



**Jayaswal Neco
Industries Limited**

**47th Annual Report
2019-2020**



Jayaswal Neco Industries Limited

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 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 dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 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 2019-20 will also be available on the Company's website www.necoindia.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of the e-voting agency- National Securities Depository Limited at www.evoting.nsdl.com.

BOARD OF DIRECTORS	:	Shri Basant Lall Shaw	Chairman
		Shri Arbind Jayaswal	Managing Director & CEO (Foundry Division)
		Shri Ramesh Jayaswal	Joint Managing Director & CEO (Steel Plant Division)
		Shri B. K. Agrawal	Director (Independent)
		Shri S. N. Singh	Director (Independent)
		Shri D. K. Sahni	Director (Independent)
		Smt. Raji Nathani	Director (Independent)
		Shri Arvind Iyer	Director (Independent)
		Shri Rajendra Prasad Mohanka	Director (Independent)
		Shri P. K. Bhardwaj	Executive Director and CFO
		Shri M. P. Singh	Executive Director (Steel) & COO (Steel Plant Division)
COMPANY SECRETARY & COMPLIANCE OFFICER	:	Shri Vikash Kumar Agarwal	
LENDERS	:	Andhra Bank	Bank of Maharashtra
		UCO Bank	ICICI Bank Limited
		Assets Care & Reconstruction Enterprise Limited (ACRE) acting in its capacity as trustee of: -	
		ACRE-54-Trust,	ACRE-59-Trust,
		ACRE-63-Trust,	ACRE-64-Trust,
		ACRE-68-Trust,	ACRE-69-Trust,
		ACRE-70-Trust,	ACRE-76-Trust
AUDITORS	:	M/s. Pathak H. D. & Associates LLP Chartered Accountants, Mumbai.	M/s. Naresh Patadia & Co. Chartered Accountants, Nagpur.
REGISTERED OFFICE	:	F-8, MIDC Industrial Area, Hingna Road, Nagpur – 440 016. CIN: L28920MH1972PLC016154 Tel No.: 07104 - 237276, 237471, 237472 Fax No.: 07104 - 237583, 236255 E-mail: contact@necoindia.com Website : www.necoindia.com	
REGISTRAR & TRANSFER AGENT (RTA)	:	Linkintime India Pvt. Ltd. C-101,247 Park, L.B.S. Marg, Vikhroli West, Mumbai – 400 083. Ph. Nos. 022-49186270 Fax No. 022-49186060 Email: rnt.helpdesk@linkintime.co.in	
WORKS	:	1. Steel Plant Division – Siltara Growth Centre, Raipur (CG). 2. Centricast Division–MIDC Area, Hingna Road, Nagpur (MH). 3. Automotive Castings Division –Butibori, Nagpur (MH). 4. Construction Castings Division – Light Industrial Area, Bhilai & Anjora (CG). 5. Engineering Casting Division - MIDC Area, Hingna Road, Nagpur (MH).	

NOTICE

NOTICE is hereby given that 47th Annual General Meeting (AGM) of the Members of **Jayaswal Neco Industries Limited** will be held on **Thursday, the 24th Day of December, 2020 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 31st March, 2020 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Pramod Kumar Bhardwaj (DIN: 03451077), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

3. **RE-APPOINTMENT OF SHRI ARBIND JAYASWAL AS THE MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER (CEO), FOUNDRY DIVISION OF THE COMPANY.**

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

"RESOLVED THAT pursuant to the 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 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to prior approval of the Banks or Public Financial Institutions concerned or other secured creditors, as the case may be, and such terms and conditions, as may be stipulated by the Banks or Public Financial Institutions concerned or other secured creditors, if any; while conveying their approval to the aforesaid appointment, as may be agreed to by the Board and the Appointee in that behalf, the consent of the Company, be and is hereby accorded to the re-appointment of Shri Arbind Jayaswal ("the Appointee") as Managing Director & Chief Executive Officer (CEO), Foundry Division of the Company, not liable to retire by rotation, for a period of 3 years with effect from 1st day of January, 2020 up to 31st December, 2022, on terms and conditions including remuneration as under:-

a) Designation : Managing Director & CEO (Foundry Division)

b) Break- up of Remuneration is as given below :

Period	Basic	HRA	Convey-ance	Personal Pay	Medical	LTA	Gross Total (Monthly)	Provident Fund @12% (Monthly)	Monthly CTC (includes PF @ 12%)
01.01.2020 to 31.03.2021 (15 Months)	4,95,000	2,97,000	6,200	77,971	41,234	41,234	9,58,638	59,400	10,18,038
01.04.2021 to 31.03.2022 (12 Months)	5,75,942	3,45,565	6,200	77,971	47,976	47,976	11,01,631	69,113	11,70,744 (Increase of 15 %)
01.04.2022 to 31.12.2022 (9 Months)	6,19,381	3,71,629	6,200	77,971	51,594	51,594	11,78,370	74,326	12,52,696 (Increase of 7 %)

c) Others : Gratuity, Leave encashment, Telephone and Car for office use, Club Membership (one) as per the rules applicable to senior cadre personnel of the Company.

d) Commission : Up to 3% of the Net Profits as computed under Section 198 of the Companies Act, 2013.

e) Minimum Remuneration : In the event of losses or inadequate profits, Salary, allowances and perquisites as above, subject to requisite approvals.

"RESOLVED FURTHER THAT the above terms and conditions including remuneration may be varied by the Board of Directors of the Company from time to time subject to the provisions and limits specified in Schedule V of the Companies Act, 2013 including any statutory modifications or re-enactment thereof as the case may be."

"RESOLVED FURTHER THAT the Board of Directors, be and is hereby also authorized to take such steps, actions and do things, deeds, matters as may be required or are necessary so as to give effect to this Resolution."

4. RE-APPOINTMENT OF SHRI RAMESH JAYASWAL AS THE JOINT MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER (CEO), STEEL PLANT DIVISION OF THE COMPANY.

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

“RESOLVED THAT pursuant to the provisions of Sections 196,197,198,203 and all other applicable provisions of Companies Act, 2013 read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to the prior approval of the Banks or Public Financial Institutions concerned or other secured creditors, as the case may be, and such terms and conditions, as may be stipulated by the Banks or Public Financial Institutions concerned or other secured creditors, if any; while conveying their approval to the aforesaid appointment, as may be agreed to by the Board and the Appointee in that behalf, the consent of the Company, be and is hereby accorded to the re-appointment of Shri Ramesh Jayaswal (“the Appointee”) as Joint Managing Director & Chief Executive Officer (CEO), Steel Plant Division of the Company, liable to retire by rotation, for a period of 3 years with effect from 1st day of January, 2020 up to 31st December, 2022, on terms & conditions including remuneration as under:-

- a) Designation : Joint Managing Director & CEO (Steel Plant Division)
- b) Break- up of Remuneration is as given below :

Period	Basic	HRA	Convey- ance	Personal Pay	Medical	LTA	Gross Total (Monthly)	Provident Fund @12% (Monthly)	Monthly CTC (includes PF @ 12%)
01.01.2020 to 31.03.2021 (15 Months)	4,95,000	2,97,000	6,200	77,971	41,234	41,234	9,58,638	59,400	10,18,038
01.04.2021 to 31.03.2022 (12 Months)	5,75,942	3,45,565	6,200	77,971	47,976	47,976	11,01,631	69,113	11,70,744 (Increase of 15 %)
01.04.2022 to 31.12.2022 (9 Months)	6,19,381	3,71,629	6,200	77,971	51,594	51,594	11,78,370	74,326	12,52,696 (Increase of 7 %)

- c) Others : Gratuity, Leave encashment, Telephone and Car for office use, Club Membership (one) as per the rules applicable to senior cadre personnel of the Company.
- d) Commission : Up to 3% of the Net Profits as computed under Section 198 of the Companies Act, 2013.
- e) Minimum Remuneration : In the event of losses or inadequate profits, Salary, allowances and perquisites as above, subject to requisite approvals.

“RESOLVED FURTHER THAT the above terms and conditions including remuneration may be varied by the Board of Directors of the Company from time to time subject to the provisions and limits specified in Schedule V of the Companies Act, 2013 including any statutory modifications or re-enactment thereof as the case may be.”

“RESOLVED FURTHER THAT the Board of Directors, be and is hereby also authorized to take such steps, actions and do things, deeds, matters as may be required or are necessary so as to give effect to this Resolution.”

5. RE-APPOINTMENT OF SHRI PRAMOD KUMAR BHARDWAJ AS THE EXECUTIVE DIRECTOR & CHIEF FINANCIAL OFFICER (CFO) OF THE COMPANY.

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

“RESOLVED THAT pursuant to the provisions of Sections 196,197,198,203 and all other applicable provisions of Companies Act, 2013 read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the prior approval of the Banks or Public Financial Institutions concerned or other secured creditors, as the case may be, and such terms and conditions, as may be stipulated by the Banks or Public Financial Institutions concerned or other secured creditors, if any; while conveying their approval to the aforesaid appointment, as may be agreed to by the Board and the Appointee in that behalf, the consent of the Company, be and is hereby accorded to the re-appointment of Shri Pramod Kumar Bhardwaj (“the Appointee”) as Executive Director & Chief Financial Officer (CFO) of the Company, liable to retire by rotation, for a period of 3 years with effect from 25th day of February, 2020 up to 24th day of February, 2023, on terms and conditions including remuneration as under:-

- a) Designation : Executive Director & Chief Financial Officer (CFO)
- b) Break- up of Remuneration is as given below :

Period	Basic	HRA	Convey- ance	Personal Pay	Medical	Gross Total (Monthly)	Provident Fund @12% (Monthly)	Monthly CTC (includes PF @ 12%)
25.02.2020 to 31.03.2021 (13 Months)	1,75,000	1,05,000	1,600	52,245	14,578	3,48,423	21,000	3,69,423
01.04.2021 to 31.03.2022 (12 Months)	1,89,340	1,13,604	1,600	52,245	15,772	3,72,561	22,721	3,95,282 (Increase of 7 %)
01.04.2022 to 24.02.2023 (11 Months)	2,04,684	1,22,810	1,600	52,245	17,050	3,98,390	24,562	4,22,952 (Increase of 7 %)

- c) Others : Gratuity, Leave encashment, Telephone and Car for office use as per the rules applicable to senior cadre personnel of the Company.
- d) Minimum Remuneration : In the event of losses or inadequate profits, Salary, allowances and perquisites as above, subject to requisite approvals.

“RESOLVED FURTHER THAT the above terms and conditions including remuneration may be varied by the Board of Directors of the Company from time to time subject to the provisions and limits specified in Schedule V of the Companies Act, 2013 including any statutory modifications or re-enactment thereof as the case may be.”

“RESOLVED FURTHER THAT the Board of Directors, be and is hereby also authorized to take such steps, actions and do things, deeds, matters as may be required or are necessary so as to give effect to this Resolution.”

6. RE-APPOINTMENT OF SHRI MEGH PAL SINGH AS AN EXECUTIVE DIRECTOR (STEEL) & CHIEF OPERATING OFFICER (COO), STEEL PLANT DIVISION OF THE COMPANY.

