

# Jayaswal Neco Industries Limited



**48<sup>th</sup>** **Annual Report**  
**2020-2021**



## Chairman's Message

Dear Valued Shareholders,

It is my honour and privilege to interact with you as the Chairman of the Board of Directors of your Company. I am pleased to present you the Annual Report for the financial year ended 31<sup>st</sup> March, 2021.

FY 2021 witnessed the emergence and widespread of COVID-19 globally. To curb the spread of the highly contagious virus, many countries imposed lockdown on non-essential industries and border restrictions, which led to supply disruption and lower demand for certain goods and services. The spread of COVID-19 pandemic brought economic activity to a near stand still in the first half of FY 21. Despite outbreak of the pandemic which hindered growth of the economy, we remain optimistic that this is the decade of opportunities.

While most of the sectors including constructions and automotive were negatively affected, some sectors such as pharmaceuticals and healthcare saw some growth. The Company through its prudent decisions remained resilient and sustainable in the challenging operating environment in FY 2021 and had achieved a relatively commendable performance in second half of FY 2021. At the same time, we are leveraging our relationships with existing customers to increase our product range and are also engaging with new customers to strengthen our presence and market share.

Moreover, the Company has entered into a Restructuring Support Agreement dated 23<sup>rd</sup> August, 2021 with various trusts declared and managed by Asset Care & Reconstruction Enterprise Limited, in its capacity as a trustee of such trusts ("Lenders") in relation to restructuring of its outstanding debt owed to the Lenders. The debt restructuring would become effective upon completion of certain condition precedents under the Restructuring Support Agreement. It is expected that the implementation of the proposed debt restructuring would improve the cash flow position of the Company, result in reduction of financial stress and will lead to realignment of debt to a sustainable level and prompt servicing of debt dues by the Company.

I take this opportunity to express my sincere gratitude to our Management team, other Employees, Workers, Bankers, Customers, Business Associates and all other Stakeholders for their unwavering trust and support and for their contribution towards the Company.

With warm regards,

**Basant Lal Shaw**  
CHAIRMAN

<b>BOARD OF DIRECTORS</b>	:	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 Arvind Iyer	Independent Director (Ceased w.e.f. 12/11/2021)
		Shri R. P. Mohanka	Independent Director
		Shri Ashwini Kumar	Independent Director (Appointed w.e.f. 14/08/2021)
		Smt. Kumkum Rathi	Independent Director (Appointed w.e.f. 21/10/2021)
		Shri Manoj Shah	Independent Director (Appointed w.e.f. 21/10/2021)
		Shri Vinod Kathuria	Independent Director (Appointed w.e.f. 11/11/2021)
		Shri Davinder Chugh	Director (Nominee- ACRE) (Appointed w.e.f. 11/11/2021)
		Shri Atul Gupta	Director (Nominee- ACRE) (Appointed w.e.f. 11/11/2021)
		Shri P. K. Bhardwaj	Executive Director and CFO
		Shri M. P. Singh	Executive Director (Steel) & COO (Steel Plant Division)
<b>COMPANY SECRETARY &amp; COMPLIANCE OFFICER</b>	:	Shri Vikash Kumar Agarwal	
<b>LENDERS</b>	:	Assets Care & Reconstruction Enterprise Limited (ACRE) acting in its capacity as trustee of: -	
		ACRE-54-Trust	ACRE-69-Trust
		ACRE-63-Trust	ACRE-76-Trust
		ACRE-68-Trust	ACRE-101-Trust
		ACRE-70-Trust	ACRE-103-Trust
		ACRE-59-Trust	ACRE-106-Trust
		ACRE-64-Trust	
<b>AUDITORS</b>	:	M/s. Pathak H. D. & Associates LLP Chartered Accountants, Mumbai.	M/s. Naresh Patadia & Co. Chartered Accountants, Nagpur.
<b>REGISTERED OFFICE</b>	:	F-8, MIDC Industrial Area, Hingna Road, Nagpur – 440 016. CIN: L28920MH1972PLC016154 Tel No.: 07104 - 237276, 237471, 237472 E-mail: contact@necoindia.com Website : www.necoindia.com	
<b>REGISTRAR &amp; TRANSFER AGENT (RTA)</b>	:	Linkintime India Private Limited. C-101,247 Park, L.B.S. Marg, Vikhroli West, Mumbai – 400 083. Ph. Nos. 022-49186270 Fax No. 022-49186060 Email: rnt.helpdesk@linkintime.co.in	
<b>WORKS</b>	:	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 – Light Industrial Area, Bhilai & Anjora (Chattisgarh). 5. Engineering Casting Division - MIDC Area, Hingna Road, Nagpur (Maharashtra).	



## NOTICE

**NOTICE** is hereby given that the 48<sup>th</sup> Annual General Meeting (“AGM”) of the members of **Jayaswal Neco Industries Limited (“JNIL”)** will be held on **Thursday, the 30<sup>th</sup> day of December, 2021 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, 2021 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Megh Pal Singh (DIN: 02635073), 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 Ramesh Jayaswal (DIN: 00249947), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
4. To appoint M/s. Chaturvedi & Shah LLP, Chartered Accountants, Mumbai as Joint Statutory Auditors of the Company.

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

**“RESOLVED THAT** pursuant to the provisions of Section 139 and 142 of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendation of the Audit Committee of the Company, M/s. Chaturvedi & Shah LLP, Chartered Accountants, Mumbai (Registration No. 101720W/W100355), be and are hereby appointed as the Joint Statutory Auditors of the Company from the conclusion of this Meeting (48<sup>th</sup> AGM) to hold such office for a period of 5 (Five) years till the conclusion of the Annual General Meeting (53<sup>rd</sup> AGM) of the Company to be held for the financial year 2025-26 at such remuneration as shall be fixed by the Board of Directors of the Company.”

### SPECIAL BUSINESS

5. **Appointment of Shri Ashwini Kumar (DIN: 07694424) 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 Sections 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, 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, Shri Ashwini Kumar (DIN: 07694424), who was appointed by the Board of Directors of the Company as an Additional and Independent Director of the Company and whose term of appointment as additional director expires at this meeting (48<sup>th</sup> AGM) be and is hereby appointed 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.”

**“RESOLVED FURTHER THAT** the Board of Directors 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.”

6. **Appointment of Smt. Kumkum Rathi (DIN: 03128864) 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 Sections 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, 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, Smt. Kumkum Rathi (DIN: 03128864), who was appointed by the Board of Directors of the Company as an Additional and Independent Director of the Company and whose term of appointment as additional director expires at this meeting (48<sup>th</sup> AGM) be and is hereby appointed 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.”

**“RESOLVED FURTHER THAT** the Board of Directors 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.”



**7. Appointment of Shri Manoj Shah (DIN:00010473) 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 Sections 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, 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, Shri Manoj Shah (DIN:00010473), who was appointed by the Board of Directors of the Company as an Additional and Independent Director of the Company and whose term of appointment as additional director expires at this meeting (48<sup>th</sup> AGM) be and is hereby appointed 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.”

**“RESOLVED FURTHER THAT** the Board of Directors 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.”

**8. Appointment of Shri Vinod Kathuria (DIN: 06662559) 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 Sections 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, 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, Shri Vinod Kathuria (DIN: 06662559), who was appointed by the Board of Directors of the Company as an Additional and Independent Director of the Company and whose term of appointment as additional director expires at this meeting (48<sup>th</sup> AGM) be and is hereby appointed 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.”

**“RESOLVED FURTHER THAT** the Board of Directors 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.”

**9. Appointment of Shri Davinder Kumar Chugh (DIN:09020244) as a Nominee Director.**

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

**“RESOLVED THAT** pursuant to the provisions of Article 310 of the Articles of Association of the Company and applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Davinder Kumar Chugh (DIN:09020244), who was appointed by the Board of Directors of the Company as an Additional and Nominee Director of the Company and whose term of appointment as additional director expires at this meeting (48<sup>th</sup> AGM) be and is hereby appointed as a Nominee Director of the Company, not liable to retire by rotation.”

**“RESOLVED FURTHER THAT** the Board of Directors 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.”

**10. Appointment of Shri Atul Gupta (DIN:09314224) as a Nominee Director.**

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

**“RESOLVED THAT** pursuant to the provisions of Article 310 of the Articles of Association of the Company and applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Atul Gupta (DIN:09314224), who was appointed by the Board of Directors of the Company as an Additional and Nominee Director of the Company and whose term of appointment as additional director expires at this meeting (48<sup>th</sup> AGM) be and is hereby appointed as a Nominee Director of the Company, not liable to retire by rotation.”

**“RESOLVED FURTHER THAT** the Board of Directors 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.”



11. To designate Shri Arvind Jayaswal, Managing Director & CEO (DIN:00249864) of the Company as a Director whose period of office shall be liable to retire by rotation.

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

**“RESOLVED THAT** Shri Arvind Jayaswal (DIN:00249864), who was appointed as a Director whose office is not liable to retire by rotation be and is hereby re-designated as a director liable to retire by rotation as per the provisions of Section 152 of the Companies Act, 2013.”

**“RESOLVED FURTHER THAT** all other terms and conditions of his appointment shall remain the same and there will be no change in consequence to the above re-designation.”

**“RESOLVED FURTHER THAT** the Board of Directors 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.”

12. To ratify the remuneration of Cost Auditors for the financial year ending 31<sup>st</sup> March, 2022.

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, 2022.”

**“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: 11<sup>th</sup> November, 2021

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 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. 02/2021 dated 13<sup>th</sup> January, 2021 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 there at 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. Since explanatory statement is not applicable for item no 4 of notice following note is given for information of members.

**Appointment of M/s. Chaturvedi & Shah LLP, Chartered Accountants, Mumbai as Joint Statutory Auditors of the Company:**

M/s. Pathak H. D. & Associates LLP, Chartered Accountants, Mumbai were appointed as the Joint Statutory Auditors of the Company by the Shareholders in the Annual General Meeting (AGM) of the Company held on 29<sup>th</sup> September, 2016 for a period of 5 (Five) years till the conclusion of the AGM to be held in the year 2021. Their term of appointment expires at the ensuing AGM. On recommendation of Audit Committee, it is proposed to consider the appointment of M/s. Chaturvedi & Shah LLP, Chartered Accountants, Mumbai (Registration No.101720W/W100355) as the Joint Statutory Auditors in place of M/s. Pathak H. D. & Associates LLP, Chartered Accountants. The Company has received consent and eligibility certificate from M/s. Chaturvedi & Shah LLP, Chartered Accountants. Members are requested to approve the appointment of M/s. Chaturvedi & Shah LLP, Chartered Accountants as the Joint Statutory Auditors of the Company from the conclusion of the ensuing AGM to hold such office for a period of 5 years till the conclusion of the AGM to be held for the financial year 2025-2026. None of the Directors, Key Managerial Personnel and relatives thereof are in any way, concerned or interested, financially or otherwise, in the resolution at item no. 4 of the notice.

**Disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

<b>Proposed statutory audit fee payable to auditors</b>	The fees payable to M/s. Chaturvedi & Shah LLP, Chartered Accountants will be same as payable to M/s. Pathak H. D. & Associates LLP, Chartered Accountants, subject to review and consequent change by the Audit Committee and the Board every year and as mutually agreed with the auditors. Fees for statutory audit paid to M/s. Pathak H. D. & Associates LLP, Chartered Accountants for FY 2020-21 is Rs. 45.70 lakhs and certification charges Rs. 4.5 lakhs aggregating to Rs. 50.20 lakhs.
<b>Terms of appointment</b>	From the conclusion of this Meeting (48 <sup>th</sup> AGM) to hold such office for a period of 5 (Five) years till the conclusion of the Annual General Meeting (53 <sup>rd</sup> AGM) of the Company to be held for the financial year 2025-26.
<b>Material change in fee payable</b>	No material changes in fee for the proposed auditor.

<b>Basis of recommendation and auditor credentials</b>	<p>The recommendation is based on the fulfilment of the eligibility criteria prescribed by the Companies Act, 2013 and other regulatory requirements.</p> <p>M/s. Chaturvedi &amp; Shah LLP is one of the leading firms of Chartered Accountants of India, founded in the year 1967. It is one of largest audit firm catering to various large corporate clients in diverse sectors. The range of services includes Assurance, Taxation, Corporate and Transaction advisory. It is also on the panel of Comptroller and Auditor General of India (C&amp;G), Reserve Bank of India (RBI), Insurance Regulatory and Development Authority (IRDA) and other regulators.</p>
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9. Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 24<sup>th</sup> December, 2021 to Thursday, the 30<sup>th</sup> December, 2021 (both days inclusive).
10. 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.
11. In compliance with the MCA Circulars and SEBI Circular, Notice of the AGM along with the Annual Report 2020-21 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 2020-21 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)
12. Relevant documents referred to in the accompanying Notice and the Explanatory Statement 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 [rnt.helpdesk@linkintime.co.in](mailto:rnt.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 (**Link intime 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 23<sup>rd</sup> December, 2021 (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 have 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 ANNUAL GENERAL MEETING ARE AS UNDER: –**

The remote e-voting period begins on Monday, December 27, 2021 at 9:00 A.M. and ends on Wednesday, December 29, 2021 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 cut-off date i.e. December 23, 2021, 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 December 23, 2021.

**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 IDeAS 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 “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ 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 “Access to e-Voting” 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 “Register Online for IDeAS Portal” 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 “Login” which is available under ‘Shareholder/Member’ 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> <li>Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <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	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 & voting during the meeting.

**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](https://web.cdslindia.com/myeasi/home/login).

**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?**

- 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.
  - Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section.
  - 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 e-services 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:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
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 [www.evoting@nsdl.co.in](mailto:www.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).
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 [www.evoting.nsdl.com](http://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, 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, 27th December, 2021 and end at 5.00 p.m. on Wednesday, 29th December, 2021. During the period, Members of the Company, holding shares either in physical or dematerialized form, as on the cut-off date i.e. 23rd December, 2021 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. 23rd December, 2021 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. Pursuant to SEBI Notification dated 8th June, 2018, transfer of shares in physical mode is prohibited and mandates holding in demat except in case of transmission or transposition. Accordingly, Members are requested to convert the physical holding to demat through depository participant. Members may contact the Company for any assistance in the said process of physical to demat of shares.



**Process for those shareholders whose email 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. 5:**

The Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee and considering the professional background and experience of Shri Ashwini Kumar (DIN: 07694424) appointed him as an Additional and Independent Director of the Company w.e.f. 14<sup>th</sup> August, 2021 for a period of 3 years subject to approval of Shareholders. His term of appointment as additional director expires at the ensuing Annual General Meeting (48<sup>th</sup> AGM).

Shri Ashwini Kumar has accorded his consent to act as an Independent director and has submitted the declaration of Independence, pursuant to section 149(7) of the Companies Act, 2013 stating that he meets the criteria of Independence as provided in Section 149(6) of Companies Act, 2013 & Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is not disqualified from being appointed as a director in terms of Section 164 of the Companies Act, 2013.

The company has also received a notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member proposing his candidature as a director.

In the opinion of the Board, Shri Ashwini Kumar fulfils the criteria specified in the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for appointment as an Independent Director of the Company.

Details of Shri Ashwini Kumar seeking appointment at this Annual General Meeting pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given in annexure to this notice and other information as required is given below:

<b>Terms and Conditions of Appointment</b>	Appointment is for a period of 3 years and subject to the provisions of Companies Act, 2013 and other regulatory requirements.
<b>Remuneration sought to be paid</b>	At present only sitting fees for attending Board and Committees meeting (if member) shall be paid.
<b>The number of Meetings of the Board attended during the year (FY 2020-21)</b>	N.A.

Except Shri Ashwini Kumar, 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.

Keeping in view his vast experience and expertise, it will be in the interest of the Company that Shri Ashwini Kumar's appointment as an Independent Director is approved by Shareholders. Hence the Board recommends the resolution set out at Item No. 5 of the Notice for Shareholders' approval as a Special Resolution.

**Item No. 6:**

The Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee and considering the professional background and experience of Smt. Kumkum Rathi (DIN: 03128864) appointed her as an Additional and Independent Director of the Company w.e.f. 21<sup>st</sup> October, 2021 for a period of 3 years subject to approval of Shareholders. Her term of appointment as additional director expires at the ensuing Annual General Meeting (48<sup>th</sup> AGM).

Smt. Kumkum Rathi has accorded her consent to act as an Independent director and has submitted the declaration of Independence, pursuant to section 149(7) of the Companies Act, 2013 stating that she meets the criteria of Independence as provided in Section 149(6) of Companies Act, 2013 & Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is not disqualified from being appointed as a director in terms of Section 164 of the Companies Act, 2013.

The company has also received a notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member proposing her candidature as a director.

In the opinion of the Board, Smt. Kumkum Rathi fulfils the criteria specified in the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for appointment as an Independent Director of the Company.

Details of Smt. Kumkum Rathi seeking appointment at this Annual General Meeting pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given in annexure to this notice and other information as required is given below:

<b>Terms and Conditions of Appointment</b>	Appointment is for a period of 3 years and subject to the provisions of Companies Act, 2013 and other regulatory requirements.
<b>Remuneration sought to be paid</b>	At present only sitting fees for attending Board and Committees meeting (if member) shall be paid.
<b>The number of Meetings of the Board attended during the year (FY 2020-21)</b>	N.A.

Except Smt. Kumkum Rathi, 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.

Keeping in view her vast experience and expertise, it will be in the interest of the Company that Smt. Kumkum Rathi's appointment as an Independent Director is approved by Shareholders. Hence the Board recommends the resolution set out at Item No. 6 of the Notice for Shareholders' approval as a Special Resolution.

**Item No. 7:**

The Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee and considering the professional background and experience of Shri Manoj Shah (DIN:00010473) appointed him as an Additional and Independent Director of the Company w.e.f. 21<sup>st</sup> October, 2021 for a period of 3 years subject to approval of Shareholders. His term of appointment as additional director expires at the ensuing Annual General Meeting (48<sup>th</sup> AGM).

Shri Manoj Shah has accorded his consent to act as an Independent director and has submitted the declaration of Independence, pursuant to section 149(7) of the Companies Act, 2013 stating that he meets the criteria of Independence as provided in Section 149(6) of Companies Act, 2013 & Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is not disqualified from being appointed as a director in terms of Section 164 of the Companies Act, 2013.

The company has also received a notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member proposing his candidature as a director.

In the opinion of the Board, Shri Manoj Shah fulfils the criteria specified in the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for appointment as an Independent Director of the Company.

Details of Shri Manoj Shah seeking appointment at this Annual General Meeting pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given in annexure to this notice and other information as required is given below:

<b>Terms and Conditions of Appointment</b>	Appointment is for a period of 3 years and subject to the provisions of Companies Act, 2013 and other regulatory requirements.
<b>Remuneration sought to be paid</b>	At present only sitting fees for attending Board and Committees meeting (if member) shall be paid.
<b>The number of Meetings of the Board attended during the year (FY 2020-21)</b>	N.A.

Except Shri Manoj Shah, 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.

Keeping in view his vast experience and expertise, it will be in the interest of the Company that Shri Manoj Shah's appointment as an Independent Director is approved by Shareholders. Hence the Board recommends the resolution set out at Item No. 7 of the Notice for Shareholders' approval as a Special Resolution.

**Item No. 8:**

The Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee and considering the professional background and experience of Shri Vinod Kathuria (DIN: 06662559) appointed him as an Additional and Independent Director of the Company w.e.f. 11<sup>th</sup> November, 2021 for a period of 3 years subject to approval of Shareholders. His term of appointment as additional director expires at the ensuing Annual General Meeting (48<sup>th</sup> AGM).

Shri Vinod Kathuria has accorded his consent to act as an Independent director and has submitted the declaration of Independence, pursuant to section 149(7) of the Companies Act, 2013 stating that he meets the criteria of Independence as provided in Section 149(6) of Companies Act, 2013 & Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is not disqualified from being appointed as a director in terms of Section 164 of the Companies Act, 2013.

The company has also received a notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member proposing his candidature as a director.

In the opinion of the Board, Shri Vinod Kathuria fulfils the criteria specified in the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for appointment as an Independent Director of the Company.

Details of Shri Vinod Kathuria seeking appointment at this Annual General Meeting pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given in annexure to this notice and other information as required is given below:

<b>Terms and Conditions of Appointment</b>	Appointment is for a period of 3 years and subject to the provisions of Companies Act, 2013 and other regulatory requirements.
<b>Remuneration sought to be paid</b>	At present only sitting fees for attending Board and Committees meeting (if member) shall be paid.
<b>The number of Meetings of the Board attended during the year (FY 2020-21)</b>	N.A.

Except Shri Vinod Kathuria, 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.

Keeping in view his vast experience and expertise, it will be in the interest of the Company that Shri. Vinod Kathuria's appointment as an Independent Director is approved by Shareholders. Hence the Board recommends the resolution set out at Item No. 8 of the Notice for Shareholders' approval as a Special Resolution.

**Item No. 9:**

The Company has entered into a restructuring support agreement on 23<sup>rd</sup> August, 2021 with various trusts declared and managed by Asset Care & Reconstruction Enterprise Limited, in its capacity as a trustee of such trusts in relation to restructuring of its outstanding debt owed to the Lenders, in accordance with Section 9 of the Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002.

In addition to this, the Company alongwith Promoters has entered into Shareholders Agreement on 23<sup>rd</sup> August, 2021 with ACRE Trusts.

Pursuant to provisions of Restructuring Support Agreement and Shareholders Agreement, the ACRE Trusts have right to appoint two Nominee Directors on the Board of the Company.

The Company has also amended its Articles of Association and have inserted new article 310 for appointment of nominee directors.

The Company has received a letter bearing no. ACRE/SS/JNIL/202110271 dated 27<sup>th</sup> October, 2021 from ACRE nominating Shri Davinder Kumar Chugh as their nominee on the Board of the Company.

In view of the above, the Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee appointed Shri Davinder Kumar Chugh as additional director (Nominee) of the Company w.e.f. 11<sup>th</sup> November, 2021, in accordance with the provisions of Section 161(1) of the Companies Act, 2013 to hold office upto this Annual General Meeting.



Shri Davinder Kumar Chugh has accorded his consent to act as director and has submitted the declaration that he is not disqualified from being appointed as director in terms of Section 164 of the Companies Act, 2013.

Details of Shri Davinder Kumar Chugh seeking appointment at this Annual General Meeting pursuant to SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 is given in annexure to this notice and other information as required is given below:

<b>Terms and Conditions of Appointment</b>	As per provisions of Companies Act, 2013 and other regulatory requirements and as per Restructuring Support Agreement/ Shareholders Agreement executed by the Company.
<b>Remuneration sought to be paid</b>	At present only sitting fees for attending Board and Committees meeting (if member) shall be paid.
<b>The number of Meetings of the Board attended during the year (FY 2020-21)</b>	N.A.

Except Shri Davinder Kumar Chugh, 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 recommends the resolution set out at Item No. 9 of the Notice for Shareholders' approval as an Ordinary Resolution.

**Item No. 10:**

The Company has entered into a restructuring support agreement on 23<sup>rd</sup> August, 2021 with various trusts declared and managed by Asset Care & Reconstruction Enterprise Limited, in its capacity as a trustee of such trusts in relation to restructuring of its outstanding debt owed to the Lenders, in accordance with Section 9 of the Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002.

In addition to this, the Company alongwith Promoters has entered into Shareholders Agreement on 23<sup>rd</sup> August, 2021 with ACRE Trusts.

Pursuant to provisions of Restructuring Support Agreement and Shareholders Agreement, the ACRE Trusts have right to appoint two Nominee Directors on the Board of the Company.

The Company has also amended its Articles of Association and have inserted a new article 310 for appointment of nominee directors.

The Company has received a letter bearing no. ACRE/SS/JNIL/202110271 dated 27<sup>th</sup> October, 2021 from ACRE nominating Shri Atul Gupta as their nominee on the Board of the Company.

In view of the above, the Board of Directors of the Company on the Recommendation of the Nomination and Remuneration Committee appointed Shri Atul Gupta as additional director (Nominee) of the Company w.e.f. 11<sup>th</sup> November, 2021, in accordance with the provisions of Section 161(1) of the Companies Act, 2013 to hold office upto this Annual General Meeting.

Shri Atul Gupta have accorded his consent to act as director and has submitted the declaration that he is not disqualified from being appointed as director in terms of Section 164 of the Companies Act, 2013.

Details of Shri Atul Gupta seeking appointment at this Annual General Meeting pursuant to SEBI (Listing Obligation and Disclosure Requirement ) Regulations, 2015 is given in annexure to this notice and other information as required is given below:

<b>Terms and Conditions of Appointment</b>	As per provisions of Companies Act, 2013 and other regulatory requirements and as per Restructuring Support Agreement/ Shareholders Agreement executed by the Company
<b>Remuneration sought to be paid</b>	At present only sitting fees for attending Board and Committees meeting (if member) shall be paid.
<b>The number of Meetings of the Board attended during the year (FY 2020-21)</b>	N.A.

Except Shri Atul Gupta, 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 recommends the resolution set out at Item No. 10 of the Notice for Shareholders' approval as an Ordinary Resolution.

**Item No. 11:**

As per the provisions of Section 152 of the Companies Act, 2013, not less than two-thirds of the total number of directors of a public company shall be persons whose period of office is liable to determination by retirement of directors by rotation; and one-third of such of the directors for the time being as are liable to retire by rotation, or if their number is neither three nor a multiple of three, then, the number nearest to one-third, shall retire from office at the every Annual General Meeting.

As per current composition of the Board, the Company shall have at least 5 (five) Directors whose period of office shall be liable to retire by rotation.

Hence to comply the above provisions, it is proposed to designate Shri Arvind Jayaswal, Managing Director & CEO of the Company as a director whose period of office shall be liable to retire by rotation.

All other terms and conditions of his appointment shall remain the same and there will be no change in consequence to the above re-designation.

Except Shri Arvind Jayaswal, Shri Ramesh Jayaswal, Shri Basant Lall Shaw and their relatives, 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. 11 of the notice for Shareholders' approval as an Ordinary Resolution.

**Item No. 12:**

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 2021-22 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 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. 12 of the notice for Shareholders' approval as an Ordinary Resolution.

**Dated: 11<sup>th</sup> November, 2021**

**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 Megh Pal Singh</b>	<b>Shri Ramesh Jayaswal</b>	<b>Shri Ashwini Kumar</b>	<b>Smt. Kumkum Rathi</b>
DIN	02635073	00249947	07694424	03128864
Date of Birth	22.03.1958	02.02.1960	20.02.1959	27.11.1977
Designation	Executive Director (Steel) and COO (Steel Plant Division)	Joint Managing Director and CEO (Steel Plant Division)	Independent Director	Independent Director
Date of Appointment	13.11.2014	05.03.1983	14.08.2021	21.10.2021
Qualification	B. E. (Metallurgy & Material Science)	B.Com	B. E. (Metallurgy)	B.Com, FCS
Nature of expertise in specific functional areas	Rich Experience of about 41 years in almost all the functional areas of a Steel Plant.	Associated with Iron and Steel business for over 32 years. Looks after the Steel Plant Division of the Company and implementation of new projects and other allied matters.	Rich Experience of over 39 years in almost all the functional areas of a Steel Plant.	Rich experience of 19 years in the areas of Corporate and SEBI laws.
Other Directorships (In Listed Entities)	Nil	Nil	Nil	Nil
Membership of Committees of other Companies	Nil	Nil	Nil	Nil
No. of Equity Shares Held	Nil	23,97,920	Nil	Nil
Disclosure of relationships with Directors/ Manager/ Key Managerial Personnel	There is no relation between the Directors/ Manager/ Key Managerial Personnel of the Company and Shri Megh Pal Singh	Shri Basant Lal Shaw, Chairman is father of Shri Ramesh Jayswal and Shri Arvind Jayaswal, Managing Director is brother of Shri Ramesh Jayswal. There is no other relation between the Directors and their Relatives/ Manager/ Key Managerial Personnel of the Company and Shri Ramesh Jayaswal	There is no relation between the Directors/ Manager/ Key Managerial Personnel of the Company and Shri Ashwini Kumar	There is no relation between the Directors/ Manager/ Key Managerial Personnel of the Company and Smt. Kumkum Rathi

Name of Directors	Shri Manoj Shah	Shri Vinod Kathuria	Shri Davinder Kumar Chugh	Shri Atul Gupta
DIN	00010473	06662559	09020244	09314224
Date of Birth	09.09.1961	23.07.1958	20.07.1956	22.12.1965
Designation	Independent Director	Independent Director	Nominee Director	Nominee Director
Date of Appointment	21.10.2021	11.11.2021	11.11.2021	11.11.2021
Qualification	M.Com, FCA	M.Com, CAIIB	B.SC. (Hons.), LLB, MBA	B.Com, ACA, AICWA
Nature of expertise in specific functional areas	Professional experience and expertise of over 35 years in Projects Management of Infrastructure Projects, Financial Advisory, PPP structure Projects, etc.	Four decades of experience in Corporate Credit, Recovery, Retail Lending, Treasury Operations, International Banking Business, Agriculture, Financial Inclusion etc.	Techno-Commercial, Supply Chain & Logistics, Strategizing, Capital allocation, turnaround of stressed business	Corporate Finance in Multiple Industries – Steel & Mining, Textiles, Sugar, Apparel, Renewable Energy and Private Equity
Other Directorships (In Listed Entities)	Nil	Satia Industries Limited	HEG Limited	Nil
Membership of Committees of other Companies	Nil	Nil	2#	Nil
No. of Equity Shares Held	Nil	Nil	Nil	Nil
Disclosure of relationships with Directors/ Manager/ Key Managerial Personnel	There is no relation between the Directors/ Manager/ Key Managerial Personnel of the Company and Shri Manoj Shah	There is no relation between the Directors/ Manager/ Key Managerial Personnel of the Company and Shri Vinod Kathuria	There is no relation between the Directors/ Manager/ Key Managerial Personnel of the Company and Shri Davinder Kumar Chugh	There is no relation between the Directors/ Manager/ Key Managerial Personnel of the Company and Shri Atul Gupta

# Includes only Audit Committee and Stakeholders' Relationship Committee.



## DIRECTORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

**Dear Members,**

The Directors are pleased to present their **48<sup>th</sup> Annual Report** on the affairs of the Company together with the Audited Financial Statements for the year ended 31st March, 2021.

### 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>31.03.2021</b>	<b>31.03.2020</b>
Net Sales	3,705.05	3,632.18
Other Income	6.38	8.52
<b>Total Revenue (Net)</b>	<b>3,711.43</b>	<b>3,640.70</b>
Operating Expenses	3,094.97	3,432.72
<b>EBIDTA</b>	<b>616.46</b>	<b>207.98</b>
Finance Costs	908.63	867.36
Depreciation and Amortization Expenses	266.76	276.34
Exceptional Item	-	568.17
<b>Profit / (Loss) before tax</b>	<b>(558.93)</b>	<b>(1,503.89)</b>
Tax Expenses	(0.65)	0.58
<b>Profit / (Loss) after Tax carried to Balance Sheet</b>	<b>(558.27)</b>	<b>(1,504.47)</b>

Your Company has not carried any amount to reserves and the amount of Loss after tax of Rs.558.27 Crores has been carried to Balance Sheet and adjusted against retained earnings.

### 2. DIVIDEND:

Due to absence of profits, your Directors regret their inability to recommend declaration of Dividend for the year to the Members of the Company.

### 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 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 year under review continued to be a challenging one with multiple challenges being faced by the Company including Covid-19 pandemic which caused significant disruptions.

The performance during the year under review was depressed in the first two quarters of FY 20-21. However thereafter the company witnessed robust demand for its Iron and Steel products and increased prices in Q3 and Q4 of FY 20-21.

In the beginning of FY 20-21, the outbreak of Covid-19 virus across the globe including India forced the Governmental authorities to commence nationwide lockdown. Accordingly, with effect from 24th March, 2020 to 14th May, 2020 the Company had to shut down its Integrated Steel Plant at Siltara, Raipur, Captive Iron Ore Mine at Metabodeli and Foundry Unit at Anjora in the state of Chhattisgarh. The foundry units of the Company situated at Hingna, Nagpur and Butibori Industrial Areas, had been shut down from 21st March, 2020 and they reopened in the month of May, 2020.

Thereafter, the operations commenced with reduced capacity. It did significantly affect the business, financial performance and liquidity of the Company.

The first half of FY 20-21 was a challenging year for the Steel and the automobile industry where the Company's Alloy Steel Rolled Products are predominantly sold.

As stated above, Q1 of FY 20-21 witnessed Covid-19 induced lockdowns. The restriction on movement of people created labor shortages and closure of factories led to manufacturing levels dropping to significantly low levels. Hence, the spread of Covid-19 added to the woes of the industry that was already grappling under the slowdown effects faced by the Indian economy since FY 18-19.

Q2 of FY 20-21 witnessed easing of government restrictions, production gained pace and supply chains were gradually restored. During the quarter, the demand for vehicles remained on the lower side due to closure of schools and colleges, reopening of limited number of offices and reduced infrastructural and mining activities. The same impacted domestic sales of two and three wheelers, passenger vehicles and commercial vehicles.

Q3 of FY 20-21 witnessed a significant turnaround in the Steel and Auto sector as the wholesale as well as retail auto volumes started gaining momentum principally due to the pent-up demand, festive and wedding season. The same coupled with lower coking coal prices, increased sales volumes, selling prices and margins led to strong rebound in the Steel Sector performance.

The economy started recovering strongly since August 2020 which was much sharper than expected aided by the resumption of government projects and pent-up consumption demand.

Q4 of FY 20-21, saw an unprecedented surge in the domestic steel prices. Rolled Products Sales Volumes and Margins also improved quite significantly.

During the said 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.3,705.05 Crores and the same has increased marginally by 2.01% than the previous year's Net Sales from operations of Rs.3,632.18 Crores despite the Covid-19 impact.

The Company focused on selling high-end value-added products (Rolled Products) with applications mainly in Auto components segment. The Company was able to record spectacular recovery and record earnings (EBIDTA). The Company's Earnings before Interest Depreciation and Tax (EBIDTA) level during the year was at Rs.616.46 Crores as against Rs. 207.98 Crores for the previous year. The Net Loss before Tax for the year stood at Rs.558.93 Crores and Net loss after Tax for the year stood at Rs.558.27 Crores.

During the year, the Net Worth of the Company remained negative to Rs. (1,362.60) Crores from Rs. (806.38) Crores in the previous year on account of the losses recorded principally due to lesser than expected contribution margin to cover the fixed costs (interest and depreciation) on the capitalized projects, for want of getting benefits of debt restructuring implemented by addressing overdue interest. On the expected implementation of debt restructuring in FY 21-22, the Net worth and financial position is expected to improve substantially.

#### **Key Financial Ratios:**

##### **FY 2020-21 Vs FY 2019-20 – Variance over 25% with Reasoning:**

**Interest Coverage Ratio:** The Interest Coverage Ratio has improved from 0.24 in FY20 to 0.68 in FY21 with 182.94% variance. The Ratio has improved on account of significant rise in YOY EBIDTA due to better sales realization in the sale of Rolled Products, Pig Iron, Pellet and DRI during FY21. Further, in FY21 there was increase in sale of Alloy Steel as against Metallic Sales as compared to the last year due to improved Steel Sector scenario post lifting of Covid induced lockdowns. Further rise in the selling prices of Rolled Products was also supported by lower coal and coke prices which has resulted in increased margins in Rolled Products.

**Debt Equity Ratio:** The Debt Equity Ratio has deteriorated and cannot be calculated due to negative Net Worth in FY20 as well as in FY21. The negative Net Worth of the Company has further deteriorated as compared to previous year on account of continued net losses principally due to overdue interest on existing loan contracts.

**Operating Profit Margin (%):** The Operating Profit Margin has improved from 5.49% in FY20 to 16.47% in FY21 with 199.85% variance. The improvement in Operating Profit Margin is mainly due to better sales realisation in the sale of Rolled Products, Pig Iron, Pellet and DRI during the FY21. Further, there was increase in sale of Alloy Steel as against Metallic Sales as compared to the last year due to improved Steel Sector scenario post lifting of covid induced lockdowns. Further rise in the selling prices of Rolled Products was also supported by lower coal and coke prices which has resulted in increased margins in Rolled Products.

**Net Profit (Loss) Margin (%):** The ratio although negative has improved significantly from (41.42%) in FY20 to (15.07%) in FY21 with 63.62% variance on account of decrease in Net Loss during the period. The Net Loss has decreased on account of better sales realisation in the sale of Rolled Products, Pig Iron, Pellet and DRI during the FY21. Further, there was increase in the sale of Alloy Steel as against Metallic Sales as compared to the last year due to improved Steel Sector scenario post lifting of Covid induced lockdowns. Further rise in the selling prices of Rolled Products was also supported by lower coal and coke prices which has resulted in increased margins in Rolled Products. Further, in FY 19-20, a one-time exceptional item of Impairment provisioning of non-operational Flat Product Division (FPD) and Bilha Fixed Assets/Capital Work in Progress was also booked for Rs.568.17 Crores as compared to Nil in FY 20-21.

**Return on Net Worth:** The Return on Net Worth Ratio though negative has improved significantly but cannot be calculated due to negative Net Worth in FY 19-20 as well as in FY 20-21. The Net Worth of the Company has deteriorated as compared to previous year on account of continued net losses principally due to overdue interest on existing loan contracts. However, Net Losses in FY 20-21 have decreased as compared to FY 19-20 on account of better sales realization, increase in sale of Alloy Steel as against Metallic Sales as compared to the last year. Further in FY 19-20, a one-time exceptional item of Impairment provisioning of non-operational Flat Product Division FPD and Bilha Fixed Assets/Capital Work in Progress was booked for Rs.568.17 Crores as compared to Nil in FY 20-21.

**B] Share Capital:**

During the year under review, the Company has not issued any shares including shares with differential voting rights as to dividend, voting or otherwise nor granted stock option or sweat equity. However, subsequent to the year under review, in accordance with the resolutions passed by the Shareholders of the Company at their meeting held on 23rd September, 2021, the Company has allotted 33,23,65,181 Equity Shares on 28<sup>th</sup> October, 2021.

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

**i) Steel Plant Division:**

The Net Sales from operations during the year has increased to Rs.3,315.36 Crores as compared to Rs.3,218.31 Crores of the previous year.

The production levels of the Steel Melt Shop during 2020-21 was around 108% and the production levels of the Rolling Mills was around 113% of the previous year. The Hot Metal production level was around 77%, Pellet production level was around 101% and the Sponge Iron production level was around 95% of the previous year.

The Net Sales has increased mainly due to better sales realization in the sale of Rolled Products, Pig Iron, Pellet and DRI during the FY 20-21 and robust demand of Alloy Steel (Rolled Products).

The share of metallic sales value i.e. Pig Iron, Sponge Iron and Pellets to total Steel Plant Division sales was around 33.67% in FY 20-21 which is lower by 10.55% than that of the previous year which stood at 44.22%.

**ii) Castings Division:**

The Net Sales from the Foundry Division has decreased to Rs. 389.69 Crores during the year from Rs.413.87 Crores of the previous year.

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

**D] Restructuring of Term Loans and Debt Assignment:**

The Company underwent significant financial stress in the last six 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 and 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 and 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 13th 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, against the Company, claiming an amount of Rs. 513.83 Crores as default as on 30th November, 2017.

In view of the Status Quo order issued by the Hon'ble Supreme Court on April 16, 2018, the case had been adjourned sine die by the National Company Law Tribunal (NCLT), Mumbai in its hearing dated November 14, 2019. The matter is at pre-admission stage in NCLT and would be listed only after the Special Leave Petition (SLP) filed by the Company is disposed of by the Hon'ble Supreme Court.

As at March 31, 2021, ten out of twelve bankers of the Company have assigned their fund-based debt along with underlying financial documents together with their rights, benefits and obligations in favour of Assets Care & Reconstruction Enterprise Ltd (ACRE) acting in its capacity as trustee of various trusts. Accordingly, as on March 31, 2021, total debt assignment from ten bankers' amounts to Rs. 3563.25 Crores constituting 97.91% of the total Principal Fund Based Outstanding.

Subsequent to year end, out of the two remaining bankers (as above), one banker has assigned their fund based debt of Rs. 61.87 Crores constituting 1.70 % to ACRE and the other banker with Rs. 14.32 Crores constituting 0.39% of the total Principal Fund Based Outstanding did One Time Settlement (OTS) of its debt dues with the Company. Hence 100% of the fund-based debt of the twelve bankers amounting to Rs. 3639.44 Crores has been settled either by way of debt assignment to ACRE or OTS with the Company.

ACRE continues to support the operations of the Company. The Company has entered into a restructuring support agreement dated 23rd August, 2021 with various trusts declared and managed by Asset Care & Reconstruction Enterprise Limited, in its capacity as a trustee of such trusts ("**Lenders**") in relation to restructuring of its outstanding debt owed to the Lenders, 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**").

It is expected that the implementation of the proposed debt restructuring would improve the cash flow position of the Company, result in reduction of financial stress and will lead to realignment of debt to a sustainable level and prompt servicing of debt dues by the Company.

Post receipt of necessary approvals including by the equity shareholders of the Company, as part of the debt restructuring, equity shares have been issued by the Company to the Lenders and the promoters/ promoter Group at Rs. 28.80 per share (Issue Price).

Around 15.27% of the total debt exposure of the Lenders in the Company has been converted into equity shares of the Company, which have been issued and allotted to the Lenders, aggregating to 31.44% of the expanded equity share capital of the Company on a fully diluted basis.

Simultaneously, the promoters/ promoter group have been issued and allotted equity shares in the Company against their contribution of Rs.78 Crores in the Company in the following manner: (i) fresh infusion of Rs.58 Crores in cash by the promoters/ promoter group in the Company; and (ii) unsecured loan of Rs.20 crores, already extended to the Company, converted against the issue of equity shares.

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
<b>Promoter and Promoter Group</b>	68.79%	48.03%
<b>Public</b>	31.21%	51.97%
-Lenders (Out of Public)	Nil	31.44%

The existing promoter and promoter group of the Company continues to retain management control of the Company post the aforesaid issuance of equity shares.

The debt restructuring would become effective upon completion of certain condition precedents under the Restructuring Support Agreement. It is yet to achieve effectiveness.

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 23rd August, 2021 along with the Promoters and Promoter Group of the Company with various trusts declared and managed by Asset Care & Reconstruction Enterprise Limited, in its capacity as a trustee of such trusts.

Apart from as stated above the other significant terms of the SHA are as follows: –

- i) Until such time as the Investor Shareholders, together with their respective Affiliates, hold, in the aggregate, at least 10% (Ten per cent) of the Equity Capital of the Company, the Investor Shareholders and their respective Affiliates shall, collectively, have the right to appoint 2 (Two) Directors on the Board (the “Nominee Directors”) of the Company.
- ii) To align the Articles of Association of the Company with the conditions stipulated in the Restructuring Support Agreement and Shareholders’ Agreement and to insert new clauses with the approval of shareholders:
  - To provide affirmative voting rights to the ACRE Trusts;
  - To provide rights of the ACRE Trusts in relation to nominee directors i.e. Until such time as the Investor Shareholders, together with their respective Affiliates, hold, in the aggregate, at least 10% (ten per cent) of the equity share capital, the ACRE Trusts and their respective affiliates shall, collectively, have the right to appoint 2 (Two) Nominee Directors on the Board;
  - The consent of the ACRE Trusts will be prerequisite for any change in the clauses of the Articles of the Company which impacts the rights of the ACRE Trusts.
  - Right of first offer in favor of the Promoters of the Company with respect to the converted equity held by the Investors

Further, the Company has taken active steps for effective and efficient operations including cost reduction. Accordingly, the Company continues to prepare its books of account on going concern basis.

#### **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 Lacs TPA DRI Plant (Sponge Iron Plant) & its 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 Honorable 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 January 11, 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 has 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 31st March, 2020 and had been recognized as Exceptional Item (appearing in the previous year figures).

#### **F] Industry Outlook, Developments, Covid-19 Pandemic Concerns and Mitigation Efforts:**

India's economic recovery strengthened in the last quarter of 2020-21 before the onset of the second wave of Covid pandemic. The country's GDP grew by 1.6% in the fourth quarter of FY 20-21 as compared to a year ago period, an improvement over the 0.5% growth in the third quarter and the negative growth of 24.4% and 7.4% in the first two quarters of FY21. The higher economic growth during Q4 FY 20-21 can be linked to the unlocking of the economy that was underway during the period.

The unlocking of the economy which was underway in the last two quarters of FY 20-21 (Oct'20-Mar'21) boosted consumption and activity across sectors. The higher economic activity in the last quarter of FY 20-21 was broad-based across sectors. Consumption (private and government) and investments too witnessed an improvement in the last quarter of FY 20-21.

However, the more widespread and intense second wave of the Covid pandemic since the end of Q4 of FY 20-21 and start of FY 21-22 has been a setback to the country's nascent economic recovery.

Domestic economic growth prospects hinges on the effective control of the pandemic and relaxation of the restrictions that were put in place across the various parts of the country. At the same time there is optimism that with higher proportion of the population getting vaccinated, there could be a turnaround in the economic activity as has been witnessed in the other parts of the world.

Indian Steel industry and its associated mining and metallurgy sectors have seen a number of major investments and developments in the recent past. The India's National Steel Policy (2017), which projected crude steel production capacity to increase to 300 MT per year by 2030-31 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 growth in the Indian steel sector over the years has been driven by domestic availability of raw materials such as iron ore, fines, non-coking coal, strong domestic demand and cost-effective labor.

The Country had witnessed nationwide lockdown since last week of March, 2020 due to COVID-19 pandemic outbreak.

To deal effectively with the Covid-19 pandemic, periodic instructions were issued by the Company to its workers, contractors and employees aligned with the periodic instructions issued by the Governmental authorities. Constant awareness campaign and the need and importance to adhere to them has been continuously spread amongst the workers, contractors and the employees.



By keeping in mind the health and safety of its employees, customers and the vendors, the Company strives hard to come out of the Covid-19 crisis with positive approach, patience, committed teamwork, enhancement of efficiencies, cost reduction, Governmental and stakeholders support, clearly defined objectives and meticulous roadmap for its execution.

In FY 20-21, India's production of crude steel and finished steel fell by 5.9% to 103 million tonnes and 7.3% to 95.1 million tonnes, impacted by the Covid-19 pandemic which hampered production mainly in Q1 of FY 20-21. However, the domestic steel industry made a quick recovery in the second half of FY 20-21 riding on the back of higher international steel demand and revival in domestic demand.

By Q2 of FY 20-21 the domestic crude steel production reached 96% of pre-covid levels and by Q3 of FY 20-21 the production was 7.5% higher on YOY basis. In Q4 of FY 20-21, the crude steel production increased by 7.4% on YOY basis as manufacturers ramped up output in a seasonally strong quarter.

During FY 20-21, the export of finished steel from the country was higher at 10.8 million tonnes, being higher YOY by 29.1%. The Import of finished steel at 4.8 mt was lower by 29.8% YOY making India Net exporter of finished steel during the FY 20-21.

The domestic steel consumption in FY20-21 stood at 87.96 MT, down by only 6.3% YOY despite the COVID-19 pandemic, reflecting significantly improved end-use demand in the second half of the year. The end-use demand is likely to remain strong in FY 21-22 unless impacted further by COVID-19 led further surges.

The Steel demand is expected to be supported by economic recovery, government spending and enhanced liquidity. The Union Budget for FY 21-22 has a sharp 34.5% YOY increase in allocation for Capex at 5.54 lakh crore. The budget's thrust is on infrastructure creation and manufacturing to propel the economy. Therefore, enhanced outlays for key sectors like defence services, railways, and roads, transport and highways would provide impetus to steel consumption which is expected to grow by 10-12% in FY 21-22.

An up-cycle in steel prices is expected to continue in FY 21-22. Stimulus package unveiled by various countries is expected to keep demand for steel high. Continued higher demand from China on the back of stimulus package and the country's desire to bring down production levels to reduce Co2 levels are expected to be an important factor that is expected to strengthen steel prices. Cost push from iron ore prices would remain. Demand-supply imbalance in the global market is expected to continue to present export opportunities to the domestic players.

Domestic iron ore prices are expected to gradually correct in FY 21-22, as iron ore supply improves, although expected to remain elevated till the domestic iron ore output increases to FY 20-21 levels. Additionally, once the Odisha iron ore mines ramp-up, given high premiums bid by the lessees, they are expected to pass them to the customers, thus providing a further fillip to the ore prices.

FY 21-22 coking coal prices are likely to be higher than FY 20-21 levels but unlikely to be at pre-COVID19 levels. However, the prices could remain volatile for certain months, because of the concentrated nature of the coking coal mining sector and the risks arising from natural calamity in Australia.

FY 20-21 was a year of transition for the Indian auto components industry. The announcement of an incentive-based vehicle scrappage policy, though voluntary, is expected to lead to rise in automobile sales in the country going forward, which would directly benefit the auto components industry.

#### **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 size, scale and nature of its business. 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 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 persons working in the Company was around 5280.

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

The following measures were taken to develop Human Resources in the organization:

##### **1. Initiatives taken by HR during Covid-19 Pandemic:**

- a) The Company had arranged Vaccination camp for the employees and their families in the SPD plant premises at Raipur to protect the employees from Covid – 19.
- b) The Company has hired the services of one private agency for conducting both Antigen and RTPCR test inside the plant premises to avoid spread of Covid – 19.
- c) During the Pandemic, Company has supplied a large number of Oxygen Cylinders, Oxygen concentrator, Ventilator and other related articles to government and various private agencies across the State of Chhattisgarh.
- d) Company has given Ambulance facilities to pick dead bodies from the nearby Covid centers.
- e) HR department assisted employees and their family members to get medical treatment from government and private hospital across Chhattisgarh.
- f) The Company assisted employees and their families for food, medicine and counseling as per need/requirements.

##### **2. HRMS Automation:**

Human Resource Management System has been introduced with a view to automise the entire HR processes. According to the automation, an employee can apply leave, gate pass, mis punch and related information through mobile application. Employees need not to visit HR Department for collecting their residential, service or any other certificates. Moreover, the company can process their salaries, IT deduction, etc. through the system. Outstation employees can register their attendance through this system irrespective of the places they are posted.

##### **3. Interaction of HR representative with HoDs:**

It has been decided to have an interactive session between department and HR where head HR and sectional heads will meet HODs at their place to discuss with the HR issues being faced by the HoDs. The Human Resources Department was successful in solving many of the issues raised.

Company has been bestowed with various National & International level awards in the arena of Human Resource and CSR activities which includes:

- a) the Company has been awarded with Gold Award in the category “Most Innovative HR” in HR Distinction Awards.
- b) the Company has been awarded with Diamond Award in the category “Most Human Intervention” in HR Distinction Awards held on 6th May 2021 at New Delhi.
- c) Award for the Practices in Corporate Social Responsibility by Global HR excellence award 2021.

**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 2020-21 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. Opening of a Charitable Medical Centre at Village Dhaneli to provide medical care facilities to the people residing in the plant peripheral areas. The center has facilities to accommodate two doctors at a time and attending emergency/other cases of villagers.
2. Health & Eye check-up/awareness camp, Provision of safe drinking water, submersible pumps and drilling for Borewells, water supply by tankers in villages.
3. Financial assistance for honorarium to teachers, providing skill development training to unemployed youths, organizing educational tours.
4. Organizing sports activities, sports ground maintenance and providing financial assistance and distribution of sports material for promotion of rural /nationally recognized sports.
5. Development of tailoring training center for imparting training to rural women, providing tailoring material and sewing machines at training centers, providing furniture to local Mahila Samiti and organizing women amusement programs.
6. Protection of ecological balance through landscaping & garden development, tree plantation and distribution of plants.
7. Financial Assistance for local development work, renovation of Government school, installation of solar streetlights in villages, assistance in infrastructure work of local temples and areas, maintenance of roads etc.

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 2020-21 on the CSR Activities.
- ii. That the CSR Budget for the Financial Year 2020-21 as approved by the CSR Committee and the Board was Rs. 258.90 lacs.
- iii. That during the financial year 2020-21, the actual expenditure incurred by the Company on the CSR activities was Rs.242.34 lacs.

During the Financial Year 2020-21, the Company spent Rs.242.34 lacs on CSR activities and thus has been able to increase the amount spent on the CSR activities during the Financial Year 2020-21 as compared to previous financial year - Rs.229.15 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 31st March, 2021 is self - explanatory except a qualification which have been specified herein below along with Boards explanations thereto:

##### **AUDITORS' QUALIFICATION (if any)**

As mentioned in Note no. 18.10 to the Financial Statements, Non Current Borrowings include an amount of Rs.183111.16 Lakhs due to an Asset Reconstruction Company. Banks holding 97.91% (by value) of the total principal debt, equivalent to Rs. 356,324.74 Lakhs, assigned all their rights, title and interests in financial assistances granted by them to the Company in favour of Assets Care & Reconstruction Enterprise Limited, acting in its capacity as Trustee of ten different Trust (ACRE). Until the revised terms and condition will be agreed between the Company and ACRE, the arrangement with those banks are valid and as per the arrangements with those banks, the Company is required to comply with certain covenants as referred in the said note and non-compliance with these covenants may give rights to the banks/ACRE to demand repayment of the loans. As at March 31, 2021, the Company has not complied with certain covenants and they have not been provided with any confirmation from those lenders for extension of time to comply with these covenants. The Company has not classified these liabilities as current liabilities as required by Indian Accounting Standards (Ind AS) – 1 – “Presentation of Financial Statements”.

##### **EXPLANATION TO AUDITORS' QUALIFICATION (if any)**

Your Directors submit the following explanation to the above qualification of the Auditors:

The Management is of the view that the non-compliance of the loan covenants will not affect the continuity of the Company's operations and it continues to prepare its books of accounts on going concern basis. ACRE continues to support the operations of the Company. The Company has entered into a restructuring support agreement dated 23rd August, 2021 with various trusts declared and managed by Asset Care & Reconstruction Enterprise Limited, in its capacity as a trustee of such trusts (“Lenders”) in relation to restructuring of its outstanding debt owed to the Lenders, 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”).

The debt restructuring would become effective upon completion of certain condition precedents under the Restructuring Support Agreement.

It is expected that the implementation of the proposed debt restructuring would improve the cash flow position of the Company, result in reduction of financial stress and will lead to realignment of debt to a sustainable level and prompt servicing of debt dues by the Company.

Hence the Company continues to classify these borrowings as non-current.

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

During the period under review, the Members at the 47th Annual General Meeting of the Company, pursuant to provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, Schedule V thereof and rules made there-under including any modifications and/or re-enactments thereof and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consented to:

- a) re-appointment of Shri Arvind Jayaswal (DIN 00249864) as Managing Director & CEO (Foundry Division) for a period of 3 (Three) years w.e.f. 1st January, 2020 ,
- b) re-appointment of Shri Ramesh Jayaswal (DIN 00249947) as Joint Managing Director & CEO (Steel Plant Division) for a period of 3 (Three) years w.e.f. 1st January, 2020,
- c) re-appointment of Shri P.K. Bhardwaj (DIN 03451077) as Executive Director & CFO for a period of 3 (Three) years w.e.f. 25th February, 2020 and
- d) re-appointment of Shri Meghpal Singh (DIN 02635073) as Executive Director (Steel) & Chief Operating Officer (COO), Steel Plant Division of the Company for a period of 3 years w.e.f 13th November, 2020.

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

Shri Ashwini Kumar (DIN 07694424) has been appointed as an Independent Director of the Company not liable to retire by rotation for a period of 3 years w.e.f. 14th August, 2021 subject to approval of shareholders in the ensuing Annual General Meeting.

Shri Manoj Shah (DIN 00010473) and Smt. Kumkum Rathi (DIN. 03128864) have been appointed as Independent Directors of the Company not liable to retire by rotation for a period of 3 years w.e.f. 21st October, 2021 subject to approval of shareholders in the ensuing Annual General Meeting.

Further, the terms of Shri S.N. Singh and Smt. Raji Nathani, Independent Directors expired on 21st September, 2021 and that of Shri Arvind Iyer, Independent Director of the Company will be expiring on 12th November, 2021.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Shri Meghpal Singh (DIN 02635073), Executive Director (Steel) & Chief Operating Officer (COO), Steel Plant Division and Shri Ramesh Jayaswal (DIN 00249947), Joint Managing Director & Chief Executive Officer (CEO), Steel Plant Division of the Company are liable to retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

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

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 CFO,
- 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 4 (Four) Board Meetings and 4 (Four) 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. As a matter of abundant precaution, the transactions between the Company and one of its related parties M/s. NSSL Private Limited during the financial year 2020-21 has been duly approved by the shareholders of the Company as it has exceeded the limits prescribed under Section 188 of the Companies Act, 2013. 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://www.necoindia.com/wp-content/uploads/2016/08/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.

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

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 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/wp-content/uploads/2016/08/WHISTLE-BLOWER-POLICY-JNIL.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 31st March, 2021, 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 31st March, 2021 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 <http://necoindia.com/annual-reports.html>

**16. AUDITORS:**

The Joint Statutory Auditors M/s. Naresh Patadia & Co., Chartered Accountants, Nagpur hold office for the period of 5 years from the Annual General Meeting (AGM) held on 27th September, 2017.

Further, the Joint Statutory Auditors M/s. Pathak H. D. & Associates LLP, Chartered Accountants, Mumbai holds office until the ensuing Annual General Meeting of the Company and consequently their term gets completed on the conclusion of the Annual General Meeting. We thank them for their sincere services rendered to the Company.

Now the Company has approached M/s. Chaturvedi and Shah LLP, Chartered Accountants, Mumbai to give their consent to become Joint Statutory Auditors of the Company for the period of five years commencing from the date of the ensuing Annual General Meeting.

Their consent letters/ certificates to the effect that their appointments, if made would be within the prescribed limits under Section 141 of the Companies Act, 2013 and that they are not disqualified have been received.

Consequently, the Board of Directors recommend the appointment of M/s Chaturvedi and Shah LLP, Chartered Accountants, Mumbai, as the Joint Statutory Auditor of the Company for the period of five years commencing from the date of the ensuing Annual General Meeting.

The said recommendation has been put up for the approval of the members at the ensuing Annual General Meeting of the Company. Further as per the terms of the Restructuring Support Agreement the appointment is subject to receipt of consent of various trusts declared and managed by Asset Care & Reconstruction Enterprise Limited, in its capacity as a trustee of such trusts ("Lenders"). The lenders consent has been received.

**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 2020-21.

The Board of Directors of the Company on the recommendation of the Audit Committee, at its meeting held on 30th June, 2021 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 2021-22 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 2021-22 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 2020-21.

The Board of Directors of the Company on the recommendation of the Audit Committee, at its meeting held on 30th June, 2021 has re-appointed M/s. R. A. Daga and Co., Company Secretaries, Nagpur to conduct Secretarial Audit for the financial year 2021-22 on the remuneration of Rs. 46,000/- plus out of pocket expenses at actuals.

The Secretarial Audit Report for the financial year ended 31st March, 2021 in Form MR-3 is attached as "**Annexure D**" and forms part to 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) – Restructuring of Term Loans, 3 (E) – Projects 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 them from an environmental, social and governance perspective, in the format as specified by the Securities 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. The Company Petition No.11 of 2015, under Section 434 of the Companies Act, 1956, was filed before the Bombay High Court, Nagpur Bench, Nagpur by Corporate Ispat Alloys Limited (CIAL), through its Director, Shri Manoj Kumar Jayaswal, against the Company (JNIL) claiming an amount of Rs. 1,02,26,78,728/- as payable to CIAL.

The Company had challenged the maintainability of the said winding up petition, the hearing in the matter had been completed. Subsequently the said petition has been withdrawn by the petitioner as confirmed by the Hon'ble Bombay High Court, Nagpur Bench order dated 25th February, 2021.

Further the Company had filed a civil suit claiming a sum of Rs. 70027.00 lakhs from CIAL towards the loss suffered by it due to delay / withholding the merger of Strip Mill Division of CIAL with a malafide intention which is pending before the Hon'ble Civil Judge Senior Division, Nagpur.

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://www.necoindia.com/images/investor/corporate-governance/Dividend-Distribution-Policy.pdf>

**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: 11th November, 2021**

**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)	5	5
2.	Shri Ramesh Jayaswal	Member/ (Joint Managing Director & CEO - Steel Plant Division)	5	3
3.	Shri B.K. Agrawal	Member/ (Independent Director)	5	5

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://www.necoindia.com/wp-content/uploads/2016/08/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. (65815.40) Lacs

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 2020-21: Not Applicable

- (d) Total CSR Obligation For the F.Y 2020-21 (7A+7B-7C) : Nil

8. (a) CSR Amount spent or unspent for the F.Y 2020-21:

Total Amount spent for the F.Y 2020-21 (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
242.34	NIL				

- (b) Details of CSR amount spent against ongoing projects for the F.Y 2020-21:

(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 2020-21	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 Lacs)	(Rs. in Lacs)	(Rs. in Lacs)	
Not Applicable									

**(c) Details of CSR amount spent against other than ongoing projects for the F.Y 2020-21:**

(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 Direct/ Through Implementing Agency (Name & CSR Reg. No.)
				District (State)	(Rs. in Lacs)		
1.	Conducting health check-up camps for persons infected with skin diseases, Ambulance facility for employees and affected villagers at the Mines, Maintaining First Aid Centres, running Malnourish-ment – Free campaign for children belonging to mines affected villages, Renovation of old toilets under Open – defecation free campaign, Installation of Borewells and Solar overhead tanks in villages surrounding the mines, Facilitating water coolers and filters in the villages, Maintenance of hand pumps, Organizing programmes for Swachhata Abhiyan in plant peripheral villages, Construction of Bathrooms and Toilets in peripheral villages.	Health Care, Sanitation, Safe Drinking Water, Eradicating hunger, poverty and malnutrition.	Yes	Narayanpur, Kanker and Raipur (Chhattisgarh)	54.55	Yes	NA
2.	Free coaching Classes, Distribution of Stationery and rewards/scholarships to meritorious students on Independence Day and Republic Day, Distribution of bags/shoes to Primary School Children, writing informative and social slogans on the walls, Imparting Automotive repairing training and competitive exams coaching, Honorarium paid to the temporary teachers in Schools of village Siltara for promoting education in plant periphery, Organising programmes to honour meritorious teachers of plant peripheral areas, Providing Skill Development Training to Rural Unemployed Youths of plant peripheral areas.	Education, Training.	Yes	Narayanpur, Kanker, Kabirdham and Raipur (Chhattisgarh)	0.66	Yes	NA
3.	Providing free tailoring classes in villages for empowering women through skill development, providing assistance to local women to market the products stitched locally, Providing big size catering Utensils to women's self-help groups.	Women Empowerment.	Yes	Kabirdham, Raipur and Kanker (Chhattisgarh)	1.05	Yes	NA



4.	Organizing village level sports tournament, Financial assistance in organizing Cricket tournament, Financial assistance for organizing Rural/Nationally Recognized Sports in villages like Siltara, Giroud, Dhaneli, Mandhar, Murethi and Sankra.	Sports Activity	Yes	Narayanpur, Kanker, Kabirdham, Bilaspur and Raipur (Chhattisgarh)	2.37	Yes	NA
5.	Tree plantation at various places including plant peripheral areas, Organising activities for World Environment day programmes, Environment Protection/ Eco balance near Airport, Landscaping work.	Environmental Sustainability	Yes	Kanker, Kabirdham and Raipur (Chhattisgarh)	26.30	Yes	NA
6.	Assistance for cultural programs on Mela Parv, for organising traditional Chhattisgarhi folk dance competition, Expenses towards Samadhan Kendra & Socio House, Distribution of Musical Set/Tent Materials, Organizing Anand Mela Utsav to enhance Traditional Art, Cultural Program, Financial assistance to villages like Siltara, Giroud, Dhaneli, Mandhar, Murethi and Sankra for Promotion and development of traditional Art & Culture among the villagers in plant periphery, Financial assistance to various Gram Panchayats to organise Durga Pooja, Diwali, Holi, Guru Ghasidas Jayanti programmes etc.	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)	39.62	Yes	NA
7.	Renovation of Primary Schools, installation of LED Lights at Village lamp post, Construction/ Repairing of Roads & Culverts, Organising food distribution programmes in plant peripheral villages during COVID-19, Assistance on Labour Day for organizing local Adivasi cultural dance program, Distribution of blankets/clothes to old aged and orphans, Beautification & Deepening Work of Pond/Dam and developing fruit bearing garden, Distribution of fruit saplings to villagers, Training to people for Fish Farming at village Pond, Strengthening of Canal Bund road approaching to village Giroud, Maintenance of Roads/ School Boundary wall/Temple/ Samudayik Bhawan in Village Udgan, Ameri Akbari and Dagori.	Rural & Infrastructure Development Projects	Yes	Narayanpur, Kanker, Bilaspur, Kabirdham and Raipur (Chhattisgarh)	117.79	Yes	NA
<b>TOTAL</b>					<b>242.34</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 2020-21(8b+8c+8d+8e): Rs. 242.34 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 135(5)	Nil
ii.	Total Amount spent for the F.Y 2020-21	242.34
iii.	Excess Amount spent for the F.Y 2020-21[ii-i]	242.34
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]	242.34

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: 11<sup>th</sup> November, 2021

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. SMS I LRF electrode Diameter reduce from 350 mm to 300 mm
  - i) In the past we used to use 350 MM Electrode. The monthly average consumption was 1.45 KG MT
  - ii) After replacing the 350 MM with 300 the monthly average consumption is 1.15 Kg/MT
  - iii) Saving is  $1.45 - 1.15 = 30$  grams per MT
  - iv) Monthly average production 20,000 Mt
  - v) Monthly Electrode saving is  $0.03 \times 20000 = 600$  KG
  - vi) The cost of MT of Graphite = Rs.2,25,000/-
  - vii) Saving = Rs.1,35,000/-
  - viii) Other parameters related to power consumption are under monitoring
2. Compressed air used by the Blast furnace sinter plant and power plant 01 flow measuring equipment (orifice plate and flow meter) are installed in shut down, Blast furnace area compressor efficiency and flow consumption for all different unit is being measured and under monitoring, vice versa arrangement is work under progress for the compressor house of plant

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

- In Sinter Plant Pneumatic dust conveying system installed in place of conveyor system – C 10.4 & 15.6. Closed conveying system eliminates the fugitive emission and reduced operating cost.

#### **iii) The capital investment on energy conservation equipments;**

- Orifice plate and flow meter Rs. 3.5 Lacs in Iron zone area.

### **B) Technology Absorption-**

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

##### **SINTER PLANT:**

- In Sinter machine Suction increased from pellet car side wall due to wear and replacement of pellet car were increased. Hence a liner plate designed and fixed in all pellet car after machining all pellet cars. This improves suction in the machine.

##### **RMHS :**

- Improve availability of charging system by converting motorized actuator system in QG – 6,7,13,14 to hydraulic actuator system.

##### **COKE OVEN:**

- Coke hopper gate design has been modified & installed. Now it can be operated by a single person.

##### **STEEL MELT SHOP-1 :(2020-21)**

- LRF1 electrode diameter reduced from 350 mm to 300 mm with selection of voltage & current setting changed to save LRF power consumption & electrode consumption.
- LRF 2, New 2 alloys feeding hopper has been made to avoid manual addition which in terms save power & avoid chance of accident .
- Imported lime has been used for improvement in slag making which is helpful in secondary refining.
- 90% MgO tundish spray mass has been introduced for critical application grades to improve quality of steel.
- EAF water cooled delta fourth hole size increased & also water-cooled chute dia increased for elimination of delta leakages & chute jamming.
- EAF roof cooling inlet & outlet header rerouting for its life enhancement.

**STEEL MELT SHOP – 2:(2020-21)**

- Internal EMS trail taken and implemented for section size 160x160 mm<sup>2</sup> for quality improvement to avoid off corner cracks in casted product mainly for MC CHQ grades.
- Tundish turbo stopper trail taken & implemented in CCM tundish to promote inclusion floatation in tundish.
- Flying tundish trial taken & implemented for higher section size 250x250 & 340x400mm<sup>2</sup> to increase productivity by reducing seq change over time .
- EAF lining pattern has been modified to avoid Cu tiles & oxy-jet lance leakages.
- Oxy-jet no. 3 position in EAF has been changed from panel no.4 to 3 towards slag door side to avoid breakdown due to hose damaging as it was just below smoke elbow so chances of jam fall down was more.
- Hybrid porous plug has been introduced replacing random porous plug to minimize purging fail during operation.
- Ladle slide gate system has been changed from 7310 to new CS60 to minimize slide gate failure .
- 90% MgO tundish spray mass has been introduced for critical application grades to improve quality of steel .
- High Seq SEN(Sub entry nozzle) /MBS(Mono block stopper) has been implemented to increase productivity as well as for quality improvement.
- EAF hot metal launder jam cleaning area suction duct line has been made for fume exhaust for environment protection.

**BAR MILL:**

- Double rollers in cooling bed for avoiding scratch in smaller flats.

**WIRE ROD MILL:**

- Descaler nozzle modification for improving descaling
- Roll pass design modification.

**BAR & STRUCTURAL MILL:**

- Shifting and stabilization of rolling from BD Mill to Continuous Mill with own pass design.
- Development of new sizes of Rounds and RCS as per market requirement.
- Shifting and stabilization of Rolling of 60 to 85 Round from BM to BSM by JNIL mill operation team.
- Use of BF gas in RHF along with process oil.
- Trials of Hot Charging of billets from SMS 2 to BSM.
- In Bright Bar, 04 peeling, 02 reeling and 06 Center less Grinding machines installed with inhouse resources.

**QUALITY ASSURANCE:**

**Technology** – Auto Ultrasonic Testing (Auto UST) Machine for Internal Quality check and Magnetic Flux Leakage Test ( MFLT) for Automatic Surface Quality Inspection of Bars.

**Import** – Auto UST from Olympus, Canada (thru Blue Star) and MFLT – Pruftechnik, Germany ( thru NDTT).  
**Status** – Auto UST is fully Operational. MFLT installation is completed and its commissioning is under process.

**Benefits** – Fully Automatic Inspection. Small defects unable to detect by normal Inspection can be detected. Helpful to demonstrate and obtain Customer approval. Approx. cost 9 crores for Auto UST and 3 crores for MFLT.

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

<b>Details of Technology Imported</b>	<b>Technology Imported from</b>	<b>Year of Import</b>
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 –****2020-21****(Rs. in Lacs)**

Foreign Exchange earned in terms of Actual Inflows –

**2315.97**

Foreign Exchange spent in terms of Actual Outflows –

**7454.46****For and on behalf of Board of Directors****Date: 11<sup>th</sup> November, 2021****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 31.03.2021.

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: 11<sup>th</sup> November, 2021**

**Place: Nagpur**



**ANNEXURE – D**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2021**

**[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 31st March, 2021 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 31st March, 2021 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, 2021:-**

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.

The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

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 with regard to the Meeting of Board of Directors (SS-1), General Meetings (SS-2) and Report of the Board of Directors (SS-4) issued by the Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (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.

**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.
- 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 decision is carried through 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:- 24<sup>th</sup> June, 2021**

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

**Encl. ANNEXURE I**  
**ANNEXURE II**

**Rachana Daga**  
**Proprietor**  
**Membership No: 5522**  
**C.P.No:5073**  
**UDIN:- F005522C000510741**

**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:- 24<sup>th</sup> June,2021

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

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

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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 – Light Industrial Area, Bhilai & Anjora (CG)

Place: Nagpur

Date: 24<sup>th</sup> June,2021

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

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

**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, 2021.

- i) The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21:

Sr. No.	Name of Directors	Ratio
1	Shri Basant Lall Shaw	0.31
2	Shri Arvind Jayaswal	35.39
3	Shri Ramesh Jayaswal	35.95
4	Shri B. K. Agrawal	0.52
5	Shri P. K. Bhardwaj	13.74
6	Shri S. N. Singh	0.38
7	Shri Darshan Kumar Sahni	0.38
8	Smt. Raji Nathani	0.31
9	Shri Megh Pal Singh	18.31
10	Shri Arvind Iyer	0.44
11	Shri Rajendra Prasad Mohanka	0.23

- 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 2020-21:

Sr. No.	Name of Directors / KMP	Designation	Remuneration Paid (Rs. in Lacs)		% increase / (decrease) in Remuneration Paid
			2020-21	2019-20	
1	Shri Basant Lall Shaw	Chairman	1.00	0.75	33.33
2	Shri Arvind Jayaswal	Managing Director & CEO (Foundry Division)	113.10	151.74	(25.46)
3	Shri Ramesh Jayaswal	Jt. Managing Director & CEO (Steel Plant Division)	114.89	151.74	(24.28)
4	Shri B. K. Agrawal	Independent Director	1.65	1.25	32.00
5	Shri P. K. Bhardwaj	Executive Director and CFO	43.91	48.79	(10.00)
6	Shri S. N. Singh	Independent Director	1.20	1.20	--
7	Shri Darshan Kumar Sahni	Independent Director	1.20	0.90	33.33
8	Smt. Raji Nathani	Independent Director	1.00	1.00	--
9	Shri Megh Pal Singh	Executive Director (Steel) & COO (Steel Plant Division)	58.52	77.21	(24.21)
10	Shri Arvind Iyer	Independent Director	1.40	1.35	3.70
11	Shri Rajendra Prasad Mohanka	Independent Director	0.75	1.00	(25.00)
12	Shri Vikash Kumar Agarwal	Company Secretary and Compliance Officer	25.20	24.02	4.91

- iii) The percentage decrease in the median remuneration of employee(s) in the financial year 2020-21: **(2.00%)**.
- iv) The number of permanent employees on the roll of the Company: **4056 Employees as on 31st March, 2021**.
- 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 50th Percentile for Salaries of Non-Managerial Personnel is **(1.86%)**

Percentage increment at 50th Percentile for Salaries of Managerial Personnel is **(9.22%)**

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 31st March, 2021:

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	68, B.Sc.	44	113.10	Managing Director of Jayaswals Neco Limited	01.01.1998	0.38
2	Shri Ramesh Jayaswal	Joint Managing Director & CEO (Steel Plant Division)/ Contractual	62, B.Com.	37	114.89	Whole time Director of Nagpur Alloy Castings Limited	01.01.1998	0.38
3	Shri Megh Pal Singh	Executive Director (Steel) & COO (Steel Plant Division) / Contractual	63, B. E. (Metallurgy)	41	58.52	Bhushan Steel Limited	13.11.2014	--
4	Shri S.K. Swain	Associate Director (Metal Mines)	53, B. E. (Metallurgy)	29	68.47	Midwest Iron & Steel Co. Ltd.	11.09.1995	--
5	Shri Susanta Kumar Moltra	Associate Director (Business Development)	56, M.Com., D.B.M. and M.B.A.	30	65.62	House of Kedia, Bhilai	10.10.2001	--
6	Shri Rajkamal Shrivastava	President (Marketing)	58, B.Com., LLB, PGDM & SM	36	73.44	Sunflag Iron & Steel Co. Ltd.	14.08.2003	--
7	Shri Bijendra Kumar Tiwari	President (Works)	50, B.E.(METT.), M.TECH.(IND. METT.)	24	68.06	Hospet Steels Limited	12.12.2019	--
8	Shri Kapil Shroff	President (Finance)	42, B.Com, F.C.A, D.I.S.A.	21	55.40	Sunflag Iron & Steel Co. Ltd.	15.05.2004	--
9	Shri B. Venkata Narayana	Vice President (Project)	56, B.E. (Mech.)	30	59.32	MGM Steel Limited	16.12.2010	--
10	Shri B. Srinivasa Rao	Vice President (Pellet Plant)	53, AMIE (Elect. & Tele.), MBA, PG DIL PER. MGMT, PROD. MGMT.	31	56.54	Essar Steel Limited	31.05.2012	--

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

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

**Date:** 11<sup>th</sup> November, 2021  
**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 on 31.03.2021, the Board of the Company comprises of 11 (Eleven) Directors; with the composition of Executive, Non-Executive and Independent Directors. One Independent Director, Shri D K Sahni ceased to be a Director of the Company due to his sad demise on 30.04.2021. Smt. Raji Nathani and Shri S. N. Singh ceased to be Directors of the Company on 21st September, 2021 due to completion of term of 5 years.

4 (Four) Board Meetings were held during the financial year ended 31st March, 2021. The dates of the Board meetings held are as under:

i) 29.06.2020, ii) 14.09.2020, iii) 11.11.2020, iv) 12.02.2021

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 24.12.2020	No. of Directorships in other Companies as on 31.03.2021*	No. of Memberships/ Chairmanship in Committee of Directors in other Companies**		Name of Listed Entity and Category of Directorship
						Member	Chairman	
1	Shri Basant Lal Shaw Chairman (DIN 00249729)	Promoter Non-Executive	4	Yes	3	-	-	-
2	Shri Arvind Jayaswal Managing Director & Chief Executive Officer (Foundry Division) (DIN 00249864)	Promoter Executive	4	Yes	3	-	-	-
3	Shri Ramesh Jayaswal Joint Managing Director & Chief Executive Officer (Steel Plant Division) (DIN 00249947)	Promoter Executive	4	Yes	4	-	-	-
4	Shri B. K. Agrawal Director (DIN 01223894)	Independent Non-Executive	4	Yes	-	-	-	-
5	Shri P. K. Bhardwaj Executive Director & CFO (DIN 03451077)	Professional Executive	4	Yes	-	-	-	-
6	Shri S. N. Singh Director (DIN 00398484) (Upto 21 <sup>st</sup> September, 2021)	Independent Non-Executive	4	No	1	2	1	Lloyds Steel Industries Limited- Independent Director



7	Shri Darshan Kumar Sahni Director (DIN 00131269) (Upto 30 <sup>th</sup> April, 2021)	Independent Non-Executive	4	No	-	-	-	-
8	Smt. Raji Nathani Director (DIN 06945777) ( Upto 21 <sup>st</sup> September, 2021)	Independent Non-Executive	4	No	-	-	-	-
9	Shri Megh Pal Singh Executive Director (Steel) & Chief Operating Officer (Steel Plant Division) (DIN 02635073)	Professional Executive	4	No	1	-	-	-
10	Shri Arvind Iyer Director (DIN 01375173)	Independent Non-Executive	4	No	-	-	-	-
11	Shri Rajendra Prasad Mohanka Director (DIN 00235850)	Independent Non-Executive	3	No	2	1	1	Sharda Ispat Limited- Independent Director Vidarbha Industries Limited – Independent Director

(\*) 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 Shri Arvind Jayaswal, Managing Director & Chief Executive Officer (Foundry Division) and Shri Ramesh Jayaswal, Joint Managing Director & Chief Executive Officer (Steel Plant Division) who are sons of Shri Basant Lall Shaw, Chairman 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, **S.N. Singh and M.P. Singh
Finance & Taxation Expert	Yes	S/Shri B.K Agrawal, P.K Bhardwaj, R.P Mohanka and **Smt. Raji Nathani
Commercial Expert	Yes	S/Shri Arvind Jayaswal, Ramesh Jayaswal and Arvind Iyer
Mining Expert	Yes	*Shri D. K. Sahni

\* Ceased to be a Director w.e.f. 30th April, 2021.

\*\*Ceased to be a Director w.e.f. 21st September, 2021.

Details about Directors seeking Appointment / Reappointments 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://www.necoindia.com/images/investor/corporate-governance/Details-of-Familiarisation-Programmes-attended-Hours-Spent-by-Independent-Directors.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 29.06.2020, 14.09.2020, 11.11.2020 and 12.02.2021. Generally, all the Members of the Committee attend the Meetings. Heads of the Internal Audit / Internal Control Units, 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 31.03.2021, 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	4
2)	Shri Ramesh Jayaswal	Member	4
3)	Shri S N Singh	Member	4
4)	Shri Arvind Iyer	Member	4

The role and terms of reference of the Audit Committee are:

- examination of the financial statements and the Auditors' Report thereon,
- to ensure compliance of internal control systems,
- investigating into any matters as may be referred to it by the Board,
- to seek information from employees, obtain outside legal / professional advice on the matters before it,
- to review internal financial control and risk management policies of the Company,
- the recommendation for appointment, remuneration and terms of appointment of auditors of the company,
- 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,
- monitoring the end use of funds raised through public offers and related matters,
- 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.
- 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 29.06.2020, 14.09.2020, 11.11.2020 and 12.02.2021.

The composition of the Nomination and Remuneration Committee as on 31.03.2021 and the attendance of Members at the Nomination and Remuneration Committee meetings are as follows:

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

**At the meeting held on 29.06.2020, the Committee reviewed and recommended the following:**

- i. Appointment of Shri Pramod Kumar Bhardwaj, as the Director of the Company liable to retire by rotation.

**At the meeting held on 14.09.2020, the Committee reviewed and recommended the following:**

- i. Re-appointment and remuneration of Shri Megh Pal Singh as Executive Director and Chief Operating Officer (COO), Steel Plant Division for a period of three years.

**At the meeting held on 11.11.2020, the Committee reviewed and recommended the following:**

- i. Revision in remuneration of Shri Arvind Jayaswal, Managing Director & CEO (Foundry Division).
- ii. Revision in remuneration of Shri Ramesh Jayaswal, Joint Managing Director & CEO (Steel Plant Division).
- iii. Revision in remuneration of Shri Pramod Kumar Bhardwaj, Executive Director & CFO.
- iv. Revision in remuneration of Shri Megh Pal Singh, Executive Director and Chief Operating Officer (COO), (Steel Plant Division).

**At its meeting held on 12.02.2021, the Committee reviewed and recommended the following:**

- i. Evaluated the performance of all the Directors of the Company including the Independent Directors and the performance of Board as a whole.

**The terms of reference of Nomination and Remuneration Committee is as follows:**

- To review and recommend the Directors' Remuneration, service contracts, performance linked incentives and other perks, benefits etc. to be drawn by the Company's Directors;
- To identify the persons who are qualified to become the Directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
- To formulate the criteria for determining qualifications, positive attributes and independence of the Directors;
- To recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other senior employees.
- To recommend to the Board, all remuneration, in whatever form, payable to Senior Management and
- 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 reappointment 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 2020-21 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	--	--	-	1.00	10312850	-
2	Shri Arvind Jayaswal	Managing Director & Chief Executive Officer (Foundry Division)	01.01.2020 to 31.12.2022	3 months' notice	113.10(*)	-	2397920	-
3	Shri Ramesh Jayaswal	Joint Managing Director & Chief Executive Officer (Steel Plant Division)	01.01.2020 to 31.12.2022	3 months' notice	114.89 (*)	-	2397920	-
4	Shri P K Bhardwaj	Executive Director and CFO	25.02.2020 to 24.02.2023	3 months' notice	43.91(*)	-	-	-
5	Shri B K Agrawal	Independent Director	--	--	-	1.65	7500	-
6	Shri S N Singh	Independent Director	--	--	-	1.20	-	-

7	Shri D K Sahni	Independent Director	--	--	-	1.20	-	-
8	Smt. Raji Nathani	Independent Director	--	--	-	1.00	-	-
9	Shri Arvind Iyer	Independent Director	--	--	-	1.40	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	58.52(*)	-	-	-
11	Shri Rajendra Prasad Mohanka	Independent Director	--	--	-	0.75	-	-

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	106.86	6.24	--	113.10
Shri Ramesh Jayaswal	108.25	6.64	--	114.89
Shri P K Bhardwaj	41.65	2.26	--	43.91
Shri Megh Pal Singh	55.70	2.82	--	58.52

#### Other payments to Directors:

During the year, the Company has paid an amount of Rs. 21.12 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 utilizing Building by the Company, 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)	10.56
2	Shri Ramesh Jayaswal, Joint Managing Director & Chief Executive Officer (Steel Plant Division)	10.56
	<b>TOTAL</b>	<b>21.12</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 15 days from the date of receipt, provided the documents are complete in all respects. During the financial year ended 31st March, 2021, no Complaints were received from shareholders.

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 31st March, 2021 the Committee met 4 (Four) times on 05.05.2020, 10.07.2020, 12.10.2020 and 14.01.2021.

The Company Secretary is the Compliance Officer.



## **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 annual CSR 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 19.05.2020, 14.07.2020, 07.08.2020, 26.10.2020 and 29.01.2021.

In the said meetings, the Committee members inter-alia, approved the CSR Budget and planned the activities for the financial year 2020-21 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	5
2	Shri Ramesh Jayaswal	Member	3
3	Shri B. K. Agrawal	Member	5

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

- i) 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.
- ii) 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.
- iii) To monitor the Corporate Social Responsibility Policy of the Company from time to time.
- iv) 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 25.05.2020. In this meeting the Committee considered and took note of the steps taken during the financial year 2019-20 by the Company under the Risk Management Plan to manage and mitigate the identified risks.

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

<b>Sr. No.</b>	<b>Names of Members</b>	<b>Chairman / Member</b>	<b>Attendance</b>
1	Shri Arvind Jayaswal	Chairman	1
2	Shri B. K. Agrawal	Member	1
3	Shri P. K. Bhardwaj	Member	0
4	Shri Kapil Shroff	Member	1

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, 2021 to review the performance of Non-Independent Directors including the Chairman and the Board as a whole and was attended by all the Independent Directors of the Company.

## 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
31.03.2020	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.
31.03.2018	Registered Office at F-8, MIDC Industrial Area, Hingna Road, Nagpur - 440 016.	28.09.18	12.30 P.M.

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

### a. 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 25th February, 2020 up to 24th 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 13th November,2020 up to 12th November, 2023.
- b. **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 22nd September,2019 to hold office for 5 (Five) consecutive years for a term up to 21st September, 2024.
- c. **Annual General Meeting held on 28.09.2018**
  - i. Resolution under 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, for the continuance of Shri Basant Lall Shaw (DIN: 00249729) as the Director of the Company liable to retire by rotation.
  - ii. Resolution under 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, for the continuance of Shri Darshan Kumar Sahni (DIN: 00131269) as an Independent Director of the Company not liable to retire by rotation for the remaining tenure up to 21st September,2021.

**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. Wherever it is required presentations are 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 'Investor Relations' 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):** The NEAPS is a web-based application designed by NSE for corporate. All periodical compliance filings like shareholding pattern, corporate governance report etc. are filed electronically on NEAPS.

**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, 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. As a matter of abundant precaution, the transactions between the Company and one of its related parties M/s. NSSL Private Limited during the financial year 2020-21 has been duly approved by the shareholders of the Company as it has exceeded the limits prescribed under Section 188 of the Companies Act, 2013. 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://www.necoindia.com/images/investor/corporate-governance/11.-RPT-Policy-JNIL.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:

- i. **Chairman's Office & separate post of Chairman and Managing Director/ CEO:** Maintaining Non- Executive Chairman's Office at the Company's expense and allowing reimbursement of expenses incurred in performance of his duties. Company has appointed separate persons to the post of Chairman and Managing Director/CEO.
- ii. **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/wp-content/uploads/2016/08/Policy-on-Material-Subsidiaries.pdf>

6. **Commodity Price Risk and Hedging Activities**

### **Fluctuation in commodity prices**

**Impact:** The overall growth momentum and sentiments in the Indian steel industry turned quite favorable in the second half of the last financial year after recovering from the Covid-19 impact and it is expected that fluctuation in the finished rolled products prices would be within tolerance limits and the Company would be able to pass on the impact of hike in the corresponding material costs change although with a lag effect. The Company's finished rolled products are in Alloy Steel-Long Products segment which has a structured market.

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

During the last financial year, the imported coking coal prices declined.

The Iron ore and ore fines prices had witnessed significant increase domestically.

The Indian Steel Industry expects to consolidate its momentum due to favorable international environment, revival in Auto sector demand, government reforms and policies with its announcement of large-scale public infrastructure projects, domestic sourcing of steel for government tenders, smart cities, metro rail projects etc.

The domestic steel demand and the Finished Steel prices have shown significant increase in the last financial year.

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

**Mitigation/ Hedging:** The Company has augmented its facilities couple of years back by creating large value addition steelmaking capacity as well as various cost reduction projects/ schemes which are expected 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 participates in price negotiation 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 internationally and negotiates hard while procuring them.

For non-coking coal procurement, the Company has secured coal linkages at good prices to ensure sustained supply of quality non-coking coal.

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 customer in timely manner and 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 / 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 for forward covers to avoid unexpected forex losses, whenever required. The Company is not engaged in any forex speculation or buying derivate products.

The Risk Management Committee of the Company reviews the forex exposure and its hedging policy issues periodically and 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:

Sr.No.	Name of Audit Firm	Services	Amount paid during the year
1.	M/s Pathak H.D & Associates	Statutory Audit & Limited Review	50,20,000 /-
2.	M/s. Naresh Patadia & Co.	Statutory Audit & Limited Review	22,35,000 /-
<b>TOTAL</b>			<b>72,55,000/-</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, 2021:

Number of Complaints Received	<b>NIL</b>	Number of Complaints disposed off	<b>N.A</b>
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## **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 31.03.2021 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, 30<sup>th</sup> December, 2021 at 12:30 p.m.  
Regd. Office at F-8, MIDC Industrial Area, Hingna Road, Nagpur - 440 016 (through VC/OAVM).
3. **Book Closure Date** : 24<sup>th</sup> December, 2021 to 30<sup>th</sup> December, 2021  
(both days inclusive).
4. **Dividend Payment Date** : Not Applicable since no dividend is proposed.
5. **Financial Year** : April 1<sup>st</sup> to March 31<sup>st</sup>



**6. Financial Calendar For the Year ending : 31<sup>st</sup> March, 2022**

Sr. No.	Particulars	Tentative Date
1	Unaudited Financial Results for the period of 3 months ending 30 <sup>th</sup> June, 2021.	First or Second week of August, 2021.
2	Unaudited Financial Results for the period of 3 months ending 30 <sup>th</sup> September, 2021.	First or Second week of November, 2021
3	Unaudited Financial Results for the Period of 3 months ending 31 <sup>st</sup> December, 2021.	First or Second week of February, 2022
4	Audited Financial Results for the year/3 months ending 31 <sup>st</sup> March, 2022.	Second Last or Last week of May, 2022
5	Annual General Meeting for the year ending 31 <sup>st</sup> March, 2022.	Second Last or Last week of September, 2022.

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

Phiroze Jeejeebhoy Towers,  
Dalal Street, MUMBAI – 400 001.  
Stock 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.  
Stock Code – JAYNECOIND

8. Annual Listing fees for the year 2021-2022 have been duly paid to both the above Stock Exchanges.

9. Annual Custody / Issuer fee for the year 2021-2022 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. '20	3.15	2.10	3.30	2.00
May '20	3.15	2.61	3.20	2.60
June '20	4.04	2.74	4.00	2.80
July '20	4.00	2.90	3.95	2.85
Aug. '20	3.15	2.95	3.20	2.95
Sep. '20	3.94	3.06	3.95	3.00
Oct. '20	3.14	2.70	3.10	2.75
Nov. '20	3.98	2.92	3.90	2.95
Dec. '20	6.20	3.95	6.10	3.95
Jan. '21	7.31	5.47	7.25	5.45
Feb. '21	8.15	5.14	8.05	5.10
Mar. '21	12.87	8.55	12.85	8.45

B. Equity Shares of the Company are regularly traded on both the Exchanges. During the year, approximately 356.74 Lacs Equity Shares were traded.

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

Financial Year 2020 –2021	Percentage Change		
	Company	BSE Sensex	NSE Nifty
	431.58%	68.01%	70.87%

**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**

Regulation 40 of the Listing Regulations was amended vide Gazette notification dated June 08, 2018 mandating transfer of securities in dematerialized form only on and after December 05, 2018. Further, SEBI has extended the date for transfer of securities in physical form to March 31, 2019, vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018.

According to the said Notification, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with the depository with effect from April 01, 2019. However, this restriction shall not be applicable to the request received for effecting transmission or transposition of physical shares. Accordingly, the Company / its Registrar and Share Transfer Agent has stopped accepting any fresh lodgment of transfer of shares in physical form from the specified date.

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 half-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.

Requests related to exchange of shares of erstwhile Nagpur Alloy Castings Limited and Jayaswals Neco Limited on account of amalgamation are processed by the Company only at its Registered Office.

**(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, 2021:**

CATEGORY	No. of Shares held	% of Total Shareholding	No. of Shareholders
<b>(A) Shareholding of Promoter and Promoter Group</b>			
Individuals:	15158690	2.37	5
Bodies Corporate:	424144151	66.41	13
<b>Sub-Total (A)</b>	<b>439302841(*)</b>	<b>68.79</b>	<b>18</b>
<b>(B) Public Shareholding</b>			
<b>Institutions:</b>	35521	0.01	18
<b>Non-Institutions:</b>			
a) Bodies Corporate, NRI, OCB and Clearing Members	126128652	19.75	1444
b) Individuals			
i. Individual Shareholders holding nominal Share Capital up-to Rs. 2 Lakhs.	24334811	3.81	34465
ii. Individual Shareholders holding nominal Share Capital in excess of Rs. 2 Lakhs.	48831238	7.64	337
<b>Sub-Total (B)</b>	<b>199330222</b>	<b>31.21</b>	<b>36264</b>
<b>GRAND TOTAL</b>	<b>638633063</b>	<b>100.00</b>	<b>36282</b>

(\*) Includes 57241566 Equity Shares being 13.03% of the Promoter and Promoter Group shareholding and 8.96% of the total Equity Shares Capital pledged in favour of the Lenders to secure their Term Loans.

**14. Distribution of shareholding as on 31<sup>st</sup> March, 2021:**

(Amount in Rs.)

Shares of Nominal Value	Number of Shareholders	% of Holders	Total Amount	% of Amount
Upto 5000	27645	76.20	45496640.00	0.71
5001 to 10000	3527	9.72	30644870.00	0.48
10001 to 20000	1973	5.44	32258710.00	0.51
20001 to 30000	771	2.12	20445290.00	0.32
30001 to 40000	371	1.02	13586810.00	0.21
40001 to 50000	474	1.31	22839080.00	0.36
50001 to 100000	708	1.95	54420770.00	0.85
100001 and Above	813	2.24	6166638460.00	96.56
<b>Total</b>	<b>36282</b>	<b>100.00</b>	<b>6386330630.00</b>	<b>100.00</b>

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

636084734 Equity Shares i.e. 99.60 % of the total Equity Shares have been dematerialized up to 31.03.2021.

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:**

- Steel Plant Division - Siltara Growth Centre, Raipur (Chhattisgarh).
- Centricast Division – F-8 & F-8/1, MIDC Area, Hingna Rd, Nagpur (Maharashtra).
- Engineering Castings Division- T-41/42, MIDC Area, Hingna, Nagpur (Maharashtra).
- Automotive Castings Division- Village Ruikhairi, Wardha Rd. Butibori, Nagpur (Maharashtra).
- Construction Castings Divisions – 105, Light Industrial Area, Bhilai, Dist. Durg (Chhattisgarh) & 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:****Link Intime 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: 11<sup>th</sup> November, 2021****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 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, 2021 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	BASANT LALL SHAW	00249729	28/11/1972
2	ARVIND JAYASWAL	00249864	28/11/1972
3	RAMESH JAYASWAL	00249947	05/03/1983
4	BRAJKISHORE AGRAWAL	01223894	10/08/1994
5	PRAMOD KUMAR BHARDWAJ	03451077	25/02/2011
6	SATYENDRA NARAIN SINGH	00398484	10/02/2014
7	ARVIND IYER	01375173	13/11/2014
8	MEGH PAL SINGH	02635073	28/10/2010
9	RAJI NATHANI	06945777	11/08/2014
10	RAJENDRA PRASAD MOHANKA	00235850	27/07/2018
11	*DARSHAN KUMAR SAHNI	00131269	11/08/2014

\* Shri Darshan Kumar Sahni ceased to be a Director of the Company w.e.f. 30<sup>th</sup> April, 2021 due to his sad demise.

Ensuring the eligibility of 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.

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

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

**Date:-24<sup>th</sup> June, 2021  
Place: Nagpur**

**UDIN : F005522C000510763**



**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 2020-21 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 2020-21.

**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 2020-21 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: 11<sup>th</sup> November, 2021**  
**Place: Nagpur**

**Rachana Daga**  
**Proprietor**  
[M. No.: – F5522]  
[CP No.: 5073]  
**UDIN: – F005522C001408462**



### **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, 2021 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> June, 2021**

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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, 2021, 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> June, 2021**



## BUSINESS RESPONSIBILITY REPORT - 2020-21

### 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	2020-21
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:	<p><b>a) Number of International Locations: Nil</b></p> <p><b>b) Number of National Locations:</b></p> <p><b>PLANT LOCATIONS:</b></p> <ol style="list-style-type: none"> <li>1. Steel Plant Division - Siltara Growth Centre, Raipur (CG).</li> <li>2. Centricast Division - MIDC Area, Hingna Rd., Nagpur (MH).</li> <li>3. Engineering Castings Division - MIDC Area, Hingna Road, Nagpur (MH).</li> <li>4. Automotive Castings Division -Butibori, Nagpur (MH).</li> <li>5. Construction Castings Division - Light Industrial Area, Bhilai &amp; Anjora (CG).</li> </ol> <p><b>OTHER LOCATIONS:</b></p> <p>Faridabad, Ludhiana, Pune, Rajkot, Chennai, Bangalore and Jamshedpur.</p>
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 (31.03.2021)	63863.31
2	Total Turnover (FY 2020-21)	370505
3	Total profit (Loss) after taxes (FY 2020-21)	(55828)
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	242.34 (The Company was not required to spend any amount on CSR activities during the financial year 2020-21)
5	List of activities in which expenditure in 4 above has been incurred:-	<ol style="list-style-type: none"> <li>1) Health care, sanitation and providing drinking water</li> <li>2) Education and training</li> <li>3) Women empowerment</li> <li>4) Environmental sustainability</li> <li>5) Protection of national heritage, Promotion and development of traditional art and culture, Community Welfare</li> <li>6) Sports</li> <li>7) Rural development projects</li> </ol>

### SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies: - No
2. 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....	N	N	N	N	N	N	N	N	N
2	Has the policy being formulated in consultation with the relevant stakeholders?	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	At present, the Company does not have specific policies for the same. However, the Company have best practices that 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 are being framed in the current financial year 2021-22.								
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/wp-content/uploads/2021/08/Business-Responsibility-and-Sustainability-Policy.pdf">https://www.necoindia.com/wp-content/uploads/2021/08/Business-Responsibility-and-Sustainability-Policy.pdf</a>
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The Policies will be communicated to all relevant internal and external stakeholders of the Company once framed by the Company.
8	Does the company have in-house structure to implement the policy/ policies.	The Company is in process to form a structure to implement the policy/ policies.
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?	N.A. The Company will adopt the same once policies are in place.

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	The Policies are planned to be framed during the financial year 2021-22.								
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 is the first report and forms an integral part of the Annual Report 2020-21 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?**

Presently the Company has best practices relating to ethics and prevention of bribery and corruption. The Company have standing order for non-executive employees and code of conduct for executives. The Suppliers, Contractors and other stakeholders are encouraged to adopt such practices and follow the same.

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 2020-21.

**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: – **4023 as on 31<sup>st</sup> March, 2021.**
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: – **1516.**
3. Please indicate the Number of permanent women employees: – **21.**
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 is 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 65%
  - b. Permanent Women Employees More than 94%
  - c. Casual/Temporary/Contractual Employees More than 80%
  - 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 2020-21.



**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 protects and respect right of every individual who are associated with the Company.

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 2020-21.

**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 follows the best practices to protect and restore the environment. The Suppliers and Contractors are encouraged to adhere to the best practices. The Company strictly follows the environment protection laws and rules and is committed to restore the environment.

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 ensure that it never cross the prescribed limit. Utilization of waste heat is a practice which is always followed by the company and the company presently generates 53 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 53 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 2020-21.

**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. Institute of Indian Foundry
- b. Engineering Export of Promotion Council
- c. 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 2020-21. 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. 242.34 Lacs was spent towards various CSR projects during the Financial Year 2020-21 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 the Financial Statements**

### ***Qualified Opinion***

We have audited the accompanying Financial Statements of **JAYASWAL NECO INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the 'Basis for Qualified Opinion' para below, 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021 and its loss including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### ***Basis for Qualified Opinion***

As mentioned in Note no. 18.10 to the Financial Statements, Non Current Borrowings include an amount of Rs. 183111.16 Lakhs due to an Asset Reconstruction Company. Banks holding 97.91% (by value) of the total principal debt, equivalent to Rs. 356,324.74 Lakhs, assigned all their rights, title and interests in financial assistances granted by them to the Company in favour of Assets Care & Reconstruction Enterprise Limited, acting in its capacity as Trustee of ten different Trust (ACRE). Until the revised terms and condition will be agreed between the Company and ACRE, the arrangement with those banks are valid and as per the arrangements with those banks, the Company is required to comply with certain covenants as referred in the said note and non-compliance with these covenants may give rights to the banks/ACRE to demand repayment of the loans. As at March 31, 2021, the Company has not complied with certain covenants and they have not been provided with any confirmation from those lenders for extension of time to comply with these covenants. The Company has not classified these liabilities as current liabilities as required by Indian Accounting Standards (Ind AS) – 1 – "Presentation of Financial Statements".

We conducted our audit in accordance with Standards on Auditing (SAs) 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 together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the rules 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 qualified opinion.

### ***Material Uncertainty Related to Going Concern***

We draw attention to Note no. 36 to the Financial Statements regarding preparation of Financial Statements of the Company on going concern basis, notwithstanding the fact that the Company continue to incurred cash losses, its net worth has been fully eroded, loans had been called back by few of the secured lenders, application has been made to National Company Law Tribunal (NCLT), Mumbai, under section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC) by State Bank of India, the erstwhile lead secured lender, which has been contested by the Company, for the reasons stated in the said note. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as going concern. Banks holding 97.91% (by value) of the total principal debt, equivalent to Rs. 356,324.74 Lakhs, assigned all their rights, title and interests in financial assistances granted by them to the Company in favor of Assets Care & Reconstruction Enterprise Limited acting in its capacity as Trustee of ten different Trust (ACRE) and for the other reasons mentioned in Note no. 36 to the Financial Statements. The appropriateness of assumption of going concern is critically dependent upon the Company's ability to raise requisite finance and generate cash flows in future to meet its obligations and to restructure its borrowing with the lenders.

Our opinion is not modified in respect of this matter.

### Emphasis of Matter

We draw your attention to the Note no. 2.06 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.

Our opinion is not modified in respect of this matter.

### 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 of the current period. 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.

Key Audit Matter	How our audit addressed the key audit matter
<b>1) Inventories</b>  As of March 31, 2021, inventories appear in the Financial Statements for an amount of Rs. 89,878.95 Lakhs constitutes 15.23% of the total assets of the Company. Inventories are valued at the lower of cost and net realizable value.  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.  We considered this matter as key audit matter due to the: <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> Refer note no. 1(C)(VI) and 7 to the Financial Statements.	Our audit procedure included, among others: <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, as well as reviewing the assumptions 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>

Key Audit Matter	How our audit addressed the key audit matter
<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. 2.06, 2.07, 3.03, 3.04, 26.01, 35 and 36 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 analyses performed by the Company, with relating supporting documentation, and studying written statements from internal and external 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 (internal/external) and study 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>

### Other Information

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

### Management's Responsibility 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 state of affairs (financial position), loss (financial performance including other comprehensive income), cash flows and the statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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' Responsibility 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 financial controls 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 ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss (Including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d. In our opinion, except the matter described in the “Basis for Qualified Opinion” paragraph above, the aforesaid Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules thereunder;
- e. The going concern matter described in “Material Uncertainty Related to Going Concern” paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- f. On the basis of the written representations received from the directors as on March 31, 2021, except from one of the ex-director who expired and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure A**”.
- h. With respect to the other matters to be included in the Auditor’s 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 by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- i. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements as referred to in Note No. 2.06, 2.07, 3.03, 3.04, 22.06, 26.01, 35 and 36 to the Financial Statements;
  - ii. The Company has made provisions, as required under the applicable law or Ind AS, for material foreseeable losses, if any, 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.

2. As required by the Companies (Auditor’s Report) Order, 2016 (the Order) issued by the Central Government of India, in terms of Section 143(11) of the Act, we give in “**Annexure B**” hereto, a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Pathak H. D. & Associates LLP**  
Chartered Accountants  
Firm Reg. No. 107783W/W100593

**Mukesh Mehta**  
**Partner**  
Membership No. 43495  
UDIN: 21043495AAAACU5051  
Mumbai  
**Date: June 30, 2021**

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

**Naresh Patadia**  
**Proprietor**  
Membership No. 35620  
UDIN: 21035620AAAAAK3782  
Nagpur  
**Date: June 30, 2021**

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

(Referred to in paragraph 1 (g) 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, 2021)

### **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, 2021 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 with reference to financial statements (‘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 Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards of Auditing prescribed under Section 143(10) of the Companies Act, 2013, 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 with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the 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 with reference to financial statements.

#### **Meaning of Internal Financial Controls with reference to Financial Statements**

A company’s internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to 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 system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, 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 issued by the ICAI.

For **Pathak H. D. & Associates LLP**  
Chartered Accountants  
Firm Reg. No. 107783W/W100593

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

**Mukesh Mehta**  
**Partner**  
Membership No. 43495  
UDIN: 21043495AAAACU5051

**Naresh Patadia**  
**Proprietor**  
Membership No. 35620  
UDIN: 21035620AAAAAK3782

**Mumbai**  
**Date: June 30, 2021**

**Nagpur**  
**Date: June 30, 2021**

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

**(Referred to in paragraph 2 under the heading “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, 2021)**

i. In respect of its fixed assets:

- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
- b. As explained to us, the Company has physically verified certain assets, in accordance with a phased program of verification, which in our opinion is reasonable, having regard to the size of the Company and the 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 given to us, the title deeds of immovable properties are generally in the name of the Company except in respect of 5 immovable properties at Raipur having the aggregate value of Rs. 31 lakhs in respect of which the documents are not registered in the name of the company with the concerned Government Authority and also in case of properties acquired by the entities or unit that have since been amalgamated/merged with the Company in pursuance to the scheme of amalgamation / demerger / arrangement approved by Hon’ble High Court and details of which are as under.:

(Rs. in Lakhs)

Sr. No.	Particulars of the Land and Building	Leasehold/ Freehold Land / Building	Net Block as at March 31, 2021	Remarks (give reasons for the exception)
1	4 immovable properties land at Raipur (1 agreement equitable mortgage with the lender)	Leasehold Land	1777.04	2 title deeds are in the name of Corporate Ispat Alloys Limited, from where one unit was demerged and acquired by the Company and 2 title deeds are in the name of Nagpur Alloy Castings Limited, an erstwhile Company that was amalgamated with the Company under the Companies Act, 1956.
2	7 immovable properties (land / building) at Raipur / Nagpur / Kolkata (4 agreements equitable mortgage with the lenders)	Free hold land /building	62.47	The title deeds are in the name of Jayaswal Neco Limited (earlier known as Jayaswal Chemical Private limited) erstwhile Company that was amalgamated with the Company under the Companies Act, 1956.

As informed to us, in respect of 59 immovable properties having the aggregate value of Rs. 676.45 Lakhs, the original title deeds have been deposited with the lenders as security, we have been produced photocopies of documents for those immovable properties and based on such documents, the title deeds are held in the name of the Company except 5 immovable properties as disclosed above.

ii. In respect of its inventories:

As explained to us, inventories have been physically verified during the year by the management, except for inventories in transit / with job worker for which management confirmation has been received. In our opinion the frequency of verification is reasonable. Discrepancies noticed on physical verification of the inventories between the physical inventories and book records were not material, having regard to the size of the operations of the Company, and the same have been properly dealt with.

- iii. In respect of loans, secured or unsecured, granted by the Company to companies, firms, Limited liability partnerships or other parties covered in the register maintained under section 189 of the Act:
  - a. In the earlier years the Company had granted unsecured loan to one such Company and the terms and conditions on which the loan had been granted were not, prima facie, prejudicial to the interest of the Company.
  - b. The terms of repayment of principal and payment of interest have been stipulated and during the previous year, the principal and interest were due for payment but due to the financial crisis the party has not paid the same.
  - c. The amount is overdue and the Company has considered the said loan and interest receivables as doubtful and has been fully provided for.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, as applicable, in respect of grant of loans, making investments and providing securities.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of clause (v) of paragraph 3 of the Order are 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, Employees' State Insurance, Income tax, Customs Duty, Excise Duty, Cess, Goods and Service Tax and any other statutory dues with the appropriate authorities during the year except in certain cases. 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, 2021 for a period of more than six months from the date they became payable.
  - b. Details of dues of Duty of Custom, Duty of Excise, Service Tax, Sales Tax and Value Added Tax aggregating to Rs. 1,400.94 Lakhs that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

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	148.09	CESTAT
Service Tax	Finance Act, 1994	2005-09 and 2015-18	227.44	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	18.68	Deputy Commissioner
Total			1,400.94	

(\*) Net of amount deposited under protest



- viii. Based on our audit procedures and according to the information and explanations given by the management, we are of the opinion that as on March 31, 2021 the Company has defaulted in repayment of dues to lenders aggregating to **Rs. 387,816.00** Lakhs. Lender wise details of such default is as under:

(Rs. In Lakhs)

Name of Bank / Others	Total Default	Below 90 Days	Above 90 Days
ACRE 54 Trust (State Bank of India)	135,348.37	10,417.17	124,931.20
ACRE 64 Trust (Punjab National Bank)	90,764.00	6,763.01	84,000.99
ACRE 59 Trust (Union Bank of India)	48,883.71	3,915.52	44,968.19
ACRE 70 Trust (Oriental Bank of Commerce)	16,583.86	1,292.98	15,290.88
ACRE 76 Trust (Bank of India)	9,933.72	772.47	9,161.25
ACRE 63 Trust (Indian Overseas Bank)	15,980.97	1,140.42	14,840.55
ACRE 69 Trust (Central Bank of India)	28,747.92	2,165.52	26,582.40
ACRE 68 Trust (IDBI Bank)	23,112.23	1,047.08	22,065.15
ACRE 101 Trust (Bank of Maharashtra)	11,013.56	697.12	10,316.44
ACRE 103 Trust (Andhra Bank)	4,850.85	365.17	4,485.68
UCO Bank	2,596.81	99.31	2,497.50
<b>Total</b>	<b>387,816.00</b>	<b>28,675.77</b>	<b>359,140.23</b>

According to the information and explanations given to us, the following banks have classified the credit facilities given to the Company as Non Performing Asset (NPA) as on March 31, 2021 in their Books of Account.

(Rs. in Lakhs)

Sr. No.	Bank	Term Loan Principal	Fund Based Working Capital
1	UCO Bank	1,432.00	-
2	ICICI Bank	-	6,187.03
	<b>Total</b>	<b>1,432.00</b>	<b>6,187.03</b>

- ix. According to the information and explanations given to us, during the year the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). The term loans raised by the Company in earlier years have, prima facie, been applied for the purpose for which they are raised.
- x. Based on our 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 by its officers or employees has been noticed or reported during the year.
- xi. In our opinion, according to the information and explanations given to us and based on our examination of records, the Company has paid or provided managerial remuneration in accordance with the provisions of requisite approvals mandated by the provision of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the 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. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable Indian accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or debentures during the year. Therefore, the provisions of clause (xiv) of paragraph 3 of the order are not applicable to the Company.



- xv. According to the information and explanations given to us, during the year the Company has not entered into non-cash transactions with directors or persons connected with him. Therefore, the provisions of clause (xv) of paragraph 3 of the Order are not applicable to the Company.
- xvi. In our opinion and according to 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.

For **Pathak H. D. & Associates LLP**  
Chartered Accountants  
Firm Reg. No. 107783W/W100593

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

**Mukesh Mehta**  
**Partner**  
Membership No. 43495  
UDIN: 21043495AAAACU5051

**Naresh Patadia**  
**Proprietor**  
Membership No. 35620  
UDIN: 21035620AAAAAK3782

**Mumbai**  
**Date: June 30, 2021**

**Nagpur**  
**Date: June 30, 2021**

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2021**

(Rs.in lakhs)

PARTICULARS	Note No.	As at 31.03.2021	As at 31.03.2020
<b>I. ASSETS</b>			
<b>1) Non Current Assets</b>			
(a) Property, Plant and Equipment	2	398472.24	423087.50
(b) Capital Work in Progress	2	4559.05	5097.16
(c) Intangible Assets	3	777.86	1023.21
(d) Intangible Assets under Development	3	3602.64	3141.41
(e) Financial Assets			
(i) Other Financial Assets	4	2171.42	123.41
(f) Non Current Tax Assets (Net)	5	244.61	228.30
(g) Other Non Current Assets	6	4445.61	3460.62
		414273.43	436161.61
<b>2) Current Assets</b>			
(a) Inventories	7	89878.95	85385.84
(b) Financial Assets			
(i) Investments	8	0.05	0.04
(ii) Trade Receivables	9	32750.42	35131.85
(iii) Cash and Cash Equivalents	10	29075.22	1196.91
(iv) Bank Balances other than (iii) above	11	7820.37	10443.46
(v) Loans	12	-	-
(vi) Other Financial Assets	13	243.63	271.27
(c) Current Tax Assets (Net)	14	467.93	1273.42
(d) Other Current Assets	15	15558.09	6340.98
		175794.66	140043.77
<b>TOTAL ASSETS</b>		<b>590068.09</b>	<b>576205.38</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	16	63862.58	63862.58
(b) Other Equity	17	(200122.90)	(144500.94)
		(136260.32)	(80638.36)
<b>LIABILITIES</b>			
<b>1) Non Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	188474.40	213316.22
(ii) Other Financial Liabilities	19	1.86	16.86
(b) Provisions	20	25.97	23.53
(c) Deferred Tax Liabilities (Net)	21	-	-
		188502.23	213356.61
<b>2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	22	75734.57	86723.56
(ii) Trade Payables	23		
Total Outstanding dues of Micro Enterprises and Small Enterprises		4110.51	4440.03
Total outstanding dues of Creditors other than Micro enterprises and Small Enterprises		13811.53	23663.05
(iii) Other Financial Liabilities	24	429768.25	316622.71
(b) Other Current Liabilities	25	6544.61	4167.40
(c) Provisions	26	7856.71	7870.38
		537826.18	443487.13
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>590068.09</b>	<b>576205.38</b>
Significant Accounting Policies	1		
Notes to the Financial Statements	2 to 48		

As per our Report of even date

**For PATHAK H. D. & ASSOCIATES LLP**

Chartered Accountants

(Registration No. : 107783W/W100593)

For and on behalf of Board of Directors

**MUKESH MEHTA**

Partner

Membership No.: 43495

**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> June, 2021



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021**

(Rs.in lakhs)

PARTICULARS	Note No.	For the year ended 31.03.2021	For the year ended 31.03.2020
1 Revenue from Operations	27	370504.62	363217.96
2 Other Income	28	638.45	852.27
3 <b>Total Income (1+2)</b>		<b>371143.07</b>	<b>364070.23</b>
4 <b>Expenses</b>			
Cost of Materials Consumed		166311.99	206151.79
Purchase of Stock in Trade		8485.09	1054.56
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	29	5639.90	11422.11
Employee Benefits Expense	30	21957.95	22578.22
Finance Costs	31	90862.74	86736.36
Depreciation and Amortisation Expense	32	26675.62	27633.74
Other Expenses	33	107102.42	102065.43
<b>Total Expenses</b>		<b>427035.71</b>	<b>457642.21</b>
5 <b>Loss Before Exceptional Items and Tax (3-4)</b>		<b>(55892.64)</b>	<b>(93571.98)</b>
6 Exceptional Items (Refer Note No. 2.09)		-	56816.68
7 <b>Loss Before Tax (5-6)</b>		<b>(55892.64)</b>	<b>(150388.66)</b>
8 <b>Tax Expenses :</b>			
Deferred Tax	21	69.12	(57.88)
Income Tax for Earlier Years		(3.95)	-
		65.17	(57.88)
9 <b>Loss for the Year (7+8)</b>		<b>(55827.47)</b>	<b>(150446.54)</b>
10 <b>Other Comprehensive Income</b>			
(i) <b>Items that will not be reclassified to profit or loss</b>			
Remeasurement Gains / (Losses) on Defined Benefit Plans		274.63	(229.98)
Tax Effect on above	21	(69.12)	57.88
(ii) <b>Items that will be reclassified to profit or loss</b>		-	-
<b>Total Other Comprehensive Income (Net of Tax)</b>		<b>205.51</b>	<b>(172.10)</b>
<b>Total Comprehensive Income for the Year (9+10)</b>		<b>(55621.96)</b>	<b>(150618.64)</b>
11 <b>Earnings per Equity Share of Rs. 10/- each</b>	34		
Basic (Rs.)		(8.74)	(23.56)
Diluted (Rs.)		(8.74)	(23.56)
Significant Accounting Policies	1		
Notes to the Financial Statements	2 to 48		

As per our Report of even date

**For PATHAK H. D. & ASSOCIATES LLP**

Chartered Accountants

(Registration No. : 107783W/W100593)

For and on behalf of Board of Directors

**MUKESH MEHTA**

Partner

Membership No.: 43495

**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> June, 2021**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

A. EQUITY SHARE CAPITAL

(Rs. in lakhs)

PARTICULARS	Balance as at 01.04.2019	Changes during the year	Balance as at 31.03.2020	Changes during the year	Balance as at 31.03.2021
Equity Share Capital	63862.58	-	63862.58	-	63862.58

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 1st April, 2019	1518.42	7762.89	96345.81	16700.87	5100.37	(121942.11)	609.98	6117.70
Total Comprehensive Income for the year	-	-	-	-	-	(150446.54)	(172.10)	(150618.64)
Balance as at 31st March, 2020	1518.42	7762.89	96345.81	16700.87	5100.37	(272388.65)	437.88	(144500.94)
Balance as at 1st April, 2020	1518.42	7762.89	96345.81	16700.87	5100.37	(272388.65)	437.88	(144500.94)
Total Comprehensive Income for the year	-	-	-	-	-	(55827.47)	205.51	(55621.96)
Balance as at 31st March, 2021	1518.42	7762.89	96345.81	16700.87	5100.37	(328216.12)	643.39	(200122.90)

As per our Report of even date

For PATHAK H. D. & ASSOCIATES LLP  
Chartered Accountants  
(Registration No. : 107783W/W/100593)

For and on behalf of Board of Directors

MUKESH MEHTA

Partner  
Membership No.: 43495

ARVIND JAYASWAL

Managing Director & Chief Executive Officer  
DIN : 00249864

For NARESH PATADIA & CO.

Chartered Accountants  
(Registration No. : 106936W)

VIKASH KUMAR AGARWAL

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Membership No.: A19583

P. K. BHARDWAJ

Executive Director & Chief Financial Officer  
DIN : 03451077

NARESH PATADIA

Proprietor  
Membership No.: 35620

Nagpur, 30th June, 2021



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

(Rs. in lakhs)

PARTICULARS	For the Year ended 31.03.2021	For the Year ended 31.03.2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before Tax as per the Statement of Profit and Loss	(55892.64)	(150388.66)
<b>ADJUSTED FOR</b>		
Depreciation and Amortisation Expense	26675.62	27633.74
Exceptional Items (Refer Note No. 2.09)	-	56816.68
(Gain)/Loss on Sale / Discard of Property, Plant and Equipment (Net)	(0.01)	(309.79)
(Gain)/Loss on Financial Instruments measured at Fair Value through Profit or Loss (Net)	(0.01)	0.06
Intangible assets under development Written Off	3.98	-
Account Written Back	(150.06)	-
Interest Income	(99.63)	(211.87)
Finance Costs	90862.74	86736.36
Unrealised loss on Foreign Currency Transaction (Net)	7.54	255.46
Bad Debts / Advances written off (Net of reversal)	2538.20	59.61
Provision for Credit Impaired Trade Receivables / Advances	1086.93	136.19
Provision for Expected Credit Loss on Trade Receivables	(658.68)	682.52
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>64373.98</b>	<b>21410.30</b>
<b>ADJUSTMENTS FOR</b>		
Trade and Other Receivables	(10706.14)	17387.41
Inventories	(4493.11)	(1968.42)
Trade and Other Payables	(5199.62)	(5463.54)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>43975.11</b>	<b>31365.75</b>
Direct Taxes (Paid) / Refund	785.23	(95.48)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>44760.34</b>	<b>31270.27</b>
<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	(1760.16)	(3429.79)
Sale of Property, Plant and Equipment	0.03	335.55
Interest Income	61.16	234.22
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(1698.97)</b>	<b>(2860.02)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Lease Liability	(43.55)	(43.55)
Repayment of Non Current Borrowings	(759.81)	(769.99)
Current Borrowings (Net)	(10988.99)	(258.87)
Finance Costs	(3772.35)	(25499.24)
Margin Money (Net)	575.08	(1815.46)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(14989.62)</b>	<b>(28387.11)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>28071.75</b>	<b>23.14</b>



<b>CASH AND CASH EQUIVALENTS (OPENING BALANCE)</b>	<b>1003.47</b>	<b>980.33</b>
Effect of Exchange rate on Cash and Cash Equivalents	(0.17)	0.01
Balance of Cash and Cash Equivalents	<u>29075.39</u>	<u>1003.46</u>
<b>CASH AND CASH EQUIVALENTS (CLOSING BALANCE) (Refer Note No. 10.01)</b>	<b>29075.22</b>	<b>1003.47</b>

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

		(Rs.in lakhs)
Particulars	31.03.2021	31.03.2020
Opening Balance of Liabilities arising from Financing Activities	<b>394049.26</b>	394177.03
Add : Changes in Cash Flow from Financing Activities (Net)	<b>(11792.35)</b>	(1072.41)
Add : Changes in Fair Value	<b>636.91</b>	666.36
Add : Effects of changes in Foreign Exchange Rates	-	278.28
<b>Closing Balance of Liabilities arising from Financing Activities</b>	<b>382893.82</b>	<b>394049.26</b>

- (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 PATHAK H. D. & ASSOCIATES LLP**

Chartered Accountants

(Registration No. : 107783W/W100593)

For and on behalf of Board of Directors

**MUKESH MEHTA**

Partner

Membership No.: 43495

**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, 30th June, 2021**

**Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2021****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, 2021 were approved and adopted by Board of Directors in their meeting dated 30<sup>th</sup> June, 2021.

**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 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 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.

The Company has operating leases of premises. These lease arrangements range for a period between 11 months to 5 years and which are all cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms. As at 31<sup>st</sup> March, 2021, the Company does not have any lease agreement with lock in period more than 12 months. The Company has elected not to recognize right- of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Company recognizes the lease payments associated with these leases as an expense in statement of profit and loss over the lease term on a straight-line basis. The related cash flows are classified as operating activities.

#### **(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 EQUIVALENTS:**

Cash and cash equivalents 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) PRELIMINARY AND ISSUE EXPENSES:**

Preliminary and Issue Expenses are adjusted against the Securities Premium Account.

**(XXI) 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.

**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	Total
<b>COST / DEEMED COST</b>										
Balance as at 1st April, 2019	1928.54	3363.88	40797.40	730.09	500770.87	1468.59	375.43	186.41	95.50	549716.71
Additions	-	-	31.64	-	1068.59	-	21.48	7.21	5.26	1134.18
Disposals / Adjustments	-	5.68	-	-	20.47	-	0.24	-	1.38	27.77
Balance as at 31st March, 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
<b>ACCUMULATED DEPRECIATION / IMPAIRMENT</b>										
Balance as at 1st April, 2019	93.83	-	5312.84	100.80	80936.76	428.39	191.28	81.23	45.77	87190.90
Depreciation Expense for the year	21.87	-	1515.02	25.25	25334.05	102.54	53.03	14.74	10.64	27077.14
Disposals / Adjustments	-	-	-	-	2.01	-	-	-	-	2.01
Impairment (Refer Note No. 2.09)	-	-	2001.13	-	10737.87	730.59	-	-	-	13469.59
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
<b>NET CARRYING VALUE</b>										
Balance as at 31st March, 2020	1812.84	3358.20	32000.05	604.04	384812.32	207.07	152.36	97.65	42.97	423087.50
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

**2.01** 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.

**2.02** Property, Plant and Equipment include assets pledged as security. (Refer Note No. 18 and 22)

**2.03** Refer Note No. 35E for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.



**(Rs. in lakhs)**

<b>2.04 CAPITAL WORK-IN-PROGRESS INCLUDES :</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Building under Construction	<b>4.07</b>	60.54
Plant and Equipment under installation	<b>24137.06</b>	24618.70
Pre-operative Expenses (Refer Note No. 2.05)	<b>23765.01</b>	23765.01
Impairment (Refer Note No. 2.09 )	<b>(43347.09)</b>	(43347.09)
<b>TOTAL</b>	<b>4559.05</b>	5097.16

**2.05 Pre-operative Expenses:**

Details of Pre-operative Expenses included as part of Capital Work-in-Progress and Intangible Assets under Development are as under:

	<b>(Rs. in lakhs)</b>	
<b>Particulars</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
Pre-operative Expenses upto Previous Year	<b>23795.68</b>	23795.68
Less : Charged to the Statement of Profit and Loss	<b>0.16</b>	-
<b>TOTAL</b>	<b>23795.52</b>	23795.68

**2.06** 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 20th July, 2021. 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.

**2.07** During the previous year, after completion of investigation 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 30th 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 on 11th 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, is exploring all possible legal remedies 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.

**2.08** 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.

**2.09** 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 impairment loss on property, plant and equipment and Capital Work in Progress during the year ended 31st March, 2021.

In the Previous year, the impairment loss of Property, Plant and Equipment of Rs. 13469.59 Lakhs and Capital Work In Progress of Rs. 43347.09 Lakhs were recognised and disclosed as exceptional items.

**2.10** During the previous year, the Deputy Collector Land Acquisition (General) Nagpur has compulsorily acquired the Company's land under the National Highway Act, 1956. Cost of the land is Rs. 5.68 Lakhs .



**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 1st April, 2019	110.35	337.21	1.30	2055.19	2504.05
Additions	5.94	-	-	-	5.94
Disposals / Adjustments	-	-	-	-	-
Balance as at 31st March, 2020	116.29	337.21	1.30	2055.19	2509.99
Additions	4.29	-	-	-	4.29
Disposals / Adjustments	-	-	-	-	-
<b>Balance as at 31st March, 2021</b>	<b>120.58</b>	<b>337.21</b>	<b>1.30</b>	<b>2055.19</b>	<b>2514.28</b>
<b>ACCUMULATED AMORTISATION</b>					
Balance as at 1st April, 2019	86.00	112.69	0.80	730.69	930.18
Amortisation Expense for the year	19.14	28.23	0.20	509.03	556.60
Disposals / Adjustments	-	-	-	-	-
Depreciation and Amortisation Balance as at 31st March, 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	-	-	-	-	-
<b>Balance as at 31st March, 2021</b>	<b>112.89</b>	<b>169.07</b>	<b>1.20</b>	<b>1453.26</b>	<b>1736.42</b>
<b>NET CARRYING VALUE</b>					
Balance as at 31st March, 2020	11.15	196.29	0.30	815.47	1023.21
<b>Balance as at 31st March, 2021</b>	<b>7.69</b>	<b>168.14</b>	<b>0.10</b>	<b>601.93</b>	<b>777.86</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)

**3.02 INTANGIBLE ASSETS UNDER DEVELOPMENT :**

	As at 31.03.2021	As at 31.03.2020
Mining Rights	<b>3395.23</b>	3110.74
Software Under Development	<b>176.90</b>	-
Pre-operative Expenses (Refer Note No. 2.05)	<b>30.51</b>	30.67
<b>TOTAL</b>	<b>3602.64</b>	3141.41

**3.03** Intangible Assets under Development include Rs. 1520.75 Lakhs towards Metabodeli Mines (50 Hectares), 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 is 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 which on 6th January, 2017 was pleased to pass interim order in favor of the company. The matter continues with the Hon'ble High Court.



On 28th March, 2021, a Proviso has been inserted in Section 10A (2) (b) of the Mines and Minerals (Development and Regulation) Act (the “Mining Act”) stating that “for the cases covered under this clause including the pending cases, the right to obtain a prospecting license followed by a mining lease or a mining lease, as the case may be, shall lapse on that date.

The Company is 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 above amendment in Section 10A (2) (b) will not have any impact on the status of the Mines.

Further, with regards to Sonadehi Mines, the Company is in the process of challenging the provisions of the amended Mining Act.

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 case is subjudice. 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 31st March, 2021.

**NOTE : 4****OTHER NON CURRENT FINANCIAL ASSETS****(Rs. in lakhs)**

<b>PARTICULARS</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Fixed Deposits with Banks held as Margin Money	<b>2171.42</b>	123.41
<b>TOTAL</b>	<b>2171.42</b>	123.41

**NOTE : 5****NON-CURRENT TAX ASSETS (NET)****(Rs. in lakhs)**

<b>PARTICULARS</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Advance Payment of Income-Tax (Net)	<b>244.61</b>	228.30
<b>TOTAL</b>	<b>244.61</b>	228.30

**NOTE : 6**

**OTHER NON CURRENT ASSETS**

*(Unsecured, Considered Good unless stated otherwise)*

(Rs. in lakhs)

PARTICULARS	As at 31.03.2021	As at 31.03.2020
Capital Advances	27.81	9.78
Security Deposits with Government and others		
Considered Good	4415.51	3449.05
Credit Impaired	5.54	5.54
	4421.05	3454.59
Less : Provision for Credit Impaired	5.54	5.54
	4415.51	3449.05
Prepaid Expenses	2.29	1.79
<b>TOTAL</b>	<b>4445.61</b>	<b>3460.62</b>

**NOTE : 7**

**INVENTORIES**

(Rs. in lakhs)

PARTICULARS	As at 31.03.2021	As at 31.03.2020
Raw Materials	33990.37	24274.23
Raw Materials-in-Transit	4147.06	4924.55
Work-in-Progress	3046.46	4597.81
Finished Goods	29826.08	40848.28
Finished Goods-in-Transit	8581.84	1647.76
Stock in Trade	24.69	25.12
Stores, Spares and Consumables	10262.45	9068.09
<b>TOTAL</b>	<b>89878.95</b>	<b>85385.84</b>

**7.01** For method of valuation Refer Note No. 1C(VI).

**7.02** For Inventories hypothecated as security refer Note No. 18 and 22.

**NOTE : 8**

**CURRENT INVESTMENTS**

(Rs. in lakhs)

PARTICULARS	As at 31.03.2021	As at 31.03.2020
	Rs. Face 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
Elbee Services Limited	1400	1400
Triveni Glass Limited	1000	1000
<b>In Equity Shares - Fully Paid Up (Unquoted)</b>		
Antarctica Graphics Limited	53000	53000
Essar Steel Limited	60	60
<b>TOTAL</b>	<b>0.05</b>	<b>0.04</b>
<b>8.01</b> Aggregate Amount of Quoted Investments	0.05	0.04
<b>8.02</b> Aggregate Market Value of Quoted Investments	0.05	0.04
<b>8.03</b> Aggregate Amount of Unquoted Investments	0.00	0.00



**NOTE : 9**

**TRADE RECEIVABLES**

(Unsecured)

(Rs. in lakhs)

<b>PARTICULARS</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Trade Receivable		
Considered Good	33252.28	36292.39
Credit Impaired	3874.69	3005.56
	37126.97	39297.95
Less : Provision for Credit Impaired	3874.69	3005.56
Less : Provision for Expected Credit Loss	501.86	1160.54
	32750.42	35131.85
<b>TOTAL</b>	<b>32750.42</b>	<b>35131.85</b>

**NOTE : 10**

**CASH AND CASH EQUIVALENTS**

(Rs. in lakhs)

<b>PARTICULARS</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Balances with Banks in Current Accounts	29051.55	1178.54
Cash on hand	23.67	18.37
<b>TOTAL</b>	<b>29075.22</b>	<b>1196.91</b>

**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 31.03.2021</b>	<b>As at 31.03.2020</b>
Balances with Banks in Current Accounts	29051.55	1178.54
Cash on hand	23.67	18.37
Book Overdraft	-	(193.44)
<b>TOTAL</b>	<b>29075.22</b>	<b>1003.47</b>

**NOTE : 11**

**BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

(Rs.in lakhs)

<b>PARTICULARS</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Fixed Deposits with Banks Pledged as Margin Money	2017.24	4643.46
Balances with Bank in Current Account (Refer Note No. 24.01 & 11.01)	5803.13	5800.00
<b>TOTAL</b>	<b>7820.37</b>	<b>10443.46</b>

**11.01 This amounts includes 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 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>Financial Assets Measured at Amortised Cost</b>		
Loans to Related Party (Refer Note No. 38)		
Considered Good	-	-
Credit Impaired	738.30	738.30
	<u>738.30</u>	<u>738.30</u>
Less : Provision for Credit Impaired	738.30	738.30
	<u>-</u>	<u>-</u>
<b>TOTAL</b>	<u><u>-</u></u>	<u><u>-</u></u>

**NOTE : 13**

**OTHERS CURRENT FINANCIAL ASSETS**

*(Unsecured, Considered Good unless stated otherwise)*

**(Rs.in lakhs)**

<b>PARTICULARS</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Security Deposits		
Considered Good	64.49	166.42
Considered Doubtful	51.11	51.11
	<u>115.60</u>	<u>217.53</u>
Less : Provision for Doubtful	51.11	51.11
	<u>64.49</u>	<u>166.42</u>
Interest Receivables		
Considered Good	129.73	91.27
Considered Doubtful	157.93	157.92
	<u>287.66</u>	<u>249.19</u>
Less : Provision for Doubtful	157.93	157.92
	<u>129.73</u>	<u>91.27</u>
Others *		
Considered Good	49.41	13.58
Considered Doubtful	29.09	29.09
	<u>78.50</u>	<u>42.67</u>
Less : Provision for Doubtful	29.09	29.09
	<u>49.41</u>	<u>13.58</u>
<b>TOTAL</b>	<u><u>243.63</u></u>	<u><u>271.27</u></u>

\* Mainly includes export incentive and other receivable.

**NOTE : 14**

**CURRENT TAX ASSETS (NET)**

**(Rs. in lakhs)**

<b>PARTICULARS</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Advance Payment of Income-Tax (Net)	467.93	1273.42
<b>TOTAL</b>	<u><u>467.93</u></u>	<u><u>1273.42</u></u>



**NOTE : 15**

**OTHER CURRENT ASSETS**

**(Rs. in lakhs)**

<b>PARTICULARS</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Advances to Suppliers		
Related Parties (Refer Note No. 38)	<b>24.52</b>	31.05
Others		
Unsecured Considered Good	<b>14114.71</b>	5056.58
Considered Doubtful	<b>2322.00</b>	2307.60
	<b>16461.23</b>	7395.23
Less : Provision for Doubtful	<b>2322.00</b>	2307.60
	<b>14139.23</b>	5087.63
Prepaid Expenses	<b>275.97</b>	221.88
Other Receivables*	<b>1142.89</b>	1031.47
<b>TOTAL</b>	<b>15558.09</b>	6340.98

\* Mainly includes VAT Refund Receivable, Entry Tax Receivable, Cess Receivable, GST Receivable, Advances for Expenses and others.

**NOTE : 16**

**EQUITY SHARE CAPITAL**

**(Rs. in lakhs)**

<b>PARTICULARS</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>Authorised</b>		
2,50,00,00,000 (Previous Year 2,50,00,00,000) Equity Shares of Rs.10/- each	<b>250000.00</b>	250000.00
	<b>250000.00</b>	250000.00
<b>Issued, Subscribed and Paid up</b>		
63,86,33,063 (Previous Year 63,86,33,063) Equity Shares of Rs.10/- each fully paid up	<b>63863.30</b>	63863.30
Less : Allotment Money Unpaid (from other than Directors)	<b>0.72</b>	0.72
	<b>63862.58</b>	63862.58

**16.01 Reconciliation of Equity Shares outstanding at the beginning and at the end of the year**

<b>PARTICULARS</b>	<b>As at 31.03.2021</b>		<b>As at 31.03.2020</b>	
	<b>No. of Shares</b>	<b>Amount (Rs. in lakhs)</b>	<b>No. of Shares</b>	<b>Amount (Rs. in lakhs)</b>
Shares outstanding at the beginning of the year	<b>63,86,33,063</b>	<b>63863.30</b>	63,86,33,063	63863.30
Shares outstanding at the end of the year	<b>63,86,33,063</b>	<b>63863.30</b>	63,86,33,063	63863.30

**16.02 Details of Shareholders, holding more than 5% shares of the Company**

<b>Name of Shareholders</b>	<b>As at 31.03.2021</b>		<b>As at 31.03.2020</b>	
	<b>No of Shares held</b>	<b>Percentage held</b>	<b>No of Shares held</b>	<b>Percentage held</b>
Jayaswal Holdings Private Limited	<b>5,30,98,951</b>	<b>8.31</b>	5,30,98,951	8.31
Karamveer Impex Private Limited	<b>4,72,29,000</b>	<b>7.40</b>	4,72,29,000	7.40
Nine Star Plastic Packaging Services Private Limited	<b>4,42,94,600</b>	<b>6.94</b>	4,42,94,600	6.94
Jayaswal Neco Metallica Private Limited	<b>4,07,10,500</b>	<b>6.37</b>	4,07,10,500	6.37
Jayaswal Neco Energy Private Limited	<b>3,97,32,000</b>	<b>6.22</b>	3,97,32,000	6.22
Avon Sales and Services Private Limited	<b>3,90,95,000</b>	<b>6.12</b>	3,90,95,000	6.12
Anurag Sales and Services Private Limited	<b>3,89,31,000</b>	<b>6.10</b>	3,89,31,000	6.10
Jayaswal Neco Power Private Limited	<b>3,63,54,500</b>	<b>5.69</b>	3,63,54,500	5.69
Apex Spinning Mills Private Limited	<b>3,52,99,600</b>	<b>5.53</b>	3,52,99,600	5.53
Jayaswal Neco Infrastructures Private Limited	<b>3,43,85,500</b>	<b>5.38</b>	3,43,85,500	5.38

### 16.03 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.

**16.04** There are no shares reserved for issue under options and contracts / commitments.

**16.05** Dividend Paid and Proposed of Rs. Nil (Previous Year : Rs. Nil)

### NOTE : 17

#### OTHER EQUITY

(Rs. in lakhs)

PARTICULARS	As at 31.03.2021	As at 31.03.2020
<b>Equity Component of Compound Financial Instruments</b>		
Balance as per last Balance Sheet	1518.42	1518.42
<b>Capital Reserve</b>		
Balance as per last Balance Sheet	7762.89	7762.89
<b>Securities Premium</b>		
Balance as per last Balance Sheet	96345.81	96345.81
<b>General Reserve</b>		
Balance as per last Balance Sheet	16700.87	16700.87
<b>Capital Redemption Reserve</b>		
Balance as per last Balance Sheet	5100.37	5100.37
<b>Retained Earnings</b>		
Balance as per last Balance Sheet	(272388.65)	(121942.11)
Add : Loss for the year	(55827.47)	(150446.54)
	(328216.12)	(272388.65)
<b>Revaluation Reserve</b>		
Balance as per last Balance Sheet	21.47	21.47
<b>Other Comprehensive Income ( OCI )</b>		
Balance as per last Balance Sheet	437.88	609.98
Add : Movement in OCI (Net) during the year	205.51	(172.10)
	643.39	437.88
<b>TOTAL</b>	<b>(200122.90)</b>	<b>(144500.94)</b>

### NATURE AND PURPOSE OF RESERVES

#### Equity Component of Compound Financial Instruments

The Company has 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.

#### 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.

**NOTE: 18****NON CURRENT BORROWINGS****(Rs. in lakhs)**

<b>PARTICULARS</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>Secured</b>		
Term Loans #		
- From Banks	-	10092.49
- From Assets Reconstruction Company (ARC) (Refer Note No. 18.01)	<b>182978.10</b>	197411.73
<b>Unsecured</b>		
Sales Tax Deferral (Under Package Scheme of Incentives)	<b>4030.75</b>	4486.48
Inter Corporate Deposits from Related Parties (Refer Note No. 38)	<b>1015.48</b>	880.67
Long Term Maturities of Finance Lease Obligations	<b>450.07</b>	444.85
<b>TOTAL</b>	<b>188474.40</b>	213316.22

# Net off of processing fees amounting to Rs.133.06 lakhs (Previous Year : Rs. 207.50 lakhs).

**18.01** As at 31st March, 2021, ten out of twelve bankers of the Company have assigned their fund based debt along with underlying financial documents together with their rights, benefits and obligations in favour of Assets Care & Reconstruction Enterprise Ltd (ACRE) acting in its capacity as trustee of various trusts. Accordingly as on 31st March, 2021, total debt assignment from ten bankers' amounts to Rs. 356324.74 lakhs constituting 97.91% of the total Principal Fund Based Outstanding.

Subsequent to year end, out of the two remaining bankers (as above), one banker has assigned their fund based debt of Rs. 6187.03 lakhs constituting 1.70 % to ACRE and the other banker with Rs. 1432.00 lakhs constituting 0.39% of the total Principal Fund Based Outstanding did One Time Settlement (OTS) of its debt dues with the Company. Hence 100% of the fund based debt of the twelve bankers amounting to Rs. 363943.77 lakhs has been settled either by way of debt assignment to ACRE or OTS with the Company.

The Company is in final stages of restructuring of its outstanding debt with the Lenders.

**18.02** The Term Loans from Banks and ARC referred to above aggregating to Rs. 183111.16 lakhs and Rs. 117779.62 lakhs included in Current Maturities of Long Term Debts in Note No. 24 are guaranteed by some of the Directors in their personal capacities. Out of the above, loan amounting to Rs. 6181.07 lakhs and Rs. 7549.65 lakhs included in Current Maturities of Long Term Debts in Note No. 24 are further secured by way of pledge of 5,72,41,566 equity shares of the Company held by the Promoters.

**18.03** Term loans from Banks and ARC referred to above aggregating to Rs. 183111.16 lakhs and Rs.117779.62 lakhs included in Current Maturities of Long Term Debts in Note No. 24 are secured by way of :

- First Charge on the moveable and immoveable Property, Plant and Equipment of the Company, both present and future on pari-passu basis.
- First Ranking Charge on all titles and interest of the borrower in respect of all project documents / contracts / licenses including insurance contracts and rights except mining rights pertaining to the assets of the borrower on pari-passu basis.

- c. Charge on all the current assets of the Company including Raw Materials, Finished Goods, Stock-in-process, Trade Receivable, both present and future on pari-passu basis amongst them ranking next to the charge in favour of bankers and ARC to secure their working capital loans.

**18.04** Term Loans of Rs. NIL (Previous year 0.89 lakhs) included in Current Maturities of Long Term Debts in Note No. 24 were secured by way of hypothecation of the specific Equipments / Vehicles financed.

**18.05** Term Loans from Banks and ARC referred to above aggregating to Rs. 183111.16 lakhs and Rs. 24600.56 lakhs included in Current Maturities of Long Term Debt (excluding overdue of principal) in Note No.24 are to be repaid as per sanction terms as under :

Rs.181779.68 lakhs is repayable in 132 structured monthly installments, ending in March, 2032.

Rs. 12844.91 lakhs is repayable in 23 equal monthly installments of Rs. 558.47 lakhs each, ending in February, 2023.

Rs.4802.78 lakhs is repayable in 26 equal monthly installments of Rs. 184.72 lakhs each, ending in May, 2023.

Rs.5775.00 lakhs is repayable in 44 structured monthly installments, ending in November, 2024.

Rs. 2509.35 lakhs is repayable in 57 equal monthly installments of Rs. 44.02 lakhs each, ending in December, 2025.

**Maturity Profile of Term Loans is as under :**

**(Rs.in lakhs)**

	Financial Year	Amount	Financial Year	Amount
<b>Term Loans from Banks and ARC</b>	2021-2022	117779.62	2027-2028	16838.46
	2022-2023	27301.63	2028-2029	16838.46
	2023-2024	19311.19	2029-2030	16838.46
	2024-2025	18416.75	2030-2031	16623.82
	2025-2026	17234.68	2031-2032	16869.25
	2026-2027	16838.46		

**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 31st March, 2021 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.4865.53 lakhs (Previous Year : Rs. 5240.23 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 30th April, 2028.

**18.07** Interest free Inter Corporate Deposits are repayable after the repayment of Term Loans taken for Long Term Working Capital Margin i.e. after December, 2025. The Company classified this loan as Fair Value Measured at Amortised Cost having an Effective Interest Rate of 14.50% per annum.

**18.08** In respect of Property, Plant and Equipment acquired on finance lease, the minimum lease rentals outstanding as on 31st March, 2021 are as follows:

	31.03.2021 (Rs. in lakhs)	31.03.2020 (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	184.00	177.48
(iii) Payable later than 5 years	3887.27	3937.34
Total Minimum Lease Payments	4144.30	4187.85
Less : Future Finance Charges	3623.78	3672.55
Present Value of Minimum Lease Payments	520.52	515.30
<b>Present Value of Minimum Lease Payments</b>		
(i) Payable not later than 1 year	70.45	70.45
(ii) Payable later than 1 year and not later than 5 years	135.13	130.79
(iii) Payable later than 5 years	314.94	314.06
Total Present Value of Minimum Lease Payments	520.52	515.30



**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.

**18.09** As on 31st March, 2021, the Company has overdue of principal of Rs.93179.05 lakhs (Previous Year : Rs. 69941.22 lakhs) and Interest of Rs.276805.55 lakhs (Previous Year : Rs.199510.39 lakhs) included in Current Maturities of Long term debt and Interest Accrued and Due respectively in Note No. 24. The overdue of Principal comprises of Rs.87368.26 lakhs and Rs.5810.79 lakhs outstanding for a period of more than 3 months and less than 3 months respectively and overdue of Interest comprises of Rs.256316.75 lakhs and Rs.20488.80 lakhs outstanding for a period of more than 3 months and less than 3 months respectively. Further, due to default in servicing of its dues by the Company, the Banks have classified the credit facilities (Principal Outstanding) given to the Company aggregating to Rs.7619.03 lakhs (Previous Year : Rs. 20983.01 lakhs) as at 31st March, 2021 as Non Performing Asset (NPA) in their books of account.

As on 31st March, 2021, 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 respectively in Note No. 24.

**18.10** The agreements in respect of non-current borrowings as at 31st March, 2021 of Rs 183111.16 lakhs contains certain restrictive covenants including non-adherence of initial Rupee Term Loan repayment schedule and non-payment of interest thereon, as stipulated and debt service facility ratio. The Company has not complied with the terms of these covenants. The Company has not classified the said long term borrowings to current liabilities as required by Ind AS 1 – “Presentation of Financial Statements”.

**NOTE : 19**

**OTHER NON-CURRENT FINANCIAL LIABILITIES**

PARTICULARS	(Rs. in lakhs)	
	As at 31.03.2021	As at 31.03.2020
Security Deposits	1.86	16.86
<b>TOTAL</b>	<b>1.86</b>	<b>16.86</b>

**NOTE : 20**

**NON CURRENT PROVISIONS**

PARTICULARS	(Rs. in lakhs)	
	As at 31.03.2021	As at 31.03.2020
Provision for Assets Retirement Obligations	25.97	23.53
<b>TOTAL</b>	<b>25.97</b>	<b>23.53</b>

**NOTE : 21**

**INCOME TAX**

**21.01 THE MAJOR COMPONENTS OF TAX (EXPENSES) / INCOME ARE AS FOLLOWS :**

PARTICULARS	(Rs. in lakhs)	
	For the year ended 31.03.2021	For the year ended 31.03.2020
<b>Recognised in the Statement of Profit and Loss</b>		
Deferred Tax - Relating to Origination and Reversal of Temporary Differences	69.12	(57.88)
Income Tax for Earlier Years	(3.95)	-
<b>Total Tax (Expenses) / Income</b>	<b>65.17</b>	<b>(57.88)</b>

**21.02 Reconciliation between Tax (Expenses) / Incomes and Accounting Loss multiplied by Tax Rate for the year ended 31st March, 2021 and 31st March, 2020:**

	<b>(Rs. in lakhs)</b>	
<b>Particulars</b>	<b>For the year ended 31.03.2021</b>	<b>For the year ended 31.03.2020</b>
Accounting Loss before Tax	(55892.64)	(150388.66)
Applicable tax rate (in %)	25.17	25.17
Computed Tax Expenses / (Income)	(14067.06)	(37849.82)
<b>Tax effect on account of :</b>		
Property, Plant and Equipment and Intangible Assets	(15321.74)	(22093.24)
Expenses / Income not allowed	5172.75	18683.92
Items disallowed u/s 43B of the Income Tax Act, 1961	(2640.76)	-
Unused Tax Assets (MAT Credit entitlement)	-	2597.50
Unabsorbed Depreciation	-	32986.76
Net impact of Section 115BAA of Income Tax Act	-	(5272.72)
Sales Tax Deferral / Lease obligation	(1341.75)	(68.14)
Income Tax for Earlier Years	3.95	-
Deferred Tax Assets not recognised	28129.44	10957.86
<b>Income Tax (Expenses) / Incomes recognised in the Statement of Profit and Loss</b>	<b>(65.17)</b>	<b>(57.88)</b>

**21.03 Deferred Tax Liabilities / (Assets) relates to the following :**

	<b>(Rs. in lakhs)</b>			
	<b>Balance Sheet</b>		<b>Statement of Profit and Loss including OCI</b>	
<b>PARTICULARS</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>	<b>For the year ended 31.03.2021</b>	<b>For the year ended 31.03.2020</b>
Property, Plant and Equipment and Intangible Assets	42638.94	44116.01	(1477.07)	(34811.79)
Financial Instruments - Liabilities	(1107.78)	376.84	(1484.62)	(338.00)
Financial Instruments - Assets	(1.14)	(1.14)	-	0.42
Items disallowed under the Income Tax Act, 1961	(33218.52)	(34790.93)	1572.41	18575.70
Provision for Doubtful Debts/Expected Credit Loss	(1933.03)	(1876.44)	(56.59)	476.66
Provision for Non-moving Inventories	(162.97)	(162.97)	-	63.31
Unabsorbed Depreciation	(49736.66)	(37447.41)	(12289.25)	24450.41
Unused Tax Assets (MAT Credit entitlement)	-	-	-	2597.50
Assets Retirement Obligations	(6.54)	(5.92)	(0.62)	1.53
Deferred Tax Assets not recognised *	43193.26	29526.64	13666.62	(10957.86)
	(334.44)	(265.32)	(69.12)	57.88
Related to Other Comprehensive Income	334.44	265.32	69.12	(57.88)
<b>TOTAL</b>	<b>-</b>	<b>(0.00)</b>	<b>-</b>	<b>(0.00)</b>

\*The Company has Net Deferred Tax Assets (DTA) as at 31st March, 2021 which is not recognised in the financial statements in the absence of near future probable taxable profits against which the same can be utilised.



**21.04 Reconciliation of Deferred Tax Liabilities (Net):**

(Rs. in lakhs)

PARTICULARS	As at 31.03.2021	As at 31.03.2020
Opening Balance at the beginning of the year	-	-
Deferred Tax (Expense) / Income recognised in the Statement of Profit and Loss	(69.12)	57.88
Deferred Tax (Expense) / Income recognised in OCI	69.12	(57.88)
Closing Balance at the end of the year <b>TOTAL</b>	<b>-</b>	<b>-</b>

**21.05 Amount and Expiry date of Unused Tax Losses for which no Deferred Tax Assets is recognised :**

(Rs. in lakhs)

Assessment Year	Unused Tax Loss	Carried Forward till Assessment Year
2016-17	10501.29	2024-25
2017-18	14233.76	2025-26
2020-21	71987.11	2028-29
2021-22	14118.07	2029-30
<b>Total</b>	<b>110840.23</b>	

The Company continue to incur losses and doesn't expect sufficient taxable income in the near future against which the unused tax losses can be utilised. DTA on unused tax losses is not recognised.

**NOTE : 22**

**CURRENT BORROWINGS**

(Rs. in lakhs)

PARTICULARS	As at 31.03.2021	As at 31.03.2020
<b>Secured</b>		
Working Capital Rupee Loans		
- From Banks	6187.03	6439.66
- From Assets Reconstruction Company (ARC)#	56865.96	53965.96
<b>Unsecured</b>		
Inter Corporate Deposits taken from :		
Related Parties (Refer Note No. 38)	2237.91	2237.91
Others (Refer Note No. 22.06)	10443.67	10443.67
	<b>12681.58</b>	<b>12681.58</b>
Suppliers Credits	-	13636.36
<b>TOTAL</b>	<b>75734.57</b>	<b>86723.56</b>

# Includes Assigned Letter of Credit of Rs. 2900.00 lakhs as at 31.03.2021

**22.01** Working Capital Loans from Banks and ARC are secured by the hypothecation of whole of moveable properties including Stocks and Book Debts, both present and future, and by second charge on immoveable properties of the Company.

**22.02** The Working Capital Loans from Banks and ARC are guaranteed by some of the Directors in their personal capacities.

**22.03** Working Capital Rupee Loans from Banks and ARC referred to above includes Devolved Letter of Credit of Rs.Nil (Previous Year : Rs. 965.23 lakhs).

**22.04** As on 31st March, 2021, the Company has overdue Working Capital Interest Rs 17831.40 lakhs (Previous Year : Rs. 8563.06 lakhs) included in Interest Accrued and Due in Note No. 24 for a period of less than 5 years.

**22.05** As on 31st March, 2021, 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. 24 for a period of less than 2 years.

**22.06** Inter Corporate Deposits from others include a sum of Rs. 10432.79 Lakhs Outstanding towards Corporate Ispat Alloys Limited (CIAL) being the amount Credited in the books at the time of merger of Strip Mill Division of CIAL with the Company. CIAL had filed a winding up petition under the provisions of Section 434 of the Companies Act, 1956 before the Hon'ble Bombay High Court, Nagpur Bench and the Company had disputed the same amount. The said petition has been withdrawn by the petitioner as confirmed by the Hon'ble Bombay High Court, Nagpur Bench order dated 25th February, 2021.

Further the Company had filed a civil suit claiming a sum of Rs. 70027.00 lakhs from CIAL towards the loss suffered by it due to delay / withholding the merger of Strip Mill Division of CIAL with a malafide intention which is pending before the Hon'ble Civil Judge Senior Division, Nagpur.

**NOTE : 23**

**TRADE PAYABLES**

**(Rs. in lakhs)**

<b>PARTICULARS</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Micro, Small and Medium Enterprises	<b>4751.61</b>	4586.06
Others	<b>13170.43</b>	23517.02
<b>TOTAL</b>	<b>17922.04</b>	28103.08

**23.01 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)**

<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	<b>4751.61</b>	4586.06
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	<b>44.71</b>	56.23
(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	<b>44.71</b>	56.23
(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	-	-

**NOTE : 24**

**OTHER CURRENT FINANCIAL LIABILITIES**

**(Rs. in lakhs)**

<b>PARTICULARS</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Current Maturities of Long Term Debts	<b>117779.62</b>	93185.28
Current Maturities of Sales Tax Deferral	<b>834.78</b>	753.75
Current Maturities of Finance Lease Obligations	<b>70.45</b>	70.45
Interest Accrued but not due on Borrowings	-	89.78
Interest Accrued and due	<b>294974.22</b>	208433.40
Advance against Share Application Money (Refer Note No. 24.01)	<b>5800.00</b>	5800.00
Book Overdraft	-	193.44
Bonus Payable	<b>500.78</b>	522.14
Other Payables*	<b>9808.40</b>	7574.47
<b>TOTAL</b>	<b>429768.25</b>	316622.71

\* Mainly includes Provision for Materials & Expenses and Payable to Employees.



**24.01** Represents the amount received from the Promoter entities towards the upfront Promoters Contribution as per the conditions under the proposed Debt Restructuring Scheme of the Company. Due to uncertainty on account of matters being pending before the National Company Law Tribunal and the Hon'ble Supreme Court, as detailed in Note No. 36, the amount has been kept in the special account with the scheduled bank and depending upon the final outcome of the above matters either the equity shares will be allotted against the specified Share Application Money or it will be refunded to the applicants as per the provisions of the Companies Act, 2013 and other laws as applicable.

**NOTE : 25**

**OTHER CURRENT LIABILITIES**

**(Rs. in lakhs)**

<b>PARTICULARS</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Advances from Customers	<b>2621.59</b>	1302.79
Statutory Liabilities	<b>3923.02</b>	2864.61
<b>TOTAL</b>	<b>6544.61</b>	4167.40

**NOTE : 26**

**CURRENT PROVISIONS**

**(Rs.in lakhs)**

<b>PARTICULARS</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Provision for Employee Benefits	<b>2338.12</b>	2682.04
Provision for Energy Development Cess (Refer Note No. 26.01)	<b>5121.84</b>	4791.59
Other Provisions*	<b>396.75</b>	396.75
<b>TOTAL</b>	<b>7856.71</b>	7870.38

\* Includes provision for disputed Entry Tax and Cess on Metallurgical Coke.

**26.01** 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. 5121.84 Lakhs till 31st March, 2021.

**NOTE : 27**

**REVENUE FROM OPERATIONS**

**(Rs. in lakhs)**

<b>PARTICULARS</b>	<b>For the Year ended 31.03.2021</b>	<b>For the Year ended 31.03.2020</b>
Sale of Products	<b>368186.85</b>	362066.61
Sale of Services / Job Work Income	<b>61.49</b>	14.76
Other Operating Revenues - Sale of Scrap	<b>2256.28</b>	1136.59
<b>TOTAL</b>	<b>370504.62</b>	363217.96



**27.01 Revenue Disaggregation by type of Products and Services are as follows :**

<b>PARTICULARS</b>	<b>(Rs. in lakhs)</b>	
	<b>For the Year ended 31.03.2021</b>	<b>For the Year ended 31.03.2020</b>
Iron and Steel Castings	<b>38576.78</b>	41378.40
Pig Iron / Skull	<b>19561.81</b>	58359.49
Billets / Rolled Products	<b>207581.60</b>	175229.25
Sponge Iron	<b>43509.79</b>	41635.21
Pellet	<b>48857.91</b>	42332.60
Job Work / Commission	<b>61.49</b>	14.76
Others	<b>12355.24</b>	4268.25
<b>TOTAL</b>	<b>370504.62</b>	363217.96

**27.02 Revenue disaggregation by geography is as follows:**

<b>PARTICULARS</b>	<b>(Rs. in lakhs)</b>	
	<b>For the Year ended 31.03.2021</b>	<b>For the Year ended 31.03.2020</b>
India	<b>368264.49</b>	360941.17
Outside India	<b>2240.13</b>	2276.79
<b>TOTAL</b>	<b>370504.62</b>	363217.96

**27.03 Reconciliation of Revenue from Operations with Contract Price:**

<b>PARTICULARS</b>	<b>(Rs. in lakhs)</b>	
	<b>For the Year ended 31.03.2021</b>	<b>For the Year ended 31.03.2020</b>
Contract Price	374754.54	366916.03
Reduction towards variables considerations components *	4249.92	3698.07
<b>TOTAL</b>	<b>370504.62</b>	363217.96

\* The reduction towards variable consideration comprises of volume discounts, quality claims, breakage etc.

**NOTE : 28  
OTHER INCOME**

<b>PARTICULARS</b>	<b>(Rs. in lakhs)</b>	
	<b>For the Year ended 31.03.2021</b>	<b>For the Year ended 31.03.2020</b>
Interest Income from Financial Assets measured at Amortised Cost		
- Fixed Deposits with Banks	<b>99.63</b>	211.87
- Others	<b>148.19</b>	145.21
Profit on Sale of Property, Plant and Equipment (Net)	<b>0.01</b>	311.41
Gain on Financial Instruments measured at Fair Value through Profit and Loss (Net)	<b>0.01</b>	-
Gain on Foreign Currency Fluctuation (Net)	<b>71.05</b>	-
Account Written Back	<b>150.06</b>	-
Export Incentives	<b>155.32</b>	39.98
Other Miscellaneous Receipts	<b>14.18</b>	143.80
<b>TOTAL</b>	<b>638.45</b>	852.27



**NOTE : 29**

**CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

**(Rs. in lakhs)**

<b>PARTICULARS</b>	<b>For the Year ended 31.03.2021</b>	<b>For the Year ended 31.03.2020</b>
<b>Closing 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
	<u>41479.07</u>	<u>47118.97</u>
<b>Opening Inventories</b>		
Finished Goods	40848.28	48489.45
Finished Goods in Transit	1647.76	3595.64
Work-in-Progress	4597.81	6192.25
Stock in Trade	25.12	263.74
	<u>47118.97</u>	<u>58541.08</u>
<b>(Increase) / Decrease in Inventories</b>	<b>TOTAL</b>	
	<u>5639.90</u>	<u>11422.11</u>

**NOTE : 30**

**EMPLOYEE BENEFITS EXPENSE**

**(Rs. in lakhs)**

<b>PARTICULARS</b>	<b>For the Year ended 31.03.2021</b>	<b>For the Year ended 31.03.2020</b>
Salaries, Wages and Allowances	19516.70	19369.64
Contribution to Provident and Other Funds	1591.32	1636.88
Welfare and Other Amenities	849.93	1571.70
<b>TOTAL</b>	<u>21957.95</u>	<u>22578.22</u>

**30.01 As per Ind AS - 19 "Employee Benefits", the disclosures of Employee Benefits as defined in the Ind AS are given below :**

**(Rs. in lakhs)**

<b>Particulars</b>	<b>2020-21</b>	<b>2019-20</b>
<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	1139.80	1206.43

**(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 31.03.2021	As at 31.03.2020
<b>Actuarial Assumptions</b>		
Mortality Table (LIC)	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Salary growth	7% & 8%	7% & 8%
Discount rate	6.86% & 6.82%	6.84% & 6.87%
Attrition age	2.50%	2.50%
	(Rs. in lakhs)	
Particulars	Gratuity (Funded)	
	As at 31.03.2021	As at 31.03.2020
<b>Movement in Present Value of Defined Benefit Obligations</b>		
Defined Benefit Obligations at the beginning of the year	5033.12	4259.50
Current Service Cost	417.05	406.39
Past Service Cost	-	(0.08)
Interest Cost	341.26	324.49
Benefit Paid	(126.61)	(145.80)
Actuarial Loss / (Gain)	(312.85)	188.62
<b>Defined Benefit Obligations at the end of the year</b>	<b>5351.97</b>	<b>5033.12</b>
<b>Movement in Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at the beginning of the year	4090.66	3659.05
Interest Income	306.79	300.35
Employer Contribution	612.21	318.42
Benefit Paid	(126.61)	(145.80)
Remeasurement Loss arising from return on Plan Assets	(38.22)	(41.36)
<b>Fair Value of Plan Assets at the end of the year</b>	<b>4844.83</b>	<b>4090.66</b>
<b>Expense recognised in the Statement of Profit and Loss</b>		
Current Service Cost	417.05	406.39
Past Service Cost	-	(0.08)
Interest on Defined Benefit Obligations	341.26	324.49
Interest Income	(306.79)	(300.35)
<b>Total included in "Remuneration and Benefits to Employees"</b>	<b>451.52</b>	<b>430.45</b>
<b>Remeasurements (recognised in Other Comprehensive Income)</b>		
Effect of changes in financial assumptions	(312.85)	188.62
Loss on Plan Assets (excluding Interest Income)	(38.22)	(41.36)
<b>Total remeasurements included in OCI</b>	<b>(274.63)</b>	<b>229.98</b>
<b>(c) Fair Value of Plan Assets</b>		
Life Insurance Corporation of India (LIC)	4844.83	4090.66
<b>(d) Net Defined Benefit Obligations / (Assets) reconciliation</b>		
Present Value of Obligations at the end of the year	5351.97	5033.12
Less : Fair Value of Plan Assets at the end of the year	4844.83	4090.66
<b>Net Obligations recognised at the end of the year</b>	<b>507.14</b>	<b>942.46</b>
<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.		



### 30.02 Sensitivity Analysis

(Rs. in lakhs)

	Change in Assumption	As at 31.03.2021	As at 31.03.2020
		Effect on Gratuity Increase / (Decrease)	
Discount Rate	+1%	(520.41)	(505.47)
Discount Rate	-1%	609.56	593.69
Salary Increase Rate	+1%	542.41	528.00
Salary Decrease Rate	-1%	(480.17)	(467.39)
Attrition Rate	+1%	(58.14)	(52.57)
Attrition Rate	-1%	69.34	63.17

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.

### 30.03 Expected payments towards contributions to gratuity in future years :

(Rs.in lakhs)

Year Ended	Expected Payment
31st March, 2022	286.20
31st March, 2023	258.05
31st March, 2024	280.39
31st March, 2025	324.58
31st March, 2026 to 31st March, 2030	2268.92

### 30.04 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 : 31**

**FINANCE COSTS**

**(Rs.in lakhs)**

<b>PARTICULARS</b>	<b>For the Year ended 31.03.2021</b>	<b>For the Year ended 31.03.2020</b>
Interest Expenses on Financial Liabilities measured at Amortised Cost	<b>90467.49</b>	85408.74
Other Financial Charges	<b>395.25</b>	1327.62
<b>TOTAL</b>	<b>90862.74</b>	86736.36

**NOTE : 32**

**DEPRECIATION AND AMORTISATION EXPENSE**

**(Rs. in lakhs)**

<b>PARTICULARS</b>	<b>For the Year ended 31.03.2021</b>	<b>For the Year ended 31.03.2020</b>
Depreciation of Property, Plant and Equipment (Refer Note No. 2)	<b>26425.98</b>	27077.14
Amortisation of Intangible Assets (Refer Note No. 3)	<b>249.64</b>	556.60
<b>TOTAL</b>	<b>26675.62</b>	27633.74

**NOTE : 33**

**OTHER EXPENSES**

**(Rs.in lakhs)**

<b>PARTICULARS</b>	<b>For the Year ended 31.03.2021</b>	<b>For the Year ended 31.03.2020</b>
<b>MANUFACTURING EXPENSES</b>		
Consumables, Stores and Spares Consumed	<b>28140.66</b>	33894.02
Power and Fuel	<b>22772.89</b>	21059.84
Repairs and Maintenance -		
Buildings	<b>53.87</b>	81.06
Plant and Equipments	<b>17374.89</b>	14737.03
Others	<b>0.58</b>	1.40
Royalty and Cess	<b>4736.37</b>	4174.52
Internal Material Movement	<b>6049.75</b>	5996.84
Lease Rent	<b>840.00</b>	840.00
Other Manufacturing Expenses	<b>1497.22</b>	1922.36
	<b>81466.23</b>	82707.07
<b>SELLING AND DISTRIBUTION EXPENSES</b>		
Advertisement and Publicity	<b>12.12</b>	46.15
Commission	<b>115.75</b>	110.07
Sales Promotion Expenses	<b>52.01</b>	81.16
Freight and Forwarding	<b>13271.49</b>	9180.19
	<b>13451.37</b>	9417.57
<b>ADMINISTRATIVE EXPENSES</b>		
Rent	<b>228.56</b>	224.21
Rates and Taxes	<b>118.44</b>	244.31
Insurance	<b>430.90</b>	446.21
Loss on Foreign Currency Fluctuation (Net)	<b>-</b>	442.37

Printing and Stationery	29.62	51.13
Communication	71.62	78.21
Travelling and Conveyance	682.99	1035.54
Vehicle Maintenance	159.93	165.08
Legal and Professional Charges	2196.47	2129.09
Payment to Auditors (Refer Note No. 33.01)	72.55	71.39
Security Expenses	578.26	577.32
Miscellaneous	1705.26	1355.49
	<b>6274.60</b>	<b>6820.35</b>

**OTHER EXPENSES**

Bank Charges and Commission	21.58	97.61
Bad Debts / Advances written off	2741.60	156.62
Less : Provision written back	203.40	97.01
	<b>2538.20</b>	<b>59.61</b>
Cash Discount	2914.98	2135.04
Provision for Credit Impaired Trade Receivable / Advances	1117.07	215.05
Less : Provision reversed during the year	30.14	78.86
	<b>1086.93</b>	<b>136.19</b>
Provision for Expected Credit Loss on Trade Receivable	<b>(658.68)</b>	<b>682.52</b>
Loss on Financial Instruments measured at Fair Value through Profit or Loss (Net)	-	0.06
Loss on Sale / Discard of Property, Plant and Equipment (Net)	-	1.62
Intangible Assets under development Written off	3.98	-
Donations	3.23	7.79
	<b>5910.22</b>	<b>3120.44</b>
<b>TOTAL</b>	<b>107102.42</b>	<b>102065.43</b>

**33.01 Break-up of Payment to Auditors :**
**(Rs. in lakhs)**

Particulars	For the Year ended 31.03.2021	For the Year ended 31.03.2020
Audit Fees	63.55	57.30
Certification Charges	9.00	9.00
Out of Pocket Expenses	-	5.09
<b>TOTAL</b>	<b>72.55</b>	<b>71.39</b>
Cost Audit Fees	1.44	1.44
Tax Audit Fees	8.25	7.50

**NOTE : 34**

**EARNINGS PER SHARE**

(Rs. in lakhs except per equity share data)

PARTICULARS		For the Year ended 31.03.2021	For the Year ended 31.03.2020
<b>Basic Earnings Per Share</b>			
Loss for the year	(A)	(55827.47)	(150446.54)
Weighted average number of Equity Shares (Nos.)	(B)	638633063	638633063
Basic Earnings Per Share of Rs.10/- each	Rs. (A) / (B)	(8.74)	(23.56)
<b>Diluted Earnings Per Share</b>			
Amount available for calculation of Diluted EPS	(A)	(55827.47)	(150446.54)
Weighted average number of Equity Shares (Nos.)		638633063	638633063
Add : Potential number of Equity Shares		-	-
No. of shares used for calculation of Diluted EPS	(B)	638633063	638633063
Diluted Earnings Per Share of Rs.10/- each	Rs. (A) / (B)	(8.74)	(23.56)

**34.01** Advance received against Share Application is not considered for Diluted Earnings Per Share, refer Note No. 24.01 for the reason.

**NOTE : 35**

(Rs. in lakhs)

**CONTINGENT LIABILITIES AND COMMITMENTS**

**31.03.2021**      **31.03.2020**

(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)	4163.69	3314.93
b. Corporate Guarantee (Given to Banks against the borrowings taken by one of the Associate Company)	1181.00	1181.00

**TOTAL**

**5344.69**      **4495.93**

**II LETTER OF CREDIT OUTSTANDING**

a. Letters of Credit opened in favour of Suppliers (Cash flow is expected on receipt of material from suppliers)	143.97	2144.96
b. Liability in respect of Bills Discounted	3861.80	2078.89
<b>TOTAL</b>	<b>4005.77</b>	<b>4223.85</b>

**III OTHER CONTINGENT LIABILITIES**

**Claims against the Company not acknowledged as debts**

a. Disputed Excise Duty and Service Tax	397.50	399.17
b. Disputed Sales Tax	1274.09	1199.23
c. Disputed Customs Duty	184.79	184.79
d. Other Disputed Demands (Mainly related to demand of Electricity Duty and Stamp Duty)	5842.80	5213.65
e. Third Party Claims # (Matters are pending before various forums)	4227.61	2286.53

**TOTAL**

**11926.79**      **9283.37**

**# 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 not entertained 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 21st December, 2017 and judgement dated 5th 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 31st March, 2021, the Company has estimated the total amount of Arbitral award is to be around Rs. 3943.00 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 and disclosed in Note No. 6. The pleadings have been completed and now the matter is expected to be listed for final hearing. No fixed listing date has been determined yet. The management is of the view that at this stage no provisioning is required against the said award.

- B** The Ministry of Coal (MOC) had invoked Bank Guarantee (BG) of Rs. 1000.00 Lakhs for delay in start of production of Moitra Coal Block, Jharkhand. The Company had challenged the BG invocation before the Hon'ble Delhi High Court, wherein vide order dated 24th August, 2015 it granted interim relief to the Company, that no coercive steps will be taken subject to Company keeping the BG alive. The matter is now listed for hearing on 24th August, 2021. The Company is confident that its case is on merits and doesn't envisage any financial impact of the above matter. In identical matters MOC has not invoked BG of other companies.
- C** Management is of the view that above litigations will not impact significantly the financial position of the Company.
- D** The Company has 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.

**E Capital Commitments :**

Estimated amount of contracts remaining to be executed on  
Capital Accounts and not provided for (Net of Advances)

**24174.32**

**24063.67**

**NOTE :36** The Company underwent significant financial stress in the last six 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 the 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 and 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 time line of 13th 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, against the Company claiming an amount of Rs. 51383.41 Lakhs as default as on 30th November, 2017.

In view of the Status Quo order issued by the Hon'ble Supreme Court on 16th April, 2018, the case had been adjourned sine die by the National Company Law Tribunal (NCLT), Mumbai in its hearing dated 14th November, 2019. The matter is at pre admission stage in NCLT and would be listed only after the Special Leave Petition (SLP) filed by the Company is disposed of by the Hon'ble Supreme Court.

ACRE continues to support the operations of the Company. The Company is in final stages of restructuring of its outstanding debt with its Lenders. Further the Company has taken active steps for effective and efficient operations including cost reduction. Accordingly the Company continues to prepare its books of account on going concern basis.

**NOTE : 37 SEGMENT REPORTING :**

**A. Segment information as per Indian Accounting Standard - 108 - "Operating Segments"** : Information provided in respect of Revenue items for the year ended 31st March, 2021 and in respect of Assets / Liabilities as at 31st March, 2021.

Information about Primary (Product wise) segments:

(Rs. in lakhs)

Particulars	Steel	Iron & Steel Castings	Others	Unallocated	Eliminations	Total
<b>1. REVENUE</b>						
External Sales	331536.12 (321830.70)	38963.38 (41383.89)	5.12 (3.37)	- (-)		370504.62 (363217.96)
Inter-segment Sales	3015.73 (3108.42)	2.10 (108.57)	- (-)	- (-)	(3017.83) (-3216.99)	- (-)
<b>Total Revenue</b>	<b>334551.85</b> (324939.12)	<b>38965.48</b> (41492.46)	<b>5.12</b> (3.37)	<b>-</b> (-)	<b>(3017.83)</b> (-3216.99)	<b>370504.62</b> (363217.96)
<b>2. RESULTS</b>						
Segment Results	39121.54 (-6222.15)	(3880.21) (-377.85)	(3.25) (-243.82)	- (-)		35238.08 (-6843.82)
Less : Unallocated Corporate Expenses	- (-)	- (-)	- (-)	406.08 (510.38)		406.08 (510.38)
Less : Unallocated Depreciation	- (-)	- (-)	- (-)	4.70 (4.70)		4.70 (4.70)
<b>Operating Profit / (-) Loss</b>	<b>39121.54</b> (-6222.15)	<b>(3880.21)</b> (-377.85)	<b>(3.25)</b> (-243.82)	<b>(410.78)</b> (-515.08)		<b>34827.30</b> (-7358.90)
Less : Finance Cost	- (-)	- (-)	- (-)	90862.74 (86736.36)		90862.74 (86736.36)
Add : Unallocated Interest Income	- (-)	- (-)	- (-)	99.63 (211.87)		99.63 (211.87)
Add : Unallocated Income	- (-)	- (-)	- (-)	43.17 (311.41)		43.17 (311.41)
Less : Exceptional Items	- (-56816.68)	- (-)	- (-)	- (-)		- (-56816.68)
Less : Tax Expenses (Including Deferred Tax)	- (-)	- (-)	- (-)	(65.17) (57.88)		(65.17) (57.88)
<b>Net Profit / (-) Loss</b>	<b>39121.54</b> (-63038.83)	<b>(3880.21)</b> (-377.85)	<b>(3.25)</b> (-243.82)	<b>(91065.55)</b> (-86786.04)		<b>(55827.47)</b> (-150446.54)
<b>3. OTHER INFORMATION</b>						
Segment Assets	552608.95 (533730.33)	26091.45 (29735.24)	38.57 (41.34)	- (-)		578738.97 (563506.91)
Unallocated Corporate Assets	- (-)	- (-)	- (-)	11329.12 (12698.47)		11329.12 (12698.47)
<b>Total Assets</b>	<b>552608.95</b> (533730.33)	<b>26091.45</b> (29735.24)	<b>38.57</b> (41.34)	<b>11329.12</b> (12698.47)		<b>590068.09</b> (576205.38)
Segment Liabilities	35857.26 (42964.71)	6715.32 (5361.73)	- (-)	- (-)		42572.58 (48326.44)
Unallocated Corporate Liabilities	- (-)	- (-)	- (-)	683755.83 (608517.30)		683755.83 (608517.30)
<b>Total Liabilities</b>	<b>35857.26</b> (42964.71)	<b>6715.32</b> (5361.73)	<b>-</b> (-)	<b>683755.83</b> (608517.30)		<b>726328.41</b> (656843.74)

Particulars	Steel	Iron & Steel Castings	Others	Unallocated	Eliminations	Total
Capital Expenditure	<b>1384.60</b> (3083.06)	<b>375.56</b> (346.73)	- (-)	- (-)		<b>1760.16</b> (3429.79)
Depreciation	<b>25561.21</b> (26521.88)	<b>1109.71</b> (1107.16)	- (-)	<b>4.70</b> (4.70)		<b>26675.62</b> (27633.74)
Non-cash Expenses other than Depreciation	<b>166.84</b> (489.22)	<b>2799.61</b> (389.10)	- (-)	- (-)		<b>2966.45</b> (878.32)

**Note : Figures in brackets represent previous year's 2019-20 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 :**

- 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.
- Since all the operations of the Company are predominantly conducted within India, there are no separate reportable geographical segments.
- No Non-Current Assets of the Company is located outside India as on 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March 2020.
- No single customer has accounted for more than 10% of the Company revenue for the year ended 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March 2020.

**iii. Segment Composition :**

- 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.
- Iron and Steel Castings Segment comprises of manufacture and sale of Engineering and Automotive Castings with production facilities at Nagpur, Bhilai and Anjora.
- Other Segment comprises of trading of Coal, Coke and PVC pipes.

**NOTE : 38 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 detail below:

**A. List of Related Parties :**

(As certified by the Management)

**I. Associate Company**

Maa Usha Urja Limited

**II. Key Management Personnel and their Relatives**

Shri B. L. Shaw	Shri Avneesh Jayaswal
Shri Arvind Jayaswal	Shri Vikash Kumar Agarwal
Shri Ramesh Jayaswal	Shri M. P. Singh
Shri P. K. Bhardwaj	
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	AMR Iron and Steel Private Limited
Jayaswal Neco Infrastructures Private Limited	Jayaswal Neco Energy Private Limited
Jayaswal Neco Metallics Private Limited	Jayaswal Neco Urja Private Limited
Jayaswal Neco Steel and Mining Limited	Neco Defence Systems Limited
Jayaswal Neco Power Private Limited	Neco Heavy Engineering and Castings Limited
Neco Ceramics Limited	Nine Star Plastic Packaging Services Private Limited
The Jayaswal Basant Lall Shaw Family Trust	NSSL Private Limited
Shashi Enterprises	

**B. Transactions and Balances with Related Parties :**

**(Rs. in lakhs)**

<b>Nature of Transactions</b>	<b>Name of the Related Parties</b>	<b>2020-21</b>	<b>2019-20</b>
<b>Transactions with Associate :</b>			
Commission Income on Corporate Guarantee	Maa Usha Urja Limited	5.91	5.91
Rent / Lease Rent	Maa Usha Urja Limited	600.00	600.00
Interest Expense	Maa Usha Urja Limited	-	324.50
Reimbursement of Expenses to the Company	Maa Usha Urja Limited	4.43	0.74
<b>Transactions with Other Related Parties:</b>			
Purchase of Property, Plant and Equipment	Neco Heavy Engineering and Castings Limited	-	8.68
	Neco Defence Systems Limited	19.80	6.23
Sale of Property, Plant and Equipment	Neco Heavy Engineering and Castings Limited	-	18.47
Sale of Products	NSSL Private Limited	6535.54	5128.95
	Neco Heavy Engineering and Castings Limited	300.78	613.50
	Neco Ceramics Limited	-	80.13
	Neco Defence Systems Limited	0.51	-
Purchase of Goods and Services	NSSL Private Limited	7477.69	5871.72
	Neco Heavy Engineering and Castings Limited	223.57	201.22
	Neco Defence System Limited	0.07	-
Other Manufacturing Expenses	NSSL Private Limited	129.50	175.38
	Neco Heavy Engineering and Castings Limited	234.12	165.77
Rent / Lease Rent	The Jayaswal Basant Lall Shaw Family Trust	92.40	90.14
	Shashi Enterprises	15.92	14.00
	Shri Arvind Jayaswal	10.56	10.40
	Shri Ramesh Jayaswal	10.56	10.40
Deposit Given	The Jayaswal Basant Lall Shaw Family Trust	-	2.10
	Shashi Enterprises	-	3.00
Interest Expense	Apex Spinning Mills Private Limited	6.74	5.86
	Nine Star Plastic Packaging Services Private Limited	13.48	11.72
	Jayaswal Neco Infrastructures Private Limited	26.97	23.44
	Jayaswal Neco Energy Private Limited	26.96	23.44
	Jayaswal Neco Metallics Private Limited	33.70	29.30
	Jayaswal Neco Steel and Mining Limited	26.96	23.44
Sitting Fees	Shri B.L. Shaw	1.00	0.75



Managerial Remuneration	Shri Arvind Jayaswal	113.10	151.74
	Shri Ramesh Jayaswal	114.89	151.74
	Shri P. K. Bhardwaj	43.91	48.79
	Shri M.P. Singh	58.52	77.21
	Shri Avneesh Jayaswal	48.85	62.26
	Shri Vikash Kumar Agarwal	25.20	24.02
	Shri Anshul Bhardwaj	2.14	2.36
Reimbursement of Expenses to the Company	NSSL Private Limited	-	6.90
	Neco Heavy Engineering and Castings Limited	-	1.88

(Rs.in lakhs)

Nature of Transactions	Name of the Related Parties	As at 31.03.2021	As at 31.03.2020
<b>Balances with Associate :</b>			
Corporate Guarantee Given	Maa Usha Urja Limited	1181.00	1181.00
Current Borrowings -Inter Corporate Deposits	Maa Usha Urja Limited	2237.91	2237.91
Trade payables	Maa Usha Urja Limited	337.05	463.76
Interest Accrued and due	Maa Usha Urja Limited	292.05	292.05
<b>Balance with Other Related Parties :</b>			
Non Current Borrowings - Inter Corporate Deposits	Apex Spinning Mills Private Limited	50.78	44.04
	Nine Star Plastic Packaging Services Private Limited	101.55	88.07
	Jayaswal Neco Infrastructures Private Limited	203.10	176.13
	Jayaswal Neco Energy Private Limited	203.09	176.13
	Jayaswal Neco Metallics Private Limited	253.87	220.17
	Jayaswal Neco Steel and Mining Limited	203.09	176.13
Advance against Share Application Money	Apex Spinning Mills Private Limited	700.00	700.00
	Nine Star Plastic Packaging Services Private Limited	850.00	850.00
	Jayaswal Neco Infrastructures Private Limited	1000.00	1000.00
	Jayaswal Neco Power Private Limited	300.00	300.00
	Jayaswal Neco Energy Private Limited	950.00	950.00
	Jayaswal Neco Metallics Private Limited	650.00	650.00
	Jayaswal Neco Steel and Mining Limited	1350.00	1350.00
Trade Payables	NSSL Private Limited	132.21	62.48
	Neco Heavy Engineering and Castings Limited	51.54	41.42
	AMR Iron and Steel Private Limited	-	10.62
	Neco Defence System Limited	-	0.41
Deposit Given	The Jayaswal Basant Lall Shaw Family Trust	23.10	23.10
	Shashi Enterprises	3.00	3.00
Current - Loans	Jayaswal Neco Urja Private Limited	738.30	738.30
Interest Receivables	Jayaswal Neco Urja Private Limited	157.92	157.92
Provision for Doubtful Advance (Including Interest Receivables)	Jayaswal Neco Urja Private Limited	896.22	896.22
Advances to Suppliers	NSSL Private Limited	20.34	26.87
	Neco Defence Systems Limited	4.18	4.18
Trade Receivables	Neco Heavy Engineering and Castings Limited	8.44	436.27

**C. Compensation to Key Managerial Personnel of the Company**

	(Rs.in lakhs)	
Nature of Transaction	2020-21	2019-20
Short Term Employee Benefits	356.34	454.04
Post-employment Benefits	6.76	3.03
<b>TOTAL</b>	<b>363.10</b>	<b>457.07</b>

**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 :39 DIVIDEND ACCRUED ON REDEEMABLE PREFERENCE SHARES NOT PROVIDED FOR:**

	(Rs.in lakhs)	
PARTICULARS	For the Year ended 31.03.2021	For the Year ended 31.03.2020
a. 16% Redeemable Cumulative Preference Shares	1700.51	1700.51
b. 0.0001% Cumulative Redeemable Preference Shares	0.01	0.01
<b>TOTAL</b>	<b>1700.52</b>	<b>1700.52</b>

**NOTE : 40**

**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. 242.34 lakhs (Previous Year : Rs. 229.15 lakhs).

**Details of Expenditure incurred towards CSR given below:**

	(Rs. in lakhs)	
PARTICULARS	For the Year ended 31.03.2021	For the Year ended 31.03.2020
Rural Development Projects	117.79	128.44
Environmental Sustainability	26.30	27.12
Education and Training	0.66	4.36
Health Care, Sanitation and providing Drinking Water	54.55	42.70
Promotion and Development of Traditional Art and Culture, Community Welfare	39.62	19.63
Others	3.42	6.90
<b>TOTAL</b>	<b>242.34</b>	<b>229.15</b>

**NOTE : 41 PROVISIONS**

**Disclosures as required by Ind AS 37-"Provisions, Contingent Liabilities and Contingent Assets":**

	(Rs. in lakhs)				
PARTICULARS	Assets Retirement Obligations	Provision for Credit Impaired/ Doubtful on Trade Receivables / Advances	Provision for Expected Credit Loss on Trade Receivables	Provision for Energy Development Cess	Provision for Entry Tax and Cess
As at 1st April, 2019	21.32	6255.95	478.02	4395.97	396.75
Provision during the year	2.21	215.05	682.52	395.62	-
Provision reversed during the year	-	(78.86)	-	-	-
Provision written off during the year	-	(97.01)	-	-	-
As at 31st March, 2020	23.53	6295.13	1160.54	4791.59	396.75
Provision during the year	2.44	1117.07	-	-	-
Amount received during the year	-	(30.14)	-	330.25	-
Provision reversed during the year	-	(203.40)	(658.68)	-	-
<b>As at 31st March, 2021</b>	<b>25.97</b>	<b>7178.66</b>	<b>501.86</b>	<b>5121.84</b>	<b>396.75</b>



## NOTE : 42 FAIR VALUES

### 42.01 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

Particulars	(Rs. in lakhs)	
	As at 31.03.2021	As at 31.03.2020
<b>Financial Assets designated at Fair Value through Profit and Loss :</b>		
- Investments	0.05	0.04
<b>TOTAL</b>	<b>0.05</b>	<b>0.04</b>

#### b) Financial Assets / Liabilities designated at Amortised Cost:

Particulars	(Rs. in lakhs)			
	As at 31.03.2021		As at 31.03.2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial Assets :</b>				
<b>Financial Assets designated at Amortised Cost :</b>				
- Trade Receivables	32750.42	32750.42	35131.85	35131.85
- Cash and Cash Equivalents	29075.22	29075.22	1196.91	1196.91
- Bank Balances other than Cash and Cash Equivalents	7820.37	7820.37	10443.46	10443.46
- Loans	-	-	-	-
- Others	2415.05	2415.05	394.68	394.68
<b>TOTAL</b>	<b>72061.06</b>	<b>72061.06</b>	<b>47166.90</b>	<b>47166.90</b>
<b>Financial Liabilities :</b>				
<b>Financial Liabilities designated at Amortised Cost :</b>				
- Borrowings	264208.97	264208.97	300039.78	300039.78
- Trade Payables	17922.04	17922.04	28103.08	28103.08
- Other Financial Liabilities	429770.11	429770.11	316639.57	316639.57
<b>TOTAL</b>	<b>711901.12</b>	<b>711901.12</b>	<b>644782.43</b>	<b>644782.43</b>

### 42.02 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 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 Values of Secured Non-current Borrowings and 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.



- iv) The Fair Value of the remaining financial instruments is determined using discounted cash flow analysis.
- v) 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.

#### 42.03 Fair Value Hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:-

- i) **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:

(Rs. in lakhs)			
Particulars	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#
(Rs. in lakhs)			
Particulars	As at 31.03.2020		
	Level 1	Level 2	Level 3
<b>Financial Assets</b>			
<b>Financial Assets designated at Fair Value through Profit and Loss :</b>			
Investments	0.04	-	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: 43 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. This 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 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.

#### 43.01 Market Risk and Sensitivity :

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise three types of risk : 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 relate to the position as at 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020.

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 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March, 2020.

##### (a) Foreign Currency Exchange Risk and Sensitivity :

Foreign Currency Exchange risk is the risk that the fair value or 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, supplier Credit 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 including use of derivatives like Foreign exchange forward contract to hedge exposure to Foreign currency exchange risk.

The following table demonstrates the sensitivity in the USD, SEK, CAD and Euro to the Indian Rupee with all other variables held constant. The impact on the Company's Loss Before Tax (LBT) 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, 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)
Unhedged Foreign currency exposure as at 31 <sup>st</sup> March, 2020	Currency	Amount in FC	(Rs. in lakhs)
Trade Receivable	USD	598041	450.73
Trade Receivable	EURO	59665	49.58
Trade Payable	USD	(237809)	(181.21)
Borrowing - Supplier Credit	USD	(10028174)	(7641.47)
Trade Payable	SEK	(650000)	(49.60)
Trade Payable	CAD	(93100)	(50.38)

### Foreign Currency sensitivity

2% increase or decrease in foreign exchange rates will have the following impact on Loss Before Tax (LBT):-

(Rs. in lakhs)

Particulars	2020-2021		2019-2020	
	2% Increase - Profit / (Loss)	2% Decrease - Profit / (Loss)	2% Increase - Profit / (Loss)	2% Decrease - Profit / (Loss)
USD	1.28	(1.28)	(147.44)	147.44
EURO	2.79	(2.79)	0.99	(0.99)
SEK	(1.11)	1.11	(0.99)	0.99
CAD	(1.10)	1.10	(1.01)	1.01
<b>(Increase ) / Decrease in Loss Before Tax</b>	<b>1.85</b>	<b>(1.85)</b>	<b>(148.45)</b>	<b>148.45</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 non current borrowings in the form of Term Loan and Inter-corporate Deposits. Further, the Company is having current borrowings in the form of Working Capital, Inter Corporate Deposit and Suppliers Credit. There is a fixed rate of interest in case of Supplier Credit, Vehicle Loan and Inter-corporate Deposits and hence, there is no interest rate risk associated with these borrowings.

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.

(Rs. in lakhs)

Particulars	2020-21		2019-20	
	2% Increase - Increase in LBT	2% Decrease - Decrease in LBT	2% Increase - Increase in LBT	2% Decrease - Decrease in LBT
Working Capital Facility	(1261.06)	1261.06	(1208.11)	1208.11
Term Loan from Banks and Others	(6017.82)	6017.82	(6017.92)	6017.92
<b>(Increase ) / Decrease in Loss Before Tax</b>	<b>(7278.88)</b>	<b>7278.88</b>	<b>(7226.03)</b>	<b>7226.03</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 31st March, 2021.

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.

(Rs. in lakhs)

Particulars	2020-21		2019-20	
	5% Increase - Increase in LBT	5% Decrease - Decrease in LBT	5% Increase - Increase in LBT	5% Decrease - Decrease in LBT
Iron Ore / Fines	(3260.22)	3260.22	(3129.16)	3129.16
Coal / Coke	(3918.79)	3918.79	(5697.50)	5697.50
<b>(Increase) / Decrease in Loss Before Tax</b>	<b>(7179.01)</b>	<b>7179.01</b>	<b>(8826.66)</b>	<b>8826.66</b>

#### 43.02 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 (including COVID 19 outbreak). 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 impact due to Covid 19 outbreak on recoveries has started to reduce since the customers have recommenced their operations and process of recoveries has been expedited.

The following table summarizes the Gross carrying amount of the trade receivable and provision made:

(Rs. in lakhs)

Particulars	31 <sup>st</sup> March 2021		31 <sup>st</sup> March 2020	
	Gross Carrying Amount	Loss Allowance	Gross Carrying Amount	Loss Allowance
Trade Receivables	37126.97	4376.55	39297.95	4166.10
<b>Total</b>	<b>37126.97</b>	<b>4376.55</b>	<b>39297.95</b>	<b>4166.10</b>

The following table summarizes the changes in the Provisions made for the receivables:

(Rs. in lakhs)

Particulars	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
Opening Balance	4166.10	3403.56
Add : Provided during the year	869.13	762.54
Less : Reverse during the year	(658.68)	-
Closing Balance	4376.55	4166.10

**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.

### 43.03 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 and working capital to meet its need for fund.

The Company underwent significant liquidity issues for the reasons mentioned in note no. 36, Further, ACRE continues to support the operations of the Company.

The below table summaries the maturity profile of the Company's financial liability :

(Rs. in lakhs)

Particulars	Maturity				Total
	On Demand	Less than 1 Year	1 to 5 Years	More than 5 years	
As at 31 <sup>st</sup> March, 2021					
Non Current Borrowings #	-	-	87011.51	101595.95	188607.46
Other Financial Liabilities (Non Current)	-	-	1.86	-	1.86
Short term borrowings	75734.57	-	-	-	75734.57
Trade Payables	-	17922.04	-	-	17922.04
Other Financial Liabilities	-	429768.25	-	-	429768.25
<b>Total</b>	<b>75734.57</b>	<b>447690.29</b>	<b>87013.37</b>	<b>101595.95</b>	<b>712034.18</b>
As at 31 <sup>st</sup> March, 2020					
Non Current Borrowings #	-	-	93430.53	120093.19	213523.72
Other Financial Liabilities (Non Current)	-	-	16.86	-	16.86
Short term borrowings	73087.20	13636.36	-	-	86723.56
Trade Payables	-	28103.08	-	-	28103.08
Other Financial Liabilities	-	316622.71	-	-	316622.71
<b>Total</b>	<b>73087.20</b>	<b>358362.15</b>	<b>93447.39</b>	<b>120093.19</b>	<b>644989.93</b>

# Processing fees has not been considered.

### 43.04 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 strictly adheres to the delivery schedules to meet the needs of its customers.

### NOTE : 44 CAPITAL RISK MANAGEMENT

For the purpose of Company's capital management, capital includes issued capital, all other equity reserves and debts. 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.



The Company monitors capital using gearing ratio, which is Net Debt divided by the Total Capital Employed (Equity plus Net Debt). Net debt are 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)

Particulars	(Rs. in lakhs)	
	As at 31.03.2021	As at 31.03.2020
Total Debt	382893.82	394049.26
Less : Cash and cash equivalent	29075.22	1196.91
Less : Other Bank Balances	7820.37	10443.46
Less : Non current Bank Deposits	2171.42	123.41
Less : Current Investments	0.05	0.04
Net Debt	343826.76	382285.44
Equity	(136260.32)	(80638.36)
Total Capital Employed (Equity plus Net Debts)	207566.44	301647.08
Gearing ratio	165.65%	126.73%

**NOTE : 45** In-spite of the continuous prevalence of COVID 19 pandemic, the Company achieved normal business operations during the last quarter. The Company will continue to closely monitor any material changes arising out of future economic conditions and impact on its business including recoverability of inventories and trade receivables.

**NOTE : 46** Details of Loan given, Investment made and Corporate Guarantee given covered u/s 186(4) of the Companies Act, 2013.

Sr. No.	PARTICULARS	(Rs. in lakhs)	
		As at 31.03.2021	As at 31.03.2020
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	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 : 47** The Management and authorities have the power to amend the Financial Statements in accordance with section 130 and 131 of the Companies Act, 2013.

**NOTE : 48** 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 PATHAK H. D. & ASSOCIATES LLP**

Chartered Accountants

(Registration No. : 107783W/W100593)

For and on behalf of Board of Directors

**MUKESH MEHTA**

Partner

Membership No.: 43495

**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> June, 2021

[illegible]





## Notes

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# 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 (Link Intime 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 2020-21 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 2020-21 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).



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AXLE HOUSING



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