**

(Rs.in lakhs)

<b>Nature of Transaction</b>	<b>2021-22</b>	<b>2020-21</b>
Short Term Employee Benefits	<b>387.53</b>	356.34
Post-employment Benefits	<b>7.06</b>	6.76
<b>TOTAL</b>	<b>394.59</b>	363.10

**D.** The Company is not the beneficiary owner of the shares of the associate company, accordingly consolidation of the associate company's financial statements is not required.

**NOTE : 41 DIVIDEND ACCRUED ON REDEEMABLE PREFERENCE SHARES NOT PROVIDED FOR:**

(Rs.in lakhs)

<b>PARTICULARS</b>	<b>For the Year ended 31.03.2022</b>	<b>For the Year ended 31.03.2021</b>
a. 16% Redeemable Cumulative Preference Shares	<b>1700.51</b>	1700.51
b. 0.0001% Cumulative Redeemable Preference Shares	<b>0.01</b>	0.01
<b>TOTAL</b>	<b>1700.52</b>	1700.52

**NOTE : 42**

**EXPENDITURE RELATED TO CORPORATE SOCIAL RESPONSIBILITY (CSR) AS PER SECTION 135 OF THE COMPANIES ACT, 2013 READ WITH SCHEDULE VII.**

- CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company during the year is Rs. Nil (Previous Year : Rs. Nil)
- Expenditure incurred related to Corporate Social Responsibility is Rs.386.69 lakhs (Previous Year : Rs. 242.34 lakhs).
- The amount of Shortfall at the end of the year out of the amount required to be spent by the company during the FY 2021-22: Nil
- Total amount of Previous years shortfall: Nil
- Reason for shortfall: Not Applicable

**f. Details of Expenditure incurred towards CSR given below: (Rs. in lakhs)**

<b>PARTICULARS</b>	<b>For the Year ended 31.03.2022</b>	<b>For the Year ended 31.03.2021</b>
Rural Development Projects	208.55	117.79
Environmental Sustainability	26.89	26.30
Education and Training	10.51	0.66
Health Care, Sanitation and providing Drinking Water	103.22	54.55
Promotion and Development of Traditional Art and Culture, Community Welfare	31.02	39.62
Others	6.50	3.42
<b>TOTAL</b>	<b>386.69</b>	<b>242.34</b>

**g.** There are no related party transactions included in above CSR expenditure.

**NOTE : 43 PROVISIONS**

**Disclosures as required by Ind AS 37-“Provisions, Contingent Liabilities and Contingent Assets” :**

<b>PARTICULARS</b>	<b>Assets Retirement Obligations</b>	<b>Provision for Credit Impaired/ Doubtful on Trade Receivables / Advances</b>	<b>Provision for Expected Credit Loss on Trade Receivables</b>	<b>Provision for Energy Development Cess</b>	<b>Provision for Entry Tax and Cess</b>
As at 1st April, 2020	23.53	6295.13	1,160.54	4791.59	396.75
Provision during the year	2.44	1117.07	-	330.25	-
Provision reversed during the year	-	(233.54)	(658.68)	-	-
As at 31st March, 2021	25.97	7178.66	501.86	5121.84	396.75
Provision during the year	2.70	120.81	-	384.04	-
Provision reversed during the year	-	(538.35)	(69.26)	-	-
Provision written off during the year	-	(2219.67)	-	-	-
<b>As at 31st March, 2022</b>	<b>28.67</b>	<b>4541.45</b>	<b>432.60</b>	<b>5505.88</b>	<b>396.75</b>

**NOTE : 44 FAIR VALUES**

**44.01 Financial Instruments by category:**

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial assets and liabilities that are recognised in the financial statements.

**a) Financial Assets / Liabilities measured at Fair Value**

<b>Particulars</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
<b>Financial Assets designated at Fair Value through Profit and Loss :</b>		
- Investments	0.21	0.05
<b>TOTAL</b>	<b>0.21</b>	<b>0.05</b>

**b) Financial Assets / Liabilities designated at Amortised Cost:**

Particulars	As at 31.03.2022		As at 31.03.2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial Assets :</b>				
<b>Financial Assets designated at Amortised Cost :</b>				
- Trade Receivables	45748.63	45748.63	32750.42	32750.42
- Cash and Cash Equivalents	18187.14	18187.14	29075.22	29075.22
- Bank Balances other than Cash and Cash Equivalents	30360.22	30360.22	7820.37	7820.37
- Loans	-	-	-	-
- Others	969.19	969.19	2415.05	2415.05
<b>TOTAL</b>	<b>95265.18</b>	<b>95265.18</b>	<b>72061.06</b>	<b>72061.06</b>
<b>Financial Liabilities :</b>				
<b>Financial Liabilities designated at Amortised Cost:</b>				
- Borrowings	383949.12	383949.12	382373.30	382373.30
- Lease Liabilities	547.53	547.53	520.52	520.52
- Trade Payables	27110.10	27110.10	17922.04	17922.04
- Other Financial Liabilities	16891.04	16891.04	311085.26	311085.26
<b>TOTAL</b>	<b>428497.79</b>	<b>428497.79</b>	<b>711901.12</b>	<b>711901.12</b>

**44.02 Fair Valuation techniques used to determine Fair Value**

The Company maintains procedures to value its financial assets or financial liabilities using the best and most relevant data available. The Fair Values of the financial assets and liabilities are included at the amount 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 following methods and assumptions were used to estimate the Fair Values:

- Fair Value of Cash and Cash Equivalents, Other Bank Balances, Trade Receivable, Trade Payables, Current Loans, Current Borrowings, Deposits and other Current Financial Assets and Liabilities are approximate at their carrying amounts largely due to the short-term maturities of these instruments.
- The Fair Values of Secured and Unsecured Non-current Borrowings is calculated based on discounted cash flows using a lending rate. They are classified as level 2 fair values in the fair value hierarchy due to the inclusion of observable inputs. The Fair Value of Security Deposits are approximate at their carrying amount due to interest bearing features of these instruments.
- Fair values of Investment in equity are derived from quoted market prices in active markets.
- The Fair Value of the remaining financial instruments is determined using discounted cash flow analysis.
- The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**44.03 Fair Value Hierarchy**

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:-

- Level 1 :-** Quoted prices / published Net Assets Value (unadjusted) in active markets for identical assets or liabilities. It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the Balance Sheet date and financial instruments like mutual funds for which Net Assets Value is published by mutual fund operators at the Balance Sheet date.

- ii) **Level 2 :-** Inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). It includes fair value of the financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the Company specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2.
- iii) **Level 3 :-** Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The following table provides hierarchy of the fair value measurement of Company's asset and liabilities, grouped into Level 1 (Quoted prices in active markets), Level 2 (Significant observable inputs) and Level 3 (Significant unobservable inputs) as described below:

Particulars	(Rs. in lakhs)		
	As at 31.03.2022		
	Level 1	Level 2	Level 3
<b>Financial Assets</b>			
<b>Financial Assets designated at Fair Value through Profit and Loss :</b>			
Investments	0.20	-	0.1#

Particulars	(Rs. in lakhs)		
	As at 31.03.2021		
	Level 1	Level 2	Level 3
<b>Financial Assets</b>			
<b>Financial Assets designated at Fair Value through Profit and Loss :</b>			
Investments	0.05	-	0#

# since the Investments under level 3 category are not material and its fair value is zero, so the disclosure for the same is not given.

#### **NOTE: 45 Financial Risk Management - Objective and Policies**

The Company is exposed to Market Risk, Credit Risk and Liquidity Risk. Risk management is carried out by the company under the policy and plan as approved by the Board of Directors. The Risk management plan defines how risks associated with the Company will be identified, analysed, and managed. It outlines how risk management activities will be performed, recorded, and monitored by the Company. The basic objective of risk management plan is to implement an integrated risk management approach to ensure that all significant areas of risks are identified, understood and effectively managed, to promote a shared vision of risk management and encourage discussions on risks at all levels of the organization to provide a clear understanding of risk / benefit trade-offs, to deploy appropriate risk management methodologies and tools for use in identifying, assessing, managing and reporting on risks, and to determine the appropriate balance between cost and control of risk and deploy appropriate resources to manage / optimise key risks. The activities are developed to provide feedback to management and other interested parties (e.g. Audit committee, Board etc.) by way of Action taken report. The results of these activities ensure that risk management plan is effective in the long term.

#### **45.01 Market Risk and Sensitivity :**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise three types of risks : Foreign Currency Rate risk, Interest Rate risk and other Price risks, such as Equity Price risk and Commodity price risk. Financial instruments affected by market risk include Loans and Borrowings, Deposits and Investments.

The sensitivity analysis relates to the position as at 31st March 2022 and 31st March 2021.



The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations, provisions and on the non-financial assets and liabilities. The sensitivity of the relevant Statement of Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as at 31st March, 2022 and 31st March, 2021.

**(a) Foreign Currency Exchange Risk and Sensitivity :**

Foreign Currency Exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in Foreign Currency Exchange rates. The Company's exposure to the risk of changes in foreign currency exchange rates relates primarily to the Company's operating activities. The Company transacts forex business primarily in USD, SEK and EURO. The Company has foreign currency trade payables and trade receivables and is therefore, exposed to foreign currency exchange risk. The Company regularly reviews and evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies and plan.

The following table demonstrates the sensitivity in the USD, SEK and Euro to the Indian Rupee with all other variables held constant. The impact on the Company's Profit Before Tax (PBT) due to changes in the fair values of monetary assets and liabilities is given below:

Unhedged Foreign currency exposure as at 31 <sup>st</sup> March, 2022	Currency	Amount in FC	(Rs. in lakhs)
Trade Receivable	USD	1077422	816.76
Trade Receivable	EURO	134635	113.98
Trade Payable	USD	(237809)	(180.52)
Trade Payable	EURO	(62631)	(52.87)
Trade Payable	SEK	(650000)	(52.59)
Unhedged Foreign currency exposure as at 31 <sup>st</sup> March, 2021	Currency	Amount in FC	(Rs. in lakhs)
Trade Receivable	USD	329049	240.34
Trade Receivable	EURO	188530	161.78
Trade Payable	USD	(237809)	(176.48)
Trade Payable	EURO	(25700)	(22.47)
Trade Payable	SEK	(650000)	(55.45)
Trade Payable	CAD	(93100)	(55.12)

**Foreign Currency sensitivity**

2% increase or decrease in foreign exchange rates will have the following impact on Profit Before Tax (PBT) / Loss Before Tax (LBT) : -

Particulars	2021-2022		2020-2021	
	2% Increase	2% Decrease	2% Increase	2% Decrease
	- Profit / (Loss)	- Profit / (Loss)	- Profit / (Loss)	- Profit / (Loss)
USD	12.72	(12.72)	1.28	(1.28)
EURO	1.22	(1.22)	2.79	(2.79)
SEK	(1.05)	1.05	(1.11)	1.11
CAD	-	-	(1.10)	1.10
<b>Increase / (Decrease) in Profit Before Tax</b>	<b>12.89</b>	<b>(12.89)</b>		
<b>(Increase) / Decrease in Loss Before Tax</b>			<b>1.85</b>	<b>(1.85)</b>

**b) Interest Rate Risk and Sensitivity :**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is having current and non current borrowings in the form of Term Loan. There is a fixed rate of interest in case of Term Loans and hence, there is no interest rate risk associated with these borrowings. Further, with implementation of Debt Restructuring the applicable higher interest rates including penal interest, Liquidated damages etc., earlier levied, will not be charged now thereby eliminating the Interest Rate risk to a significant level.

The table below illustrates the impact of a 2% increase / decrease in interest rates on interest on financial liabilities assuming that the changes occur at the reporting date and has been calculated based on risk exposure outstanding as of date. The year end balances are not necessarily representative of the average debt outstanding during the year.

Particulars	2021-22		2020-21	
	2% Increase	2% Decrease	2% Increase	2% Decrease
	- Increase in PBT	- Decrease in PBT	- Increase in LBT	- Decrease in LBT
Working Capital Facility	-	-	(1261.06)	1261.06
Term Loan from Banks and Others	-	-	(6017.82)	6017.82
<b>(Increase) / Decrease in Loss Before Tax</b>	<b>-</b>	<b>-</b>	<b>(7278.88)</b>	<b>7278.88</b>

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

**c) Commodity Price Risk :**

The Company's revenue is exposed to the market risk of price fluctuations related to the sale of its iron, steel and castings products. Market forces generally determine prices for the products sold by the Company. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Company earns from the sale of its products.

The Company prices its Iron and Steel products as per the accepted market practices.

The Company primarily purchases its raw materials in the open market from third parties. The Company is therefore subject to fluctuations in prices for the purchase of iron ore, fines, non coking and coking coal and other raw material inputs. The Company purchased substantially large part of its iron ore, fines and coal requirement from third parties in the open market during the year ended 31<sup>st</sup> March, 2022

The Company aims to sell its products at prevailing market prices. Similarly the Company procures key raw materials like iron ore, fines and coal based at prevailing market rates, predominantly the selling prices of steel and castings and that of input raw materials move in the same direction although with a lag effect.

The following table details the Company's sensitivity to a 5% movement in the input price of Iron Ore and Coking Coal.

Particulars	2021-22		2020-21	
	5% Increase	5% Decrease	5% Increase	5% Decrease
	- (Decrease) in PBT	- Increase in PBT	- Increase in LBT	- Decrease in LBT
Iron Ore / Fines	(4254.89)	4254.89	(3260.22)	3260.22
Coal / Coke	(6960.59)	6960.59	(3918.79)	3918.79
<b>(Increase) / Decrease in Profit Before Tax</b>	<b>(11215.48)</b>	<b>11215.48</b>		
<b>(Increase) / Decrease in Loss Before Tax</b>			<b>(7179.01)</b>	<b>7179.01</b>

## 45.02 Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

### a) Trade Receivables :

The Company measures the expected credit loss of trade receivables, which are subject to credit risk, based on historical trend, industry practices and the business environment in which the entity operates and adjusted for forward looking information. Loss rates are based on actual credit loss experience and past trends.

The Company has used practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix . The provision matrix has taken into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on ageing of the days the receivables are due.

The following table summarizes the Gross carrying amount of the trade receivable and provision made:

Particulars	31 <sup>st</sup> March 2022		31 <sup>st</sup> March 2021	
	Gross Carrying Amount	Loss Allowance	Gross Carrying Amount	Loss Allowance
Trade Receivables	47672.89	1924.26	37126.97	4376.55
<b>Total</b>	<b>47672.89</b>	<b>1924.26</b>	<b>37126.97</b>	<b>4376.55</b>

The following table summarizes the changes in the Provisions made for the receivables:

Particulars	31 <sup>st</sup> March 2022		31 <sup>st</sup> March 2021	
Opening Balance	4376.55		4166.10	
Add : Provided during the year	(2383.03)		869.13	
Less : Reverse during the year	(69.26)		(658.68)	
Closing Balance	1924.26		4376.55	

No significant changes in estimation techniques or assumptions were made during the reporting year.

### b) Financial Instruments and Cash Deposits :

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which its balances are maintained. The Credit risk from balances with bank is managed by the Company's finance and treasury department. Investment of surplus funds are also managed by finance and treasury department. The Company does not maintain significant cash in hand. Excess balance of cash other than those required for its day to day operations is deposited into the bank.

For other financial instruments, the finance and treasury department assesses and manages credit risk based on internal assessment. Internal assessment is performed for each class of financial instrument with different characteristics.

## 45.03 Liquidity Risk :

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. It will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. The Company's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies on short term borrowings and operating cash flows in the form of suppliers credit to meet its need for fund.

With implementation of the debt restructuring the cash flow position of the Company, financial leverage levels, Liquidity position have improved/expected to improve significantly and results in elimination of the financial stress. Restructuring have also led to realignment of debt to sustainable level, the Company has been doing prompt servicing of debt dues as per the Debt Restructuring from the cut-off date of 31st March, 2020.

The below table summaries the maturity profile of the Company's financial liability :

Particulars	Maturity				(Rs. in lakhs)
	On Demand	Less than 1 Year	1 to 5 Years	More than 5 years	Total
<b>As at 31<sup>st</sup> March, 2022</b>					
Non Current Borrowings*	-	-	343625.40	-	343625.40
Lease Liabilities (Non Current)	-	-	149.67	315.90	465.57
Other Financial Liabilities (Non Current)	-	-	1.66	-	1.66
Short term borrowings	2237.91	38085.81	-	-	40323.72
Lease Liabilities	-	81.96	-	-	81.96
Trade Payables	-	27110.10	-	-	27110.10
Other Financial Liabilities	-	16889.38	-	-	16889.38
<b>Total</b>	<b>2237.91</b>	<b>82167.25</b>	<b>343776.73</b>	<b>315.90</b>	<b>428497.79</b>
<b>As at 31<sup>st</sup> March, 2021</b>					
Non Current Borrowings #	-	-	86876.38	101281.01	188157.39
Lease Liabilities (Non Current)	-	-	135.13	314.94	450.07
Other Financial Liabilities (Non Current)	-	-	1.86	-	1.86
Short term borrowings	75734.57	118614.40	-	-	194348.97
Lease Liabilities	-	70.45	-	-	70.45
Trade Payables	-	17922.04	-	-	17922.04
Other Financial Liabilities	-	311083.40	-	-	311083.40
<b>Total</b>	<b>75734.57</b>	<b>447690.29</b>	<b>87013.37</b>	<b>101595.95</b>	<b>712034.18</b>

\*The Company intends to refinance the amount of Rs. 370947.78 lakhs (Rs. 340231.49 lakhs with Fair Value Adjustment).

# Processing fees has not been considered.

#### 45.04 Competition and Price Risk :

The Company faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage as it sells high quality products and by continuously upgrading its expertise and range of products and it strictly adheres to the delivery schedules to meet the needs of its customers.

#### NOTE : 46 CAPITAL RISK MANAGEMENT

For the purpose of Company's capital management, capital includes issued capital, all other equity reserves and debt. The primary objective of the Company's capital management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants. Accordingly, the Company have also converted its part Debt into Equity under terms & conditions of its Debt Restructuring with lenders and have balanced both the Debt and its Capital to improve the profitability of the Company.

The Company monitors capital using gearing ratio, which is Net debt divided by the Total Capital Employed (Equity plus Net Debt). Net debt is non-current and current debts as reduced by cash and cash equivalents, other bank balances, non-current bank deposits and current investments. Equity comprises all components including other comprehensive income.



The Company monitors its capital employed using Gearing ratio, which is Net debt divided by Total Capital Employed (Equity plus Net Debt)

	(Rs. in lakhs)	
Particulars	As at 31.03.2022	As at 31.03.2021
Total Debt	384496.65	382893.82
Less : Cash and cash equivalent	18187.14	29075.22
Less : Other Bank Balances	30360.22	7820.37
Less : Non current Bank Deposits	734.20	2171.42
Less : Current Investments	0.21	0.05
Net Debt	335214.88	343826.76
Equity	183339.32	(136260.32)
Total Capital Employed (Equity plus Net Debts)	518554.20	207566.44
Gearing ratio	64.64%	165.65%

**NOTE : 47 ASSETS HELD FOR SALE:**

	(Rs. in lakhs)	
Description of the assets held for Sale	As at 31.03.2022	As at 31.03.2021
Leasehold Land	1.42	-
Buildings	222.30	-
Plant and Equipment	2.40	-
Total	226.12	-

**NOTE : 47.01** The Company was having 5.946 acres leasehold Industrial land in the Light Industrial Area, Bhilai, situated in the Village Chhawani of Tehsil Durg, of the Durg District (Construction Casting Division, Bhilai). The said land was part of pari-passu security given to the ACRE Trusts. This Bhilai Plant is not in operations. The Company had entered into an Agreement to Sell on 20th December 2021 for the sale of the Immovable Properties related to Bhilai Plant to an identified buyer. Accordingly, the Company has received part consideration amounting to Rs. 525.00 Lakhs upto 31st March 2022 as per the executed agreement. The entire amount of Rs. 525.00 lakhs has been paid by the Company to the ACRE Trusts (Secured lenders) and the principal outstanding of the ACRE Trusts has been reduced accordingly. The amount of Rs. 525.00 Lakhs has been shown in Current liability as Advance received against the sale of fixed assets as on 31st March 2022. This Fixed Asset is now shown as "Assets held for Sale" as on 31st March 2022 as per IND AS-105.

**NOTE : 48 Details of Loan given, Investment made and Corporate Guarantee given covered u/s 186(4) of the Companies Act, 2013.**

		(Rs. in lakhs)	
Sr. No.	PARTICULARS	As at 31.03.2022	As at 31.03.2021
I	<b>Loan Given</b>		
	Jayaswal Neco Urja Private Limited	738.30	738.30
II	<b>Corporate Guarantee Given</b>		
	Maa Usha Urja Limited (MUUL)	-	1181.00

The above Loan has been given for business purpose.

Corporate Guarantee given to the lenders of MUUL for the financial facilities availed by that company.

**NOTE : 49 Key Financial Ratios:**

Sr. No.	Particulars	Numerator	Denominator	As at 31.03.2022	As at 31.03.2021	% Variance	Reason for Variance (If more than 25%)
i)	Current ratio (times)	Current Assets	Current Liabilities	2.46	0.33	653.49%	The ratio has significantly improved due to increase in Current Assets majorly on account of rise in inventory values. Further, Current Liabilities have reduced significantly on account of reduction in current maturity of long term borrowings, Interest accrued & due and working capital loans due to implementation of Debt Restructuring Effectiveness in Financial Year 2021-22
ii)	Debt equity ratio (times)	Total Debts	Average Total Equity [(Opening Total Equity + Closing Total Equity)/2]	2.10	(2.81)	174.63%	The ratio has improved due to significant rise in Shareholders Equity on account of Equity Issuance during the year and rise in retained earnings. The retained earnings have increased due to improved EBITDA and Exceptional Income (Refer Note No. 51) on account of implementation of Debt Restructuring Effectiveness in Financial Year 2021-22.
iii)	Debt Service Coverage Ratio (times)	Earnings available for debt service (Net profit after taxes+ depreciation and amortization + finance cost + non cash operating items + other adjustment)	Debt service	1.14	0.69	66.50%	The ratio has improved due to Significant improvement in EBITDA coupled with reduction in interest outgo. EBITDA improved due to improved margins on account of Higher sales realisation and uptick in volumes led by improved steel market in Financial Year 2021-22.
iv)	Return on equity ratio (%)	Net Profit/ (Loss) after taxes*	Average Total Equity [(Opening Total Equity + Closing Total Equity)/2]	954.69%	-	-	The Ratio could not be calculated in Financial Year 2020-21 due to Negative Net worth. The ratio has become quite high due to significant rise in Profits and rise in Average Net Worth on account of (1) rise in EBITDA due to improved margins on account of higher sales realizations and uptick in volumes led by the improved steel market in Financial Year 2021-22 and (2) higher Profit transferred to Retained Earnings on account of Exceptional Income (Refer Note no. 51)

v)	Inventory Turnover ratio (times)	Revenue from operations	Average Inventory [(opening balance+ closing balance)/2]	5.66	4.23	33.81%	The Ratio has increased due to significant rise in Turnover on account of higher sales realisation and uptick in volumes led by improved steel market in Financial year 2021-22.
vi)	Trade receivables turnover ratio (times)	Revenue from operations	Average trade receivable [(Opening balance + closing balance) /2]	15.18	10.92	39.07%	
vii)	Trade payables turnover ratio (times)	Purchases	Average trade payable [(Opening balance + closing balance) /2]	16.00	9.26	72.78%	The Ratio has increased due to significant rise in cost of raw materials and uptick in production volume led by improved steel market in Financial year 2021-22.
viii)	Net capital turnover ratio (times)	Revenue from operations	Working capital (Current assets - current liabilities)	4.14	(1.02)	504.43%	The Ratio has increased due to significant rise in Turnover on account of higher sales realisation and uptick in volume led by improved steel market in Financial year 2021-22. Further the ratio has improved due to increase in Current Assets majorly on account of rise in inventory values and Current Liabilities have reduced significantly on account of reduction in current maturity of long term borrowings, Interest accrued & due and working capital loans due to implementation of Debt Restructuring Effectiveness in Financial Year 2021-22
ix)	Net profit ratio (%)	Net Profit/ (Loss) after tax*	Revenue from operations	37.72%	(15.07%)	350.30%	The ratio has improved on account of (1) rise in EBITDA due to improved margins on account of higher sales realisations and uptick in volumes led by improved steel market in Financial year 2021-22 and (2) Higher Profit on account of Exceptional Income (Refer Note no. 51), which is result of Implementation of Debt Restructuring Effectiveness in the books of accounts in Financial year 2021-22.
x)	Return on capital employed (%)	Profit before interest and taxes	Capital Employed= Tangible Net Worth + Total Debts+ Deferred Tax Liability	18.37%	14.44%	27.23%	
xi)	Return on investment (%)	Income of investment	Current investments	71.43%	20.00%	257.14%	The ratio increases mainly on account of increase in market value of shares. However, the amount of investment of the company is negligible.

\* Net Profit/ (Loss) after taxes includes Exceptional Items.



**NOTE : 50 Relationship with Struck off Companies**

Details of the transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 are as follows:

(Rs. in lakhs)

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding as at 31.03.2022	Relationship with the struck off company, if any, to be disclosed	Balance outstanding as at 31.03.2021	Relationship with the struck off company, if any, to be disclosed
Patil Vossloh Rail Systems Private Limited	Trade Receivables	-	No	0.00	No
B.M.Constructions Private Limited	Trade Receivables	-	No	0.66	No
DSG Buildwell Private Limited	Trade Receivables	-	No	11.22	No
M/S Kunj Bhari Const Private Limited	Trade Receivables	2.36	No	2.36	No
Prem Sukh Construction Private Limited	Trade Receivables	-	No	4.51	No
M/S Amg Infrastructure Private Limited	Trade Receivables	-	No	132.87	No
<b>Total</b>		<b>2.36</b>		<b>151.62</b>	

**NOTE : 51 Exceptional Items include:**

(Rs. in lakhs)

Particulars	Amount
Net Impact on the Profit & Loss Account (After considering Fair Value Accounting Adjustment) (Refer Note no. 18.02)	160896.03
Write back of borrowings due to One time settlement of debt dues by one banker with the company	1110.25
Write back of an amount payable (Refer Note 23.02)	10443.67
<b>Net Impact on the Profit &amp; Loss Account (After considering Other Adjustment)</b>	<b>172449.95</b>

**NOTE : 52 Other Statutory Information**

52.01 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

52.02 The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall: (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

52.03 The Company has not received any fund from any person(s) or entity(s), including entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

52.04 The Company does not have any such transaction which is not recorded in the books of account surrendered or disclosed as income during the year in the tax assessments under the Income-tax act, 1961.



- 52.05 No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- 52.06 The Company is not declared wilful defaulter by any bank or financial institution or other lender.
- 52.07 There is no charge or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- 52.08 The company does not have any borrowings from banks or financial institutions on the basis of security of current assets except one bank which has assigned its borrowings to ACRE-106 Trust in the beginning of financial year 2021-22.

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**NOTE : 53** Previous Year's figures have been regrouped/rearranged wherever necessary, to make them comparable with those of current year.

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As per our Report of even date

**For CHATURVEDI & SHAH LLP**

*Chartered Accountants*

*(Registration No. : 101720W/W100355)*

For and on behalf of Board of Directors

**R. KORIA**

*Partner*

*Membership No.: 35629*

**ARVIND JAYASWAL**

*Managing Director & Chief Executive Officer*

*DIN : 00249864*

**For NARESH PATADIA & CO.**

*Chartered Accountants*

*(Registration No. : 106936W)*

**VIKASH KUMAR AGARWAL**

*Company Secretary*

*Membership No.: A19583*

**P. K. BHARDWAJ**

*Executive Director & Chief Financial Officer*

*DIN : 03451077*

**NARESH PATADIA**

*Proprietor*

*Membership No.: 35620*

**Nagpur, 30<sup>th</sup> May, 2022**



# Jayaswal Neco Industries Limited

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## IMPORTANT NOTICE TO MEMBERS . . .

In furtherance of the Green Initiative in Corporate Governance, service of documents like Report and Accounts, Notices etc. through electronic mode i.e., email by the Company will be a valid compliance under Section 20 as well as Section 101 of the Companies Act, 2013 and Rules made there under.

To support this initiative, shareholders who are yet to register their e-mail addresses are requested to furnish/register their Email Id's at [contact@necoindia.com](mailto:contact@necoindia.com) along with their Folio No./DP ID and Client ID and No of shares held by them, with the Company or with the Registrar and Share Transfer Agent (Linkintime India Pvt. Ltd.), to enable the Company to send all Notices, periodical statements, Annual Report etc. of the Company through electronic mode.

In compliance with the MCA Circulars and SEBI Circular, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report for the financial year 2021-22 will also be available on the Company's website [www.necoindia.com](http://www.necoindia.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of the e-voting agency- National Securities Depository Limited at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).



If undelivered please return to :

**Jayaswal Neco Industries Limited**

CIN - L28920MH1972PLC016154

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