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

“RESOLVED THAT pursuant to the provisions of Sections 196,197,198,203 and all other applicable provisions of Companies Act, 2013 read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the prior approval of the Banks or Public Financial Institutions concerned or other secured creditors, as the case may be, and such terms and conditions, as may be stipulated by the Banks or Public Financial Institutions concerned or other secured creditors, if any; while conveying their approval to the aforesaid appointment, as may be agreed to by the Board and the Appointee in that behalf, the consent of the Company, be and is hereby accorded to the re-appointment of Shri Meghpal Singh (“the Appointee”) as Executive Director (Steel) & Chief Operating Officer (COO), Steel Plant Division of the Company, liable to retire by rotation, for a period of 3 years with effect from 13th day of November, 2020 up to 12th day of November, 2023, on terms and conditions including remuneration as under:-

- a) Designation : Executive Director (Steel) & COO (Steel Plant Division)
- b) Break- up of Remuneration is as given below :

Period	Basic	HRA	Convey- ance	Education Allowance	Special Allowance	LTA	Gross Total (Monthly)	Provident Fund @12% (Monthly)	Monthly CTC (includes PF @ 12%)
13.11.2020 to 31.03.2021 (4 Months)	2,12,500	85,000	1,600	7,000	1,96,110	21,000	5,23,210	25,500	5,48,710
01.04.2021 to 31.03.2022 (12 Months)	2,37,770	95,108	1,600	7,000	1,96,110	21,000	5,58,588	28,532	5,87,120 (Increase of 7 %)
01.04.2022 to 31.03.2023 (12 Months)	2,64,808	1,05,923	1,600	7,000	1,96,110	21,000	5,96,441	31,777	6,28,218 (Increase of 7 %)
01.04.2023 to 12.11.2023 (8 Months)	2,93,739	1,17,496	1,600	7,000	1,96,110	21,000	6,36,945	35,249	6,72,194 (Increase of 7 %)

- c) Others : Gratuity, Leave encashment, Telephone and Car for office use etc. as per the rules applicable to senior cadre personnel of the Company.
- d) Minimum Remuneration : In the event of losses or inadequate profits, Salary, allowances and perquisites as above, subject to requisite approvals.

“RESOLVED FURTHER THAT the above terms and conditions including remuneration may be varied by the Board of Directors of the Company from time to time subject to the provisions and limits specified in Schedule V of the Companies Act, 2013 including any statutory modifications or re-enactment thereof as the case may be.”

“RESOLVED FURTHER THAT the Board of Directors, be and is hereby also authorized to take such steps, actions and do things, deeds, matters as may be required or are necessary so as to give effect to this Resolution.”

7. TO RATIFY THE REMUNERATION OF COST AUDITORS FOR THE FINANCIAL YEAR ENDING 31ST MARCH, 2021.

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), the members of the Company be and hereby ratify the payment of remuneration of Rs. 1,43,750 (Rupees One Lakh Forty-Three Thousand Seven Hundred and Fifty Only) for Cost Audit, Rs. 9,000/- (Rs. Nine Thousand Only) for XBRL documents preparation plus applicable taxes and reimbursement of out of pocket expenses at actuals to M/s. Manisha & Associates, Cost Accountants, appointed by the Board of Directors of Company on the recommendation of the Audit Committee of the Board, as Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending 31st March, 2021.”

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

Dated: 11th November, 2020

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

By Order of the Board of Directors

**Vikash Kumar Agarwal
(Company Secretary & Compliance Officer)
Membership No: A19583**

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 the continuing COVID-19 pandemic, social distancing is a norm to be followed and accordingly Ministry of Corporate Affairs has vide its 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 May 05, 2020 allowed holding of Annual General Meeting (AGM) 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. In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 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 2019-20 will also be available on the Company's website www.necoindia.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of the e-voting agency- National Securities Depository Limited at www.evoting.nsdl.com.
4. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
5. 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.
6. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time (i.e from 12.15 p.m to 12.45 p.m only) 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.



7. 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.
8. Pursuant to SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, particulars of Director seeking re-appointment at this meeting are annexed hereto.
9. Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 18th December, 2020 to Thursday, the 24th December, 2020 (both days inclusive).
10. Relevant documents referred to in the accompanying Notice and the Statements are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
11. 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 necoindia.gogreen@sharexindia.in along with their Folio No. and No. of shares/ Client ID/ DP ID with Depository Participants (DP) for shares held in electronic form or with the Registrar and Share Transfer Agent **Linkintime India Pvt.Ltd** # to enable the Company to send all notices, periodical statements etc. of the Company through electronic mode.

Sharex Dynamic (India) Private Limited now merged with Linkintime India Pvt.Ltd

12. Pursuant to provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Members have been provided with the facility to cast their votes on the Resolutions proposed to be passed in the 47th Annual General Meeting (AGM) by electronic means ('remote e-voting'). Instructions and other information relating to remote e-voting are given in the Notice under Note No. 15.
13. Voting rights will be in proportion to the shares registered in the name of the Members as on 17th December, 2020 (cut-off date). Only those Members whose names are recorded in the Register 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 voting at the AGM. Members who cast their votes by remote e-voting prior to AGM, may attend the Meeting but will not be entitled to cast their vote again or change their vote subsequently.

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

14. The Company has engaged the services of National Securities Depositories Limited (NSDL) for providing e-voting facility.
15. **Instructions and information relating to 'remote e-voting' are as under:**

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 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

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

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

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

4. Your User ID details are given below :

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. Your password details 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.
- b) Click on **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
- 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.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. 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.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. 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 with a copy marked to 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 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 or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.
4. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
5. The e-voting period shall commence at 9.00 a.m on Sunday, 20th December, 2020 and end at 5.00 p.m on Wednesday, 23rd December, 2020. During the period, Members of the Company, holding shares either in physical or dematerialized form, as on the cut-off date i.e. 17th December, 2020 may cast their vote electronically. The e-voting module shall be blocked by NSDL for voting thereafter.
6. 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. 17th December, 2020 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or helpdesk@nsdl.co.in.
7. 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.
8. Shri Shantanu Jog, Company Secretary, Proprietor M/s. Shantanu Jog and Associates, 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. Shri Shantanu Jog has submitted his consent to act as scrutinizer and will be available for the said purpose.
9. 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 forty eight hours 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.
10. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company 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.
11. Pursuant to SEBI notification dated 08th 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.

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.

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 the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members 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. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
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.

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

Item No. 3:

The existing term of appointment of Shri Arbind Jayaswal, Managing Director & CEO (Foundry Division) of the Company expired on 31st December, 2019. The Board of Directors (the Board), at its meetings held on 13th November, 2019 and 11th November, 2020 has subject to the approval of the Members and other requisite approvals, considered and approved the re-appointment of Shri Arbind Jayaswal, as Managing Director & CEO (Foundry Division) of the Company, not liable to retire by rotation, for a period of 3 (three) years from 1st January, 2020 on the following terms and conditions including remuneration:

- a) Designation : Managing Director & CEO (Foundry Division)
- b) Break- up of Remuneration is as given below :

Period	Basic	HRA	Convey- ance	Personal Pay	Medical	LTA	Gross Total (Monthly)	Provident Fund @12% (Monthly)	Monthly CTC (includes PF @ 12%)
01.01.2020 to 31.03.2021 (15 Months)	4,95,000	2,97,000	6,200	77,971	41,234	41,234	9,58,638	59,400	10,18,038
01.04.2021 to 31.03.2022 (12 Months)	5,75,942	3,45,565	6,200	77,971	47,976	47,976	11,01,631	69,113	11,70,744 (Increase of 15 %)
01.04.2022 to 31.12.2022 (9 Months)	6,19,381	3,71,629	6,200	77,971	51,594	51,594	11,78,370	74,326	12,52,696 (Increase of 7 %)

- c) Others : Gratuity, Leave encashment, Telephone and Car for office use, Club Membership (one) as per the rules applicable to senior cadre personnel of the Company.
- d) Commission : Up to 3% of the Net Profits as computed under Section 198 of the Companies Act, 2013.
- e) Minimum Remuneration : In the event of losses or inadequate profits, Salary, allowances and perquisites as above, subject to requisite approvals.

Further based on the result of the performance evaluation and the need of the Company, the Nomination and Remuneration Committee of the Board has recommended that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as the Managing Director & CEO (Foundry Division) of the Company.

Shri Arbind Jayaswal is not disqualified from being re-appointed as a Managing Director & CEO (Foundry Division) of the Company in terms of Section 164 of the Act.

The Company has also received a self-declaration from Shri Arbind Jayaswal that he was or is not debarred from holding the office of a Director pursuant to any order of the SEBI or such other authority in terms of SEBI's Circular No. LIST/COMP/14/2018-19 dated 20th June, 2018 on the subject "Enforcement of SEBI Orders regarding appointment of Directors by listed Companies".



The Company has received notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing the candidature of Shri Arbind Jayaswal, as the Managing Director & CEO (Foundry Division) of the Company.

Agreement of re-appointment of Shri Arbind Jayaswal, as the Managing Director & CEO (Foundry Division) of the Company setting out the terms and conditions of his re-appointment is available for inspection by Members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.

Brief profile along with other particulars of Shri Arbind Jayaswal, as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached as annexure to this Notice.

Shri Arbind Jayaswal is a relative of Shri Basant Lal Shaw, Chairman and Shri Ramesh Jayaswal, Joint Managing Director & CEO (Steel Plant Division) of the Company.

Except, S/Shri Basant Lal Shaw, Arbind Jayaswal, Ramesh Jayaswal and their relatives, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested in the said resolution.

The Board of Directors of the Company recommend the resolution set out at item no. 3 of the notice, for Shareholders' approval as Special Resolution.

No related party shall vote to approve the above said resolution.

In terms of the requirements of Schedule V of the Act, the following information is provided in connection with the special resolution proposed to be passed in respect of the appointment of and remuneration payable to Shri Arbind Jayaswal :

I. GENERAL INFORMATION:				
i)	Nature of industry.	Iron and Steel.		
ii)	Date or expected date of commencement of commercial production.	Not applicable, as the Company is an existing Company.		
iii)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable.		
iv)	Financial performance based on given indicators.	(Rs. in Crores)		
		Particulars	2019-20	2018-19
		Total Revenue (Net)	3,640.70	4,243.94
		Profit / (Loss) before tax	(1,503.89)	(444.03)
		Profit / (Loss) after Tax	(1,504.47)	(443.87)
v)	Foreign investments or collaborations, if any.	Not Applicable.		
II. INFORMATION ABOUT THE APPOINTEE:				
Shri Arbind Jayaswal, Managing Director & CEO (Foundry Division)				
i)	Background details.	Shri Arbind Jayaswal is associated with Iron and Steel business for over 41 years. He specializes in the Foundry Sector and looks after the Foundry Division of the Company. He is associated with the Company as a Director since 1972.		
ii)	Past remuneration.	Rs. 6,30,000 per month w.e.f 01 st January,2017 in the pay scale of Rs. 300000 - 30000 - 450000 - 45000 - 675000 - 67500 - 1012500 - 101250 – 1518750. (As approved by Shareholders)		
iii)	Recognition or awards.	--		
iv)	Job profile and his suitability.	His vast experience & expertise in the industry makes him eminently suited for the position.		
v)	Remuneration proposed.	Salary plus allowances and perquisites as mentioned in the resolution.		

vi)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin).	Remuneration proposed to be paid is commensurate with the size of the Company, profile of his position, experience and expertise and is as per the industry standards for such post.
vii)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Shri Arbind Jayaswal is a relative of Shri Basant Lal Shaw, Chairman and Shri Ramesh Jayaswal, Joint Managing Director & CEO (Steel Plant Division) of the Company.
III. OTHER INFORMATION		
i)	Reasons of loss or inadequate profits.	Demand for Alloy Steel which is predominantly sold to the Auto sector decelerated sharply due to overall economic downturn and continued Auto Sector slowdown.
ii)	Steps taken or proposed to be taken for improvement.	Pellet, Sponge Iron & Coke Oven units are operating in full capacities. In Blast furnace improvement will be achieved to a full capacity of 6,50,000 MTPA by enriching/increasing oxygen consumption. Steel Melt Shop-2 productivity will improve with availability of extra Hot Metal. Rolling Mills production in WRM & particularly in BSM will increase with continuous mill in operation.
iii)	Expected increase in productivity and profits in measurable terms.	With increase in Captive Iron Ore mines production and increase in productivity of Rolled Products, profitability will improve.

Item No. 4:

The existing term of appointment of Shri Ramesh Jayaswal, Joint Managing Director & CEO (Steel Plant Division) of the Company expired on 31st December, 2019. The Board of Directors (the Board), at its meetings held on 13th November, 2019 and 11th November, 2020 has subject to the approval of the Members and other requisite approvals, considered and approved the re-appointment of Shri Ramesh Jayaswal, as Joint Managing Director & CEO (Steel Plant Division) of the Company, liable to retire by rotation, for a period of 3 (three) years from 1st January, 2020 on the following terms and conditions including remuneration:

- a) Designation : Joint Managing Director & CEO (Steel Plant Division)
- b) Break- up of Remuneration is as given below :

Period	Basic	HRA	Convey- ance	Personal Pay	Medical	LTA	Gross Total (Monthly)	Provident Fund @12% (Monthly)	Monthly CTC (includes PF @ 12%)
01.01.2020 to 31.03.2021 (15 Months)	4,95,000	2,97,000	6,200	77,971	41,234	41,234	9,58,638	59,400	10,18,038
01.04.2021 to 31.03.2022 (12 Months)	5,75,942	3,45,565	6,200	77,971	47,976	47,976	11,01,631	69,113	11,70,744 (Increase of 15 %)
01.04.2022 to 31.12.2022 (9 Months)	6,19,381	3,71,629	6,200	77,971	51,594	51,594	11,78,370	74,326	12,52,696 (Increase of 7 %)

- c) Others : Gratuity, Leave encashment, Telephone and Car for office use, Club Membership (one) as per the rules applicable to senior cadre personnel of the Company.
- d) Commission : Up to 3% of the Net Profits as computed under Section 198 of the Companies Act, 2013..
- e) Minimum Remuneration : In the event of losses or inadequate profits, Salary, allowances and perquisites as above, subject to requisite approvals.

Further based on the result of the performance evaluation and the need of the Company, the Nomination and Remuneration Committee of the Board has recommended that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as the Joint Managing Director & CEO (Steel Plant Division) of the Company.

Shri Ramesh Jayaswal is not disqualified from being re-appointed as the Joint Managing Director & CEO (Steel Plant Division) of the Company in terms of Section 164 of the Act.

The Company has also received a self-declaration from Shri Ramesh Jayaswal that he was or is not debarred from holding the office of a Director pursuant to any order of the SEBI or such other authority in terms of SEBI's Circular No. LIST/COMP/14/2018-19 dated 20th June, 2018 on the subject "Enforcement of SEBI Orders regarding appointment of Directors by listed Companies".



The Company has received notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing the candidature of Shri Ramesh Jayaswal, as the Joint Managing Director & CEO (Steel Plant Division) of the Company.

Agreement of re-appointment of Shri Ramesh Jayaswal, as the Joint Managing Director & CEO (Steel Plant Division) of the Company setting out the terms and conditions of his re-appointment is available for inspection by Members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.

Brief profile along with other particulars of Shri Ramesh Jayaswal, as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached as annexure to this Notice.

Shri Ramesh Jayaswal is a relative of Shri Basant Lall Shaw, Chairman and Shri Arbind Jayaswal, Managing Director & CEO (Foundry Division) of the Company.

Except, S/Shri Basant Lall Shaw, Arbind Jayaswal, Ramesh Jayaswal and their relatives, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested in the said resolution

The Board of Directors of the Company recommend the resolution set out at item no. 4 of the notice, for Shareholders' approval as Special Resolution.

No related party shall vote to approve the above said resolution.

In terms of the requirements of Schedule V of the Act, the following information is provided in connection with the special resolution proposed to be passed in respect of the appointment of and remuneration payable to Shri Ramesh Jayaswal :

I.	GENERAL INFORMATION: As given in Item No. 3 above.	
II.	INFORMATION ABOUT THE APPOINTEE:	
	Shri Ramesh Jayaswal, Joint Managing Director & CEO (Steel Plant Division)	
i)	Background details.	Shri Ramesh Jayaswal is associated with Iron and Steel business for over 31 years. He looks after the Steel Plant Division of the Company and implementation of new projects and other allied matters. He is associated with the Company as a Director since 1983.
ii)	Past remuneration.	Rs. 6,30,000 per month w.e.f 01 st January,2017 in the pay scale of Rs. 300000 - 30000 - 450000 - 45000 - 675000 - 67500 - 1012500 - 101250 – 1518750 (As approved by Shareholders)
iii)	Recognition or awards.	--
iv)	Job profile and his suitability.	His vast experience and expertise in the industry makes him eminently suited for the position.
v)	Remuneration proposed.	Salary plus allowances and perquisites as mentioned in the resolution.
vi)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin).	Remuneration proposed to be paid is commensurate with the size of the Company, profile of his position, experience and expertise and is as per the industry standards for such post.
vii)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Shri Ramesh Jayaswal is a relative of Shri Basant Lall Shaw, Chairman and Shri Arbind Jayaswal, Managing Director & CEO (Foundry Division) of the Company.
III.	OTHER INFORMATION : As given in Item No. 3 above.	

Item No. 5:

The existing term of appointment of Shri Pramod Kumar Bhardwaj, Executive Director and Chief Financial Officer (CFO) of the Company expired on 24th February, 2020. The Board of Directors (the Board), at its meetings held on 13th November, 2019 and 11th November, 2020 has subject to the approval of the Members and other requisite approvals, considered and approved the re-appointment of Shri Pramod Kumar Bhardwaj, as Executive Director and Chief Financial Officer of the Company, liable to retire by rotation, for a period of 3 (three) years from 25th February, 2020 on the following terms and conditions including remuneration:

a) Designation : Executive Director & Chief Financial Officer (CFO)

b) Break- up of Remuneration is as given below :

Period	Basic	HRA	Convey- ance	Personal Pay	Medical	Gross Total (Monthly)	Provident Fund @12% (Monthly)	Monthly CTC (includes PF @ 12%)
25.02.2020 to 31.03.2021 (13 Months)	1,75,000	1,05,000	1,600	52,245	14,578	3,48,423	21,000	3,69,423
01.04.2021 to 31.03.2022 (12 Months)	1,89,340	1,13,604	1,600	52,245	15,772	3,72,561	22,721	3,95,282 (Increase of 7 %)
01.04.2022 to 24.02.2023 (11 Months)	2,04,684	1,22,810	1,600	52,245	17,050	3,98,390	24,562	4,22,952 (Increase of 7 %)

c) Others : Gratuity, Leave encashment, Telephone and Car for office use as per the rules applicable to senior cadre personnel of the Company.

d) Minimum Remuneration : In the event of losses or inadequate profits, Salary, allowances and perquisites as above, subject to requisite approvals.

Further based on the result of the performance evaluation and the need of the Company, the Nomination and Remuneration Committee of the Board has recommended that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as the Executive Director & Chief Financial Officer (CFO) of the Company.

Shri Pramod Kumar Bhardwaj is not disqualified from being re-appointed as the Executive Director & Chief Financial Officer (CFO) of the Company in terms of Section 164 of the Act.

The Company has also received a self-declaration from Shri Pramod Kumar Bhardwaj that he was or is not debarred from holding the office of a Director pursuant to any order of the SEBI or such other authority in terms of SEBI's Circular No. LIST/COMP/14/2018-19 dated 20th June, 2018 on the subject "Enforcement of SEBI Orders regarding appointment of Directors by listed Companies".

The Company has received notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing the candidature of Shri Pramod Kumar Bhardwaj, as the Executive Director & Chief Financial Officer (CFO) of the Company.

Agreement of re-appointment of Shri Pramod Kumar Bhardwaj, as the Executive Director & Chief Financial Officer (CFO) of the Company setting out the terms and conditions of his re-appointment is available for inspection by Members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.

Brief profile along with other particulars of Shri Pramod Kumar Bhardwaj, as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached as annexure to this Notice.

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

Except Shri Pramod Kumar Bhardwaj, none of the other Directors / Key Managerial Personnel of the Company are, in any way, concerned or interested in the said resolution.

In terms of the requirements of Schedule V of the Act, the following information is provided in connection with the special resolution proposed to be passed in respect of the appointment of and remuneration payable to Shri Pramod Kumar Bhardwaj:

I.	GENERAL INFORMATION: As given in Item No. 3 above.	
II.	INFORMATION ABOUT THE APPOINTEE:	
	Shri Pramod Kumar Bhardwaj, Executive Director & Chief Financial Officer	
i)	Background details.	Shri Pramod Kumar Bhardwaj has a rich and varied experience in Finance, Accountancy, Taxation, Management and Project Planning. He is associated with the Company as a Director since 2011.
ii)	Past remuneration.	Rs. 2,12,500 per month w.e.f 25 th February, 2017 in the pay scale of Rs. 100000 - 10000 - 150000 - 12500 - 212500 - 15000 - 287500 - 17500 – 375000 (As approved by Shareholders)
iii)	Recognition or awards.	--
iv)	Job profile and his suitability.	His vast experience in the industry and professional qualification makes him eminently suited for the position.
v)	Remuneration proposed.	Salary plus allowances and perquisites as mentioned in the resolution.



vi)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin).	Remuneration proposed to be paid is commensurate with the size of the Company, profile of his position, experience and expertise and is as per the industry standards for such post.
III.	OTHER INFORMATION : As given in Item No. 3 above.	

Item No. 6:

The existing term of appointment of Shri Megh Pal Singh, Executive Director (Steel) expires on 12th November, 2020. The Board of Directors ('the Board'), at its meetings held on 14th September, 2020 and 11th November, 2020 has subject to the approval of the Members and other requisite approvals, considered and approved the re-appointment of Shri Megh Pal Singh, as an Executive Director (Steel) & COO (Steel Plant Division), liable to retire by rotation, for a further period of 3 (three) years from 13th November, 2020 on the following terms and conditions including remuneration:

a) Designation : Executive Director (Steel) & COO (Steel Plant Division)

b) Break- up of Remuneration is as given below :

Period	Basic	HRA	Convey- ance	Education Allowance	Special Allowance	LTA	Gross Total (Monthly)	Provident Fund @ 12% (Monthly)	Monthly CTC (includes PF @ 12%)
13.11.2020 to 31.03.2021 (4 Months)	2,12,500	85,000	1,600	7,000	1,96,110	21,000	5,23,210	25,500	5,48,710
01.04.2021 to 31.03.2022 (12 Months)	2,37,770	95,108	1,600	7,000	1,96,110	21,000	5,58,588	28,532	5,87,120 (Increase of 7 %)
01.04.2022 to 31.03.2023 (12 Months)	2,64,808	1,05,923	1,600	7,000	1,96,110	21,000	5,96,441	31,777	6,28,218 (Increase of 7 %)
01.04.2023 to 12.11.2023 (8 Months)	2,93,739	1,17,496	1,600	7,000	1,96,110	21,000	6,36,945	35,249	6,72,194 (Increase of 7 %)

c) Others : Gratuity, Leave encashment, Telephone and Car for office use etc. as per the rules applicable to senior cadre personnel of the Company.

d) Minimum Remuneration : In the event of losses or inadequate profits, Salary, allowances and perquisites as above, subject to requisite approvals.

Further based on the result of the performance evaluation and the need of the Company, the Nomination and Remuneration Committee of the Board has recommended that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as the Executive Director (Steel) & COO (Steel Plant Division) of the Company.

Shri Meghpal Singh is not disqualified from being re-appointed as the Executive Director (Steel) & COO (Steel Plant Division) of the Company in terms of Section 164 of the Act.

The Company has also received a self-declaration from Shri Meghpal Singh that he was or is not debarred from holding the office of a Director pursuant to any order of the SEBI or such other authority in terms of SEBI's Circular No. LIST/COMP/14/2018-19 dated 20th June, 2018 on the subject "Enforcement of SEBI Orders regarding appointment of Directors by listed Companies".

The Company has received notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing the candidature of Shri Meghpal Singh, as the Executive Director (Steel) & COO (Steel Plant Division) of the Company.

Agreement of re-appointment of Shri Meghpal Singh, as the Executive Director (Steel) & COO (Steel Plant Division) of the Company setting out the terms and conditions of his re-appointment is available for inspection by Members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.

Brief profile along with other particulars of Shri Meghpal Singh, as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached as annexure to this Notice.

The Board of Directors of the Company recommend the resolution set out at item no. 6 of the notice, for Shareholders' approval as Special Resolution.

Except Shri Meghpal Singh, none of the other Directors / Key Managerial Personnel of the Company are, in any way, concerned or interested in the said resolution.

In terms of the requirements of Schedule V of the Act, the following information is provided in connection with the special resolution proposed to be passed in respect of the appointment of and remuneration payable to Shri Meghpal Singh:

I.	GENERAL INFORMATION: As given in Item No. 3 above.	
II.	INFORMATION ABOUT THE APPOINTEE:	
	Shri Meghpal Singh, Executive Director (Steel) & COO (Steel Plant Division)	
i)	Background details.	Shri Meghpal Singh has a rich experience of about 40 years in almost all the functional areas of a Steel Plant. He is Associated with the Company as a Director since 2014.
ii)	Past remuneration.	Rs.2,12,500 per month w.e.f 13 th November, 2017 in the pay scale of Rs. 100000 - 10000 - 150000 - 12500 - 212500 - 15000 - 287500 - 17500 - 375000 (As approved by Shareholders)
iii)	Recognition or awards.	Awarded the Business Excellence Award – The Bizz Award 2019 for his exemplary contribution in Business Excellence and Strategic Leadership by the World Confederation of Business Houston, Texas USA.
iv)	Job profile and his suitability.	His vast experience and expertise in the industry makes him eminently suited for the position.
v)	Remuneration proposed.	Salary plus allowances and perquisites as mentioned in the resolution.
vi)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin).	Remuneration proposed to be paid is commensurate with the size of the Company, profile of his position, experience and expertise and is as per the industry standards for such post.
vii)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Except the agreement of his appointment, Shri Meghpal Singh does not have any pecuniary relationship directly or indirectly with the company, or any relationship with the Director/ Managerial Personnel of the Company.
III.	OTHER INFORMATION : As given in Item No. 3 above.	

Item No. 7:

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 2020-21 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.

Consent Cum Declaration dated 28th May, 2020 issued by the above firm regarding their consent and eligibility for appointment as Cost Auditors will be available for inspection of the Members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.

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 by the Shareholders in General Meeting. The Board of Directors of the Company recommend the resolution set out at item no. 7 of the notice, for Shareholders' approval as an Ordinary Resolution.

None of the Directors / Key Managerial personnel/ their relatives is interested in the above resolution.

Dated: 11th November, 2020

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)
Membership No: A19583

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

Name of Directors	Shri Arbind Jayaswal	Shri Ramesh Jayaswal	Shri Pramod Kumar Bhardwaj	Shri Megh Pal Singh
DIN	00249864	00249947	03451077	02635073
Date of Birth	26.11.1953	02.02.1960	30.09.1954	22.03.1958
Designation	Managing Director & CEO (Foundry Division)	Joint Managing Director & CEO (Steel Plant Division)	Executive Director and Chief Financial Officer	Executive Director (Steel) & COO (Steel Plant Division)
Date of Appointment	28.11.1972	05.03.1983	25.02.2011	13.11.2014
Qualification	B.Sc.	B.Com	B.Com, FCA	B. E (Metallurgy & Material Science)
Experience in Specific Functional Areas	Associated with Iron and Steel business for over 41 years. Specialises in Foundry Sector and looks after the Foundry Division of the Company.	Associated with Iron and Steel business for over 31 years. Looks after the Steel Plant Division of the Company and implementation of new projects and other allied matters.	Rich and varied experience in Finance, Accountancy, Taxation, Management and Project Planning.	Rich Experience of about 40 years in almost all the functional areas of a Steel Plant.
Other Directorships (In Listed Entities)	NIL	NIL	NIL	NIL
Membership of Committees of other Companies	NIL	NIL	NIL	NIL
No. of Equity Shares Held	2397920	2397920	NIL	NIL

DIRECTORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

Dear Members,

The Directors are pleased to present their **47th Annual Report** on the affairs of the Company together with the Audited Financial Statements for the year ended 31st March, 2020.

1. FINANCIAL RESULTS

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

(Rs. in Crores)

Particulars	31.03.2020	31.03.2019
Net Sales	3,632.18	4,226.53
Other Income	8.52	17.41
Total Revenue (Net)	3,640.70	4,243.94
Operating Expenses	3,432.72	3,703.82
EBIDTA	207.98	540.12
Finance Costs	867.36	711.47
Depreciation and Amortization Expenses	276.34	272.68
Exceptional Item	568.17	-
Profit / (Loss) before tax	(1,503.89)	(444.03)
Tax Expenses	0.58	(0.16)
Profit / (Loss) after Tax carried to Balance Sheet	(1,504.47)	(443.87)

Your Company has not carried any amount to reserves and the amount of Loss after tax of Rs 1,504.47 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 on financial and legal front including COVID-19 pandemic which caused unprecedented disruptions and raised significant challenges.

The performance during the year under review was depressed with demand for Alloy Steel which is predominantly sold to the Auto sector decelerating sharply due to overall economic downturn and continued Auto Sector slowdown. Moreover, the nationwide lockdown due to COVID-19 pandemic during March' 2020 did put brakes on the Production lines.

During the period, many major manufacturers (OEMs) continued to slash their production owing to declining sales, pile up of large inventories with dealers and wholesalers, along with upcoming shift to the new BS-VI standards from 01st April, 2020. The cost of manufacturing vehicles had systematically increased over time due to introduction of new safety norms, hike in insurance costs and transition to manufacturing BS-VI compliant vehicles. These aspects apart from NBFC liquidity crisis, weak festival demand, weak consumer sentiments have predominantly resulted in decline in demand forcing OEMs / Auto Component manufacturers to cut their production.

During the period, there was sharp decline in production of commercial vehicle segment by about 32.4% as compared to last year followed by decline in production of passenger vehicles segment by about 14.7% as compared to last year. The overall auto industry production witnessed a decline of about 14.8% y-o-y during FY'20 period vis-à-vis a growth of about 6.3% during the corresponding period of the last year.

The Slowdown in the global economies was also aggravated by the Covid-19 pandemic in the March'20 quarter amidst weak consumer sentiments.

Despite the aforesaid challenges, the Company tried to optimize production and improve its plant yield through efficient use of its resources. The Company's Net Sales from operations for the year stood at Rs. 3,632.18 Crores and has decreased approximately by 14.06% than the previous year's Net Sales from operations of Rs. 4,226.53 Crores.

The Company has been focused on selling high-end value-added products (Rolled Products) with applications mainly in Auto components segment. However, due to overall economic downturn and unprecedented slowdown in Auto Sector, the Alloy Steel (Rolled Products) demand decreased during the period, due to which the Company had to sell more metallic in the market which fetched lesser margins, but the same was necessitated to ensure cash flows to sustain operations.

Due to the aforesaid challenges, the Company was able to record lower earnings (EBIDTA). The Company's Earnings before Interest Depreciation and Tax (EBIDTA) level during the year was at Rs. 207.98 Crores as against Rs. 540.12 Crores for the previous year.

The Net Loss before Exceptional Items and Tax for the year stood at Rs. 935.72 Crores and Net loss after Exceptional Item & Tax for the year stood at Rs.1,504.47 Crores.

During the year, the Net Worth of the Company has turned negative for the first time to Rs. (806.38) Crores from Rs. 699.80 Crores in the previous year on account of the losses recorded principally due to less 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 as per existing loan sanctions and impairment provisioning of Non-Operational Fixed Assets/Capital Work in Progress. On the expected implementation of debt restructuring during the FY 20-21, the Net worth position is expected to improve substantially.

Key Financial Ratios:

Variance over 25% (FY 2019-20 Vs FY 2018-19) with Reasoning:

Interest Coverage Ratio: The Interest Coverage Ratio has deteriorated from 0.76 in FY'19 to 0.24 in FY'20 with 68.41% variance. The Ratio has deteriorated on account of fall in EBIDTA due to subdued market conditions for Rolled Products and increase in Finance Costs due to overdue interest, additional / penal interest on the existing loan contracts. In FY'20 the capacity utilization of Steel Making facilities were lower as compared to the last year due to significant downfall in Auto Sector which is the main consumer sector for the Rolled Products, further there was fall in Selling Prices of all products. The same has resulted in lower EBIDTA.

Current Ratio: The Current Ratio has deteriorated from 0.42 in FY'19 to 0.32 in FY'20 with 25.45% variance. The ratio has deteriorated mainly due to Net losses during the year and increase in Current Liabilities due to non-payment of overdue interest and principal as per the existing loan contracts.

Debt Equity Ratio: The Debt Equity Ratio has deteriorated from 5.14 in FY'19 to Infinity in FY'20. The same is the result of complete wipe out of Net worth which is on account of continued net losses principally due to overdue interest on existing loan contracts and exceptional item of Impairment provisioning of non-operational Flat Product Division (FPD) and Bilha Fixed Assets/Capital Work in Progress.

Operating Profit Margin (%): The Operating Profit Margin has deteriorated from 12.37% in FY'19 to 5.49% in FY'20 with 55.60% variance. The deterioration in Operating Profit Margin is mainly due to decrease in Sale of Rolled Products, decrease in selling prices & margins of all products during the FY'20. In FY'20 the capacity utilization of Steel Making facilities were significantly lower as compared to the last year due to subdued market demand for Rolled Products.

Net Profit (Loss) Margin (%): The ratio has deteriorated from (10.50%) in FY'19 to (41.42%) in FY'20 with 294.40% variance on account of increased Losses during the period. Loss has increased on account of fall in sale of Rolled Products, fall in selling prices and exceptional item of Impairment provisioning of non-operational FPD and Bilha Fixed Assets/Capital Work in Progress.

Return on Net Worth: The ratio has deteriorated from (63.43%) in FY'19 to Infinity in FY'20. The Losses have increased on account of fall in sale of Rolled Products, fall in selling prices and due to exceptional item of Impairment provisioning of non-operational FPD and Bilha Fixed Assets/Capital Work in Progress. Increased losses have resulted in complete wipe out of Net Worth from Rs. 699.80 Crores in FY'19 to (Rs. 806.38 Crores) in FY'20.

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.

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 decreased to Rs. 3,218.31 Crores as compared to Rs. 3,717.97 Crores of the previous year.

The production levels of the Steel Melt Shop during 2019-20 was around 70% of the previous year and the production levels of the Rolling Mills was around 69% of the previous year. The Hot Metal production level was around 102% of the previous year. Pellet production level was around 94% of the previous year. The Sponge Iron production level was around 101% of the previous year.

The Net Sales has decreased mainly due to fall in selling prices of Alloy Steel and decrease in Alloy Steel (Rolled Products) demand.

The share of metallic sales value i.e. Pig Iron, Sponge Iron and Pellets to total Steel Plant Division sales was around 44.22% in FY 2019-20 which is higher by 14.92% than that of previous year figure of 29.30%.

ii) Castings Division:

The Net Sales from the Foundry Division has decreased to Rs. 413.87 Crores during the year from Rs. 508.55 Crores in the Financial Year 2018-19.

The Automotive Castings Sub Division accounted for around 42%, the Centrifugal Castings Sub Division for around 31%, Engineering Castings Sub Division for around 19% and the Construction Casting Sub Division for around 8% of the total Foundry Division Net Sales.

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 including getting Independent Evaluation Committee recommendation to the scheme, infusion of stipulated additional funds as Promoters Contribution as per the scheme and signing of its Master Restructuring Agreement 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 Lakhs as default as on 30th November, 2017.

In view of the Status Quo order issued by the Hon'ble Supreme Court, 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. The matter would be listed only after the Special Leave Petition (SLP) filed by the Company is disposed of by the Honourable Supreme Court.

Being aggrieved by the non-implementation of the approved Debt Restructuring Scheme, the Company had filed Writ Petition (WP) before the Hon'ble Bombay High Court, Mumbai, against RBI, which got dismissed. The Company had challenged the order of the Hon'ble Bombay High Court before the Hon'ble Supreme Court of India and on 16th April, 2018 the Hon'ble Supreme Court was pleased to issue notice and directed the parties to maintain status quo. The matter is yet to be listed on the bench.

All the lenders of the Company continue to support the operations of the Company. The Company is actively pursuing restructuring of its debts 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.

As reported previously eight out of twelve bankers of the Company with around 94.18% of the Principal Fund Based Outstanding have assigned their debt in favour of Assets Care & Reconstruction Enterprise Ltd (ACRE) acting in its capacity as trustee of various trusts.

The Company has been actively engaged with ACRE to get its debts restructured. Post huge impact of COVID-19 pandemic, which has significantly disrupted the business and future outlook, the parameters of debt restructuring are being revisited and readjusted to factor Covid-19 impact. The Company is hopeful to get its Debt Restructuring Scheme finalized and implemented in the current financial year.

The Company envisages to ensure timely servicing of its obligations as per the new Debt Restructuring Scheme once it gets implemented.

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) & it's Associated Captive Power Plant at Bilaspur district in Chhattisgarh.

The said project had been put under abeyance. It was decided in the erstwhile Joint Lenders' Forum (JLF) meeting held on 25th April, 2017 that the said project to be kept in abeyance and no further investment to be done in the said Sponge Iron Plant & Associated Captive Power Plant unit at Bilaspur by the Company due to its commercial unviability on account of cancellation of the captive coal mines of the Company by the Honorable Supreme Court. It was also decided by the JLF forum that the said project would be Non-Core Asset of the Company.

As reported earlier the Directorate of Enforcement had provisionally attached the Plant and Machinery under installation at Dagori Integrated Steel Plant situated at Bilha, Bilaspur (Chhattisgarh) to the extent of Rs.20616 Lakhs for alleged misuse of coal raised from Gare Palma IV/4 coal block at Chhattisgarh - (First attachment) and also had provisionally attached certain property, plant and equipment to the extent of Rs. 2092 lakhs situated at Dagori Integrated steel plant situated at Bilha, Bilaspur (Chhattisgarh) and Rs. 8050 Lakhs situated at Steel Plant Division, Siltara, Raipur.

The Order inter-alia alleged that benefits to the extent of Rs. 10142 Lakhs accrued to the Company, in the form of fresh share capital issuance for setting up end use projects related to captive coal mine of Gare Palma IV/4 coal block, constitutes as part of Proceeds of Crime – (Second attachment).

The Adjudicating Authority had confirmed the above both provisional attachments. Subsequently the Appellate Authority stayed both the attachments on an appeal filed by the Company. On 15th March, 2019, upon the Company's request, the ED Appellate Authority had clubbed the matter of first attachment with the matter of second attachment.

The matter has been put up for hearing now on 18th September, 2020 with the ED Appellate Authority. 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 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 has been recognized for year ended 31st March, 2020 and has been recognized as Exceptional Item.

F] Industry Outlook, Developments and Covid-19 Pandemic Concerns:

India was the world's second largest steel producer in the year 2019 with domestic steel production at 111.2 million tonnes followed by Japan at 99.3 million tonnes in 2019. 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.

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 per capita consumption of steel has increased from 57.6 kg to 74.1 kg during the last five years.

The Government introduced Steel Scrap Recycling Policy with an aim to reduce import. An export duty of 30 per cent has also been levied on Iron Ore (lumps and fines, except low grade) to ensure enhanced supply to the domestic steel industry. Recently the Government levied anti-dumping duty for five years on Flat products imports from China, South Korea and Vietnam.

The COVID-19 pandemic has disrupted businesses globally in an unprecedented way.

India had commenced nationwide lockdown since last week of March, 2020 due to COVID-19 pandemic outbreak, on the instructions of the Governmental authorities. It has significantly affected the business of the Company, its liquidity and its future prospects.

Post gradual lifting of lockdown, significant challenges for the Company's business persists. Restoring supply chains and customers normal scale of operations more predominantly located in the Red Zones and bringing back the migrant labors working with the customers remain huge challenge.

The customers would first try to liquidate the existing stocks once their operations resume before starting to ramp up their production. Consequently, the company is expected to continue to work at lower utilization levels till the demand resumes meaningfully.

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.

The Company has also ensured regular and contract labor continuity for its operations. The migrant labor exodus has not affected the Company's work force.

Revival of Steel demand to pre Covid-19 levels would be a process expected to be drawn over couple of quarters.

The Company would focus on sale of more Metallic i.e. Iron Products (Pig Iron, Sponge Iron and Pellet) till demand for Alloy Steel starts picking up. It is not possible to determine the Covid-19 pandemic exact financial impact over the business at this stage.

Significant uncertainties prevail regarding the timing when the pandemic is expected to achieve its peak and on the possibility of further waves affecting business regions, labor etc. The uncontrollable variables include determination whether there is considerable success in easing of restrictions by the Local Governmental authorities which can be sustained as majority of the end customers operations are located in the Industrial belts presently into Red Zones. The trajectory of business recovery is very difficult to predict.

The sustainable demand volumes, selling prices and margins that the Company can earn post Covid-19 recovery would be known once businesses stabilize and the entire ecosystem starts functioning smoothly.

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 team work, enhancement of efficiencies, cost reduction, Governmental and stakeholders support, clearly defined objectives and meticulous roadmap for its execution.

G] Internal Control Systems:

The Board of Directors of the Company is responsible for ensuring that Internal Financial Controls have been laid down 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 monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with the operating systems, accounting procedures, policies and rules & regulations at all the locations of the Company.

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 5110.

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:

- i) Every week a particular department is selected where safety team interacts with employees and makes them aware of the good safety practices to be adopted while working. Talks on Hazardous working conditions are organized, and near miss areas are identified in consultation with employees which has helped in developing safety consciousness amongst employees.
- ii) Talks by the Hon'ble Judge of Labor Court along with authorities from Factory Inspectorate are organized giving a detailed presentation towards benefits under various Social Security Norms. A question answer session was also organized during the program. Assistant Director (Industrial Health & Safety) also shared his experience with the employees and workmen.
- iii) The performance of the Contractor is rated every month and a meeting with Unit Head is done. Contractor who is not complying with safety aspects are imposed with penalty as per the nature of the non-compliance. Contractor have to ensure use of PPE's by the workers and safe working condition are provided to them. This has helped the workers to be disciplined about their safety habits.
- iv) Medical check-up of the employees as per statutory requirement is conducted and reports of the same are uploaded to the Government website. In addition, Health Talk and medical check-up camps on various health related issues by renowned Medical Consultants are also organized.

- v) As a part of Employee welfare measure, benevolent scheme has been introduced to mitigate the financial hardship of the family member in the event of death of an employee on any account while in service.
- vi) The medi-claim policy has been renewed covering a greater number of employees. During the previous year, the employees availed a benefit of upto 140 % under the said policy.
- vii) Organisation has made a Skill Development Centre functional at the plant site for providing employable skills in trades such as Fitter, Welder, Assistant Electrician/ Industrial Electrician, Electrical Winder, Security Guard and Assistant Fire Operator to the unemployed and underprivileged youth through the State Government project under the aegis of Mukhya Mantri Kaushal Vikash Yojana through which around 220 students were trained at the Centre and were successfully placed at various Industries in and around Siltara Industrial Area.
- viii) Company has been bestowed with various National & International level awards in the arena of Human Resource and CSR activities which includes:
 - 1) HRAI – Human Resource Distinction Award for Outstanding Employee Engagement Strategy and Most Effective CSR Strategy Gold Award, 2019.
 - 2) Indian HR Award for Best Human Resource Strategy for the year 2019 for achieving organizational Productivity & Employee Friendly HR Practices.
 - 3) Happy Companies to Work Award, 2020 by the World HRD Congress.
 - 4) Certificate of Recognition on International Forums such as HR Fest Award 2019 for Best HR Transformation Organized by HRM Asia at Singapore.

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 as such the CSR activities planned for the financial year 2019-20 as per the recommendation of CSR Committee and since then it 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 items 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 2019-20 on the CSR Activities.
- ii. That the CSR Budget for the Financial Year 2019-20 as approved by the CSR Committee and the Board was of Rs. 238.16 lacs.
- iii. That during the financial year 2019-20, the actual expenditure incurred by the Company on the CSR activities was of Rs. 229.15 lacs.

During the Financial Year 2019-20, the Company spent Rs. 229.15 lacs on CSR activities and thus has been able to increase the amount spent on the CSR activities during the Financial Year 2019-20 as compared to previous financial year's Rs. 220.73 lacs.

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

4. AUDITORS' REPORT:

Auditors Report on the financial statements of the Company for the year ended 31st March, 2020 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.207,711.72 Lakhs due to certain banks and Assets Reconstruction Company. Banks holding 94.18% (by value) of the total principal debt, equivalent to Rs. 339,353.50 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 eight different Trusts (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, 2020, 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. All the lenders of the Company continue to support the operations of the Company. The Company is actively pursuing restructuring of its debts with its lenders. 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 46th Annual General Meeting of the Company, pursuant to the provisions of Sections 149, 152 read with Schedule IV of the Companies Act, 2013 consented to the re-appointment of Shri B.K Agrawal (DIN 01223894) as an Independent Director of the Company not liable to retire by rotation for the period of 5 (Five) years w.e.f. 22nd September, 2019 for a term upto 21st September, 2024.

On 12th of July, 2019, IDBI Bank Limited withdrew the nomination of Smt. Vaishali Nemlekar (DIN 02474433) as its nominee on assignment of its loan to Assets Care & Reconstruction Enterprise Limited (ACRE).

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Shri Pramod Kumar Bhardwaj (DIN 03451077), Executive Director & CFO of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

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, Shri Arbind Jayaswal (DIN 00249864) and Shri Ramesh Jayaswal (DIN 00249947), were re-appointed as Managing Director & CEO (Foundry Division) and Joint Managing Director & CEO (Steel Plant Division) respectively in the meeting of Board of Directors held on 13th November, 2019 subject to requisite approvals for the further period of 3 (Three) years w.e.f. 1st January, 2020 and Shri P.K. Bhardwaj (DIN 03451077) was re-appointed as Executive Director & CFO in the meeting of Board of Directors held on 13th November, 2019 subject to requisite approvals for the further period of 3 (Three) years w.e.f. 25th February, 2020. The Board recommends the appointments as aforesaid in the interest of the Company.

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 Regulations.

KEY MANAGERIAL PERSONNEL

The following are the Key Managerial Personnel of the Company:

- i) Shri Arbind 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.

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 2019-20 and 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 F**" 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 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, 2020, 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, 2020 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. EXTRACT OF ANNUAL RETURN:

The particulars forming part of the extract of the Annual Return in Form MGT - 9 is attached as “**Annexure D**” and forms a part of this report.

16. AUDITORS:

The Joint Statutory Auditors M/s. Pathak H. D. & Associates LLP, Chartered Accountants, Mumbai, and M/s. Naresh Patadia & Co., Chartered Accountants, Nagpur hold office for the period of 5 years from the Annual General Meeting (AGM) held on 29th September, 2016 and the Annual General Meeting (AGM) held on 27th September, 2017 respectively.

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 2019-2020. The Board of Directors of the Company on the recommendation of the Audit Committee, at its meeting held on 29th June, 2020 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 2020-2021 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 2020-21 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 2019-20.

The Board of Directors of the Company on the recommendation of the Audit Committee, at its meeting held on 29th June, 2020 has re-appointed M/s. R. A. Daga and Co., Company Secretaries, Nagpur to conduct Secretarial Audit for the financial year 2020-21 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, 2020 in Form MR-3 is attached as “**Annexure E**” 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 20 (2) of this Report.

20. 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 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 has challenged the maintainability of the winding up petition and presently the hearing in the matter has been completed. The Petition is still at pre-admission stage.

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.

21. 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: 29th June, 2020

Place: Nagpur

Arbind 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. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs –**

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.

Weblink:

<https://www.necoindia.com/wp-content/uploads/2016/08/Corporate-Social-Responsibility-Policy-1.pdf>

2. The Composition of CSR Committee is as follows:

1. Shri Arbind Jayaswal, Chairman
2. Shri Ramesh Jayaswal, Member
3. Shri B. K. Agrawal, Member

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

Average Net Profit/(Loss) : Rs. (51031.15) Lacs

4. Prescribed CSR Expenditure (two percent of the average Net Profit of the Company for the last three financial years):

The Company is required to spend on CSR activities during the financial year 2019-20: Nil

5. Details of CSR expenditure for the financial year 2019-20:

- a. Total amount spent during the financial year: **Rs. 229.15 Lacs.**
- b. Amount unspent, if any: Nil.

c. Manner in which the amount spent during the financial year 2019-20 is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	Projects / Activities	Sector in which the Project is covered	Locations	Amount Outlay (Budget) Project or Programs Wise	Amount Spent on the project or programs	Cumulative Expenditure upto reporting period	Amount spent: *Direct or through implementing agency
			District (State)	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)	(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 Malnourishment – 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.	Narayanpur, Kanker and Raipur (Chhattisgarh)	70.80	42.70	42.70	42.70
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.	Narayanpur, Kanker and Raipur (Chhattisgarh)	20.01	4.36	4.36	4.36
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.	Narayanpur and Kanker (Chhattisgarh)	9.14	1.54	1.54	1.54
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.	Narayanpur, Kanker, Bilaspur and Raipur (Chhattisgarh)	3.75	5.36	5.36	5.36

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.	Narayanpur, Kanker, Bilaspur and Raipur (Chhattisgarh)	13.50	27.12	27.12	27.12
6.	Solar street lights in mine affected areas, Assistance for cultural programs on Mela Parv, 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.	Narayanpur, Kanker, Bilaspur and Raipur (Chhattisgarh)	9.48	19.63	19.63	19.63
7.	Construction of Rang Manch Bhawan, Construction/Repairing of Roads & Culverts, Solar Street Lights, 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	Narayanpur, Kanker, Bilaspur and Raipur (Chhattisgarh)	111.48	128.44	128.44	128.44
TOTAL				238.16	229.15	229.15	229.15

6. During the financial year 2019-20 the Company has spent on CSR activities more than the statutory requirement under Section 135 of the Companies Act, 2013.
7. The CSR Committee affirms that the implementation and monitoring of CSR Policy is in compliance with the CSR Policy and Objectives of the Company.

Place: Nagpur
Date: 29th June, 2020

Arbind 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. Re-verification audit carried out by BEE accredited agency for year 2018-19 during the current year for PAT Cycle -2. Total +5370 Escerts issued by BEE for fulfilling the target of energy saving.
2. Speed regulation of combustion Air Fan of Blast furnace done with help of VVFD. Total KWH saving achieved is 1,20,000/Year.
3. By optimizing the speed of cast house ID fan, the power saving achieved is 4,80,000 KWH per year.
4. Gas booster RMM regulation done through drive, Annual energy saving achieved is 3,80,000 KWH.

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

1. Replacement of Conventional Lighting with LEDs.
2. Use of VFD for the Fan and Pump application operating in throttle condition.
3. Switching of Street lights using the LEDs in place of Conventional fittings.

By the implementation of the above measures we had a yearly saving of approx. Rs. 86 Lacs.

iii) The capital investment on energy conservation equipments:

1. One CO analyzer installed at Blast Furnace stack of plant as per norms of CPCB at the cost of Rs. 8 Lacs.
2. Two opacity meters installed at two new stacks of plant at the cost of Rs 6 Lacs.

B) Technology Absorption-

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

BLAST FURNACE:

- Installation of new BFRV proportionate DC valve for equal distribution of material in furnace.
- PCI Seal Air fan-1 converted from belt drive to directed drive for reducing vibration.
- At 9-meter platform 4 nos. header of high-pressure line changed and modification done in tuyere inlet line for more efficient cooling and tuyere life increase from 4 month to 12 months.

RMHS :

- Wagon Tippler: Air blaster installed in wagon tippler hopper for eliminating the hopper jamming.
- C-4: Cassette filter installed in conveyor C-4 at discharge point of C-3 for controlling the dust.
- New dust extraction system installed in JH#3 after overhauling which was unused in coke circuit of Sinter plant.

COKE OVEN:

- Life enhancement of protection plate of battery by 1 yr.
- In house fabrication of upper and lower door causing saving of 12 Lakhs

DRI :

- HMDC Pug mill casing with liners, water spray lines, nozzles & Drive shafts in-house fabricated & erected successfully for controlling dust.
- Provision of Additional Shell Air Fan between SAF-6 & 8 to compensate the required Air during failure of any SAF 6, 7 & 8 by change of new installed SAF, downtime of 40-50 mins. will be saved.
- Kiln girth gear reversal done in 350 TPD DRI plant and realignment done to increase life of girth gear.

PELLET PLANT:

- Installation of shredder at discharge end of oversized conveyor for reduction in re-circulation load.
- WBR process fan both side of the casing hard glide plate installed for wear and tear control (life approx. 3 years) and also results in reduction of vibration.

UTILITY:

- 4 Nos of Pressure sand filter fabricated in-house for SMS#1 & 2. Saving 15 Lakhs.
- Installation of new system for Blast Furnace which will supply the water at 24 meters (Row X to XV) for improving cooling efficiency of water-cooling system.

STEEL MELT SHOP-1 :

- Light Diesel Oil (LDO) used in place of expensive High-speed Diesel (HSD) for tundish heating.
- Ladle preheater trolley modification done to reduce heating time of preheater and reduction in oil consumption.
- EAF side panel modified for on line DRI fines injection.
- Electrode cooling ring fabricated and installed in all three electrodes for minimizing electrode consumption.
- EAF Cojet no.2 side C panel has been modified in two parts to avoid water leakages in panel previously it was single panel.

STEEL MELT SHOP- 2:

- Duplex filter installation in EMS cooling system for enhanced Water quality and to reduce the casting preparation time.
- Copper front panel life increased by utilizing its bottom side through modification by providing additional hole for coke injection.
- Hot metal launder shape modification to avoid spillage & jamming problem. Launder life increased.
- Sensitrol Oil Valve Fixing in LDO Line of Tundish Preheater. Precise control of flame achieved. Proper heating of Tundish & ease of operation.
- Ladle preheater furnace oil burner modified previously it was 5/8-inch single hole which is replaced by ½ inch multiple hole nozzle to increase its heating efficiency.

BAR MILL:

- One roller table made and installed between shear-1 and C-1 with drive arrangement due to some short length billet to be rolled in bar mill and for this roller table with drive required to feed short length billet into C1 stand after R2 roll pass rolling. Short length billet rolling done successfully.

WIRE ROD MILL:

- Stand-by exhaustor installed in reheating furnace area. Provided as stand by for both air and gas exhaustor. By virtue of this modification, eliminate @ 1000 min delay and get un-interrupted mill running.
- Garret route - Horizontal reels were modified in which both side extreme end collar provided which prevents the water coming in the bearings which increased the reel and bearing life and scratch line issues has been also controlled to an extent.

*In both the above rolling mills reheating furnace automation for combustion control system done internally by the Company.

BSM:

- Continuous mill successful hot trials by Project and Rolling Mill team without support of Foreign Experts of Danieli.

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

Details of Technology Imported	Technology Imported from	Year of Import
On line size measurement (Profile gauge) in WRM	Zumbach, Germany	2017-2018

iii) The above technology has been fully absorbed.

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

C) Foreign Exchange Earnings and Outgo –

	2019-20
	(Rs. in Lacs)
Foreign Exchange earned in terms of Actual Inflows -	1940.62
Foreign Exchange spent in terms of Actual Outflows -	17912.85

For and on behalf of Board of Directors

Date: 29th June, 2020

Place: Nagpur

Arbind 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 31.03.2020

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	31.03.2019
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

Arbind 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: 29th June, 2020

Place: Nagpur

ANNEXURE D

Form No. MGT - 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

i)	CIN	L28920MH1972PLC016154
ii)	Registration Date	28-11-1972
iii)	Name of the Company	Jayaswal Neco Industries Limited
iv)	Category / Sub- Category of the Company	Public Company / Limited by Shares
v)	Address of the Registered Office & Contact Details:-	
	Address:	F-8, MIDC Industrial Area, Hingna Road,
	Town / City:	Nagpur
	Pin Code:	440016
	State:	Maharashtra
	Country Name:	India
	Telephone (with STD Code):	07104 - 237276
	Fax Number:	07104 - 237583
	Email Address:	contact@necoindia.com
	Website, if any:	www.necoindia.com
vi)	Whether listed Company	Yes
vii)	Name and Address of Registrar & Transfer Agents (RTA):-	
	Name of RTA:	Sharex Dynamic (India) Private Limited
	Address:	C-101,247 Park, L.B.S. Marg, Vikhroli (West).
	Town / City:	Mumbai
	State:	Maharashtra
	Pin Code:	400083
	Telephone:	022 - 28515606, 28515644
	Fax Number:	022 – 28512885
	Email Address:	support@sharexindia.com

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY:

2

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of Main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
1	Billets/Rolled products/Pellet/Pig Iron & Skull / Sponge Iron	2410	88.60
2	Iron & Steel Castings	2431	11.40



III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-

No. of Companies for which information is being filled:

1

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	Maa Usha Urja Limited Address: F-8, MIDC Industrial Area, Hingna Road, Nagpur, Maharashtra (MH)- 440016	U27300MH1995PLC091956	Associate	*31.63	2(6)

- * 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).

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2019)				No. of Shares held at the end of the year (As on 31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter and Promoter Group									
(1) Indian									
a) Individual/ HUF	15158690	-	15158690	2.37	15158690	-	15158690	2.37	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	424144151	-	424144151	66.42	424144151	-	424144151	66.42	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
(2) Foreign									
a) NRI - Individual/	-	-	-	-	-	-	-	-	-
b) Other - Individual/	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Others	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter and Promoter Group (A)	439302841	-	439302841	68.79	439302841	-	439302841	68.79	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1200	5235	6435	0.00	1200	5235	6435	0.00	0.00
b) Banks / FI	920	3166	4086	0.00	7458	3166	10624	0.00	0.00
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	52500	245	52745	0.01	52500	245	52745	0.01	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-

i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	54620	8646	63266	0.01	61158	8646	69804	0.01	0.00
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	122230284	834099	123064383	19.27	120866422	833899	121700321	19.06	(0.21)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual share holders holding nominal share capital up to Rs. 1 lakh	20613521	1671286	22284807	3.49	19356989	1660614	21017603	3.29	(0.20)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	48509287	32696	48541983	7.60	52106058	32696	52138754	8.16	0.56
c) Others (specify)									
NBFC Registered with RBI	12300	-	12300	0.00	762	-	762	0.00	0.00
Hindu Undivided Family	3232358	2849	3235207	0.51	3383479	2849	3386328	0.53	0.02
NRI	1038738	10591	1049329	0.16	917686	10591	928277	0.15	(0.01)
Clearing Members	1078947	-	1078947	0.17	88373	-	88373	0.01	(0.16)
OCB	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	196715435	2551521	199266956	31.20	196719769	2540649	199260418	31.20	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	196770055	2560167	199330222	31.21	196780927	2549295	199330222	31.21	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	636072896	2560167	638633063	100.00	636083768	2549295	638633063	100.00	-



ii. Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2019)			Shareholding at the end of the year (As on 31.03.2020)			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares *	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares *	
1	Jayaswal Holdings Pvt. Ltd.	53098951	8.31	7.78	53098951	8.31	7.78	-
2	Jayaswal Neco Power Pvt. Ltd.	36354500	5.69	-	36354500	5.69	-	-
3	Jayaswal Neco Infrastructures Pvt. Ltd.	34385500	5.38	-	34385500	5.38	-	-
4	Jayaswal Neco Steel and Mining Ltd.	13250000	2.07	-	13250000	2.07	-	-
5	Basant Lall Shaw	10312850	1.62	-	10312850	1.62	-	-
6	Arbind Jayaswal	2397920	0.38	0.01	2397920	0.38	0.01	-
7	Ramesh Jayaswal	2397920	0.38	0.01	2397920	0.38	0.01	-
8	Nisha Jayaswal	25000	0.00	0.00	25000	0.00	0.00	-
9	Rita Jayaswal	25000	0.00	0.00	25000	0.00	0.00	-
10	Apex Spinning Mills Pvt. Ltd.	35299600	5.53	-	35299600	5.53	-	-
11	Avon Sales & Services Pvt. Ltd.	39095000	6.12	-	39095000	6.12	-	-
12	Anurag Sales & Services Pvt. Ltd.	38931000	6.10	-	38931000	6.10	-	-
13	Nine Star Plastic Packaging Services Pvt. Ltd.	44294600	6.94	-	44294600	6.94	-	-
14	Jayaswal Neco Metallics Pvt. Ltd.	40710500	6.37	1.16	40710500	6.37	1.16	-
15	Jayaswal Neco Energy Pvt. Ltd.	39732000	6.22	-	39732000	6.22	-	-
16	Karamveer Impex Pvt. Ltd.	47229000	7.39	-	47229000	7.39	-	-
17	Neco Valves and Pumps Pvt. Ltd.	864000	0.14	-	864000	0.14	-	-
18	Neco Leasing and Finance Pvt.Ltd.	899500	0.14	-	899500	0.14	-	-
TOTAL		439302841	68.79	8.96	439302841	68.79	8.96	-

*The term "encumbrance" has the same meaning as assigned to it in Regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011.

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No	Name of the Promoters	Shareholding		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
1	Apex Spinning Mills Pvt. Ltd.				
	At the beginning of the year	35299600	5.53		
	Change during the year	Nil			
	At the End of the year			35299600	5.53
2	Anurag Sales & Services Private Limited				
	At the beginning of the year	38931000	6.10		
	Change during the year	Nil			
	At the End of the year			38931000	6.10
3	Avon Sales and Services Private Limited				
	At the beginning of the year	39095000	6.12		
	Change during the year	Nil			
	At the End of the year			39095000	6.12

4	Nine Star Plastic Packaging Services Private Limited				
	At the beginning of the year	44294600	6.94		
	Change during the year	Nil			
	At the End of the year			44294600	6.94
5	Jayaswal Neco Metallica Private Limited				
	At the beginning of the year	40710500	6.37		
	Change during the year	Nil			
	At the End of the year			40710500	6.37
6	Jayaswal Neco Energy Private Limited				
	At the beginning of the year	39732000	6.22		
	Change during the year	Nil			
	At the End of the year			39732000	6.22
7	Karamveer Impex Private Limited				
	At the beginning of the year	47229000	7.39		
	Change during the year	Nil			
	At the End of the year			47229000	7.39
8	Jayaswal Neco Power Private Limited				
	At the beginning of the year	36354500	5.69		
	Change during the year	Nil			
	At the End of the year			36354500	5.69
9	Jayaswal Neco Infrastructures Private Limited				
	At the beginning of the year	34385500	5.38		
	Change during the year	Nil			
	At the End of the year			34385500	5.38
10	Jayaswal Neco Steel and Mining Ltd.				
	At the beginning of the year	13250000	2.07		
	Change during the year	Nil			
	At the End of the year			13250000	2.07
11	Jayaswal Holdings Pvt. Ltd.				
	At the beginning of the year	53098951	8.31		
	Change during the year	Nil			
	At the End of the year			53098951	8.31
12	Neco Valves and Pumps Pvt. Ltd.				
	At the beginning of the year	864000	0.14		
	Change during the year	Nil			
	At the End of the year			864000	0.14
13	Neco Leasing and Finance Pvt.Ltd.				
	At the beginning of the year	899500	0.14		
	Change during the year	Nil			
	At the End of the year			899500	0.14
14	Basant Lall Shaw				
	At the beginning of the year	10312850	1.62		
	Change during the year	Nil			
	At the End of the year			10312850	1.62
15	Arbind Jayaswal				
	At the beginning of the year	2397920	0.38		
	Change during the year	Nil			
	At the End of the year			2397920	0.38



16	Ramesh Jayaswal				
	At the beginning of the year	2397920	0.38		
	Change during the year		Nil		
	At the End of the year			2397920	0.38
17	Nisha Jayaswal				
	At the beginning of the year	25000	0.00		
	Change during the year		Nil		
	At the End of the year			25000	0.00
18	Rita Jayaswal				
	At the beginning of the year	25000	0.00		
	Change during the year		Nil		
	At the End of the year			25000	0.00

iv Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No	Name of the Shareholders	Shareholding		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
1	Efficient Structures Private Limited				
	At the beginning of the year	27862353	4.36		
	Change during the year		Nil		
	At the End of the year			27862353	4.36
2	Rajvardhan Trade Zone Private Limited				
	At the beginning of the year	25512353	3.99		
	Change during the year		Nil		
	At the End of the year			25512353	3.99
3	Costal Multitrading Private Limited				
	At the beginning of the year	25000353	3.91		
	Change during the year		Nil		
	At the End of the year			25000353	3.91
4	Salmon Developers Private Limited				
	At the beginning of the year	16845000	2.64		
	Change during the year		Nil		
	At the End of the year			16845000	2.64
5	Darshan Gems Private Limited				
	At the beginning of the year	16520000	2.59		
	Change during the year		Nil		
	At the End of the year			16520000	2.59
6	Karishma Jayaswal				
	At the beginning of the year	4488348	0.70		
	Change during the year		Nil		
	At the End of the year			4488348	0.70
7	Avneesh Jayaswal				
	At the beginning of the year	3569130	0.56		
	Change during the year		Nil		
	At the End of the year			3569130	0.56
8	Anand Jayaswal				
	At the beginning of the year	3063310	0.48		
	Change during the year		Nil		
	At the End of the year			3063310	0.48

9	Vandana Sehgal				
	At the beginning of the year	2483509	0.39		
	Bought shares on 29.06.2019	80469	--	2563978	0.40
	Bought shares on 06.09.2019	19223	--	2583201	0.40
	Bought shares on 30.09.2019	8000	--	2591201	0.41
	Bought shares on 01.11.2019	100	--	2591301	0.41
	Bought shares on 27.03.2020	4000		2595301	0.41
	At the End of the year			2595301	0.41
10	Bharatkumar Taparia				
	At the Beginning of the Year	2203876	0.35		
	Change during the year	Nil			
	At the End of the Year			2203876	0.35

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the Director/ Key Managerial Personnel	Shareholding		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
A	Directors				
1	Basant Lall Shaw, Chairman				
	At the beginning of the year	10312850	1.62		
	Change during the year	Nil			
	At the End of the year			10312850	1.62
2	Arbind Jayaswal, Managing Director & Chief Executive Officer (Foundry Division)				
	At the beginning of the year	2397920	0.38		
	Change during the year	Nil			
	At the End of the year			2397920	0.38
3	Ramesh Jayaswal, Joint Managing Director & Chief Executive Officer (Steel Plant Division)				
	At the beginning of the year	2397920	0.38		
	Change during the year	Nil			
	At the End of the year			2397920	0.38
4	B. K. Agrawal, Director (Independent)				
	At the beginning of the year	7500	0.00		
	Change during the year	Nil			
	At the End of the year			7500	0.00
5	P. K. Bhardwaj, Executive Director and CFO				
	At the beginning of the year	-	-		
	Change during the year	Nil			
	At the End of the year			-	-
6	S. N. Singh, Director (Independent)				
	At the beginning of the year	-	-		
	Change during the year	Nil			
	At the End of the year			-	-
7	D. K. Sahni, Director (Independent)				
	At the beginning of the year	-	-		
	Change during the year	Nil			
	At the End of the year			-	-

8	Raji Nathani, Director (Independent)				
	At the beginning of the year	-	-		
	Change during the year	Nil			
	At the End of the year			-	-
9	M. P. Singh, Executive Director (Steel) & Chief Operating Officer (Steel Plant Division)				
	At the beginning of the year	-	-		
	Change during the year	Nil			
	At the End of the year			-	-
10	Arvind Iyer, Director (Independent)				
	At the beginning of the year	140	0.00		
	Change during the year	Nil			
	At the End of the year			140	0.00
11	RP Mohanka, Director (Independent)				
	At the Beginning of the year	-	-		
	Change during the Year	Nil			
	At the End of the Year			-	-
12	Vaishali Nemlekar, Nominee Director (IDBI Bank Ltd.) Upto 12.07.2019				
	At the beginning of the Year	-	-		
	Change during the Year	Nil			
	At the End of the Year			-	-
B	Key Managerial Personnel (KMP)				
	Vikash Kumar Agarwal, Company Secretary & Compliance Officer				
	At the beginning of the year	-	-		
	Change during the year	Nil			
	At the End of the year			-	-

V. INDEBTEDNESS

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

(Rs. In Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2019)				
i) Principal Amount	359958.42	13445.05	-	373403.47
ii) Interest due but not paid	147696.07	0.52	-	147696.59
iii) Interest accrued but not due	204.72	-	-	204.72
TOTAL (i + ii + iii)	507859.21	13445.57	-	521304.78
Change in Indebtedness during the financial year (Principal Amount)				
Addition	1136.70	117.20	-	1253.90
Reduction	-	-	-	-
Net Change	1136.70	117.20	-	1253.90
Indebtedness at the end of the financial year (31.03.2020)				
i) Principal Amount*	361095.12	13562.25	-	374657.37
ii) Interest due but not paid	208073.45	292.57	-	208366.02
iii) Interest accrued but not due	89.78	-	-	89.78
TOTAL (i + ii + iii)	569258.35	13854.82	-	583113.17

*Excluding Suppliers Credits

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. In Lacs)

Sr. No.	Particulars of Remuneration	Arbind Jayaswal, MD & CEO (Foundry Division)	Ramesh Jayaswal, JMD & CEO (Steel Plant Division)	M. P. Singh, Executive Director (Steel) & COO (Steel Plant Division)	P. K. Bhardwaj, Executive Director and CFO	Total Amount
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	151.74	151.74	74.21	46.64	424.33
	(b) Value of perquisites u/s 17(2) of Income-Tax Act, 1961	-	-	3.00	2.15	5.15
	(c) Profits in lieu of salary under section 17(3) of Income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- others, specify	-	-	-	-	-
5	Others, specify	-	-	-	-	-
	Total (A)	151.74	151.74	77.21	48.79	429.48
	Ceiling as per the Companies Act, 2013*	130.27	130.27	130.27	130.27	-

* Any amount more than the above prescribed limit can be paid by passing a Special Resolution by the Members of the Company.

B. Remuneration to other Directors :

(Rs. In Lacs)

Sr. No.	Particulars of Remuneration	Name of Directors						Total
1	Independent Directors	D. K. Sahni	Arvind Iyer	B.K Agrawal	S. N. Singh	R. P. Mohanka	Raji Nathani	
	Fee for attending Board/ Committee meetings	0.90	1.35	1.25	1.20	1.00	1.00	
	Commission	-	-	-	-	-	-	
	Others, please specify	-	-	-	-	-	-	
	Total (1)	0.90	1.35	1.25	1.20	1.00	1.00	6.70
2	Other Non-Executive Directors	Vaishali Sanjay Nemlekar (Upto 12.07.2019)			Basant Lal Shaw, Chairman			
	Fee for attending Board/ Committee meetings	0.25			0.75			
	Commission	-			-			
	Others, please specify	-			-			
	Total (2)	0.25			0.75			1.00
	Total (B) = (1+2)							7.70
	Total Managerial Remuneration* (A + B)							437.18
	Overall Ceiling as per the Act	** (being 11% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013) and for Sitting Fee Rs. 1.00 Lakh per meeting of the Board or its Committee						

* Total Remuneration to MD, WTD and other Directors (being the Total of A and B)

** There is absence of profits in the financial year 2019-20.



C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WT

(Rs. in Lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	Total
		Vikash Kumar Agarwal Company Secretary & Compliance Officer	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24.02	24.02
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify...	-	-
5	Others, please specify	-	-
	Total	24.02	24.02

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

(Rs. in Lacs)

Type	Section of the Companies Act, 1956 / 2013	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
B. DIRECTORS					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
C. OTHER OFFICERS IN DEFAULT					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

For and on behalf of Board of Directors

Date: 29th June, 2020
Place: Nagpur

Arbind Jayaswal
Managing Director & CEO (Foundry Division)
(DIN 00249864)

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

ANNEXURE – E

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020

[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, 2020 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 , 2020 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, Overseas Direct Investment and External Commercial Borrowings. There were no such transactions 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 31st March, 2020:-**

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 except where Meeting was convened at shorter notice duly approved by the Board, 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:

- The Company Petition No.11 of 2015, under Section 434 of 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.

As informed by the Company it has challenged the maintainability of the winding up petition and presently the hearing in the matter has been completed. The Petition is still at pre-admission stage.

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.

- The Directorate of Enforcement had provisionally attached the Plant and Machinery under installation at Dagori Integrated steel plant situated at Bilha, Bilaspur (Chhattisgarh) to the extent of Rs. 20616 Lakhs for alleged misuse of coal raised from Gare Palma IV/4 coal block at Chhattisgarh - (First attachment) and also had provisionally attached certain property, plant and equipment to the extent of Rs. 2092 lakhs situated at Dagori Integrated steel plant situated at Bilha, Bilaspur (Chhattisgarh) and Rs. 8050 Lakhs situated at Steel Plant Division, Siltara, Raipur.

The Order inter-alia alleged that benefits to the extent of Rs. 10142 Lakhs accrued to the Company, in the form of fresh share capital issuance for setting up end use projects related to captive coal mine of Gare Palma IV/4 coal block, constitutes as part of Proceeds of Crime – (Second attachment).

The Adjudicating Authority had confirmed the above both provisional attachments. Subsequently the Appellate Authority stayed both the attachments on an appeal filed by the Company. On March 15, 2019, upon the Company's request, the ED Appellate Authority had clubbed the matter of first attachment with the matter of second attachment.

The matter has been put up for hearing now on September 18, 2020 with the ED Appellate Authority. 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.

- 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 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 including getting Independent Evaluation Committee recommendation to the scheme, infusion of stipulated additional funds as Promoters Contribution as per the scheme and signing of its Master Restructuring Agreement 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 December 13, 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 Lakhs as default as on November 30, 2017.

In view of the Status Quo order issued by the Hon'ble Supreme Court, 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. The matter would be listed only after the Special Leave Petition (SLP) filed by the Company is disposed of by the Honorable Supreme Court.

Being aggrieved by the non-implementation of the approved debt restructuring scheme, the Company had filed Writ Petition (WP) before the Hon'ble Bombay High Court, Mumbai, against RBI, which got dismissed. The Company had challenged the order of the Hon'ble Bombay High Court before the Hon'ble Supreme Court of India and on April 16, 2018 the Hon'ble Supreme Court was pleased to issue notice and directed the parties to maintain status quo. The matter is yet to be listed on the bench.



All the lenders of the Company continue to support the operations of the Company. The Company is actively pursuing restructuring of its debts 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.

- E. 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:- 22/06/2020

R.A. DAGA & Co
Company Secretaries

Encl. ANNEXURE I
ANNEXURE II

Rachana Daga
Proprietor
Membership No: 5522
C.P.No:5073
UDIN:- F005522B000365299

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:- 22/06/2020

R.A. DAGA & Co.
Company Secretaries
Rachana Daga
Proprietor
Membership No: 5522
C. P. No: 5073

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: 22/06/2020

R.A. DAGA & Co.
Company Secretaries
Rachana Daga
Proprietor
Membership No: 5522
C. P. No: 5073

ANNEXURE – F

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 31st March, 2020.

- i) The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20:

Sr. No.	Name of Directors	Ratio
1	Shri Basant Lall Shaw	0.24
2	Shri Arbind Jayaswal	48.63
3	Shri Ramesh Jayaswal	48.63
4	Shri B. K. Agrawal	0.40
5	Shri P. K. Bhardwaj	15.64
6	Shri S. N. Singh	0.38
7	Shri Darshan Kumar Sahni	0.29
8	Smt. Raji Nathani	0.32
9	Shri Megh Pal Singh	24.75
10	Shri Arvind Iyer	0.43
11	Shri Rajendra Prasad Mohanka	0.32
12	Smt. Vaishali Nemlekar (upto 12 th July, 2019)	0.08

- 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 2019-20:

Sr. No.	Name of Directors / KMP	Designation	Remuneration Paid (Rs. in Lacs)		% increase / (decrease) in Remuneration Paid
			2019-20	2018-19	
1	Shri Basant Lall Shaw	Chairman	0.75	0.75	--
2	Shri Arbind Jayaswal	Managing Director & CEO (Foundry Division)	151.74	127.11	19.38
3	Shri Ramesh Jayaswal	Jt. Managing Director & CEO (Steel Plant Division)	151.74	127.11	19.38
4	Shri B. K. Agrawal	Independent Director	1.25	1.60	(21.87)
5	Shri P. K. Bhardwaj	Executive Director and CFO	48.79	44.73	9.08
6	Shri S. N. Singh	Independent Director	1.20	1.20	--
7	Shri Darshan Kumar Sahni	Independent Director	0.90	0.95	(5.26)
8	Smt. Raji Nathani	Independent Director	1.00	0.75	33.33
9	Shri Megh Pal Singh	Executive Director (Steel) & COO (Steel Plant Division)	77.21	65.85	17.25
10	Shri Arvind Iyer	Independent Director	1.35	0.35	285.71
11	Shri Rajendra Prasad Mohanka	Independent Director	1.00	0.75	33.33
12	Smt. Vaishali Nemlekar (upto 12 th July, 2019)	Nominee Director (IDBI Bank Limited)	0.25	0.25	--
13	Shri Vikash Kumar Agarwal	Company Secretary and Compliance Officer	24.02	*4.00	--

* Reflects the remuneration paid for part of the year.

- iii) The percentage increase in the median remuneration of employee(s) in the financial year 2019-20: **5.66%**.
- iv) The number of permanent employees on the roll of the Company: 3566 Employees as on 31st March, 2020.

- 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-Manual Personnel is **5.78%**.

Percentage increment at 50th Percentile for Salaries of Managerial Personnel is **NIL**.

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, 2020:

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 Arbind Jayaswal	Managing Director & CEO (Foundry Division) / Contractual	67, B.Sc.	43	151.74	Managing Director of Jayaswals Neco Limited	01.01.1998	0.38
2	Shri Ramesh Jayaswal	Joint Managing Director & CEO (Steel Plant Division)/ Contractual	61, B.Com.	36	151.74	Whole time Director of Nagpur Alloy Castings Limited	01.01.1998	0.38
3	Shri Avneesh Jayaswal	Group Director	34, B.B.A.	8	62.26	Jayaswal Neco Urja Limited	01.09.2014	0.56
4	Shri Megh. Pal Singh	Executive Director (Steel) & COO (Steel Plant Division) / Contractual	62, B. E. (Metallurgy)	40	77.21	Bhushan Steel Limited	13.11.2014	--
5	Shri Susanta Kumar Moitra	Associate Director (Business Development)	55, M.Com., D.B.M. and M.B.A.	29	67.53	House of Kedia, Bhilai	10.10.2001	--
6	Shri S.K. Swain	Associate Director (Metal Mines)	52, B. E. (Metallurgy)	28	71.01	Midwest Iron & Steel Co. Ltd.	11.09.1995	--
7	Shri Rajkamal Shrivastava	President (Marketing)	57, B.Com., LLB, PGDM & SM	35	76.30	Sunflag Iron & Steel Co. Ltd.	14.08.2003	--
8	Shri Kapil Shroff	President (Finance)	41, B.Com, F.C.A, D.I.S.A.	20	56.75	Sunflag Iron & Steel Co. Ltd.	15.05.2004	--



9	Shri B. Venkata Narayana	Vice President (Project)	55, B.E. (Mech.)	29	61.00	MGM Steel Limited	16.12.2010	--
10	Shri B. Srinivasa RaoW	Vice President (Pellet Plant)	52, AMIE (Elect. & Tele.), MBA, PG DIL PER. MGMT, PROD. MGMT.	30	57.75	Essar Steel Limited	31.05.2012	--

Notes:

- Remuneration includes Salary and allowances.
- Shri Arbind Jayaswal and Shri Ramesh Jayaswal are the sons of Shri Basant Lall Shaw, Chairman.
- Shri Avneesh Jayaswal is the son of Shri Ramesh Jayaswal, Joint Managing Director & CEO (Steel Plant Division).

For and on behalf of Board of Directors

Date: 29th June, 2020

Place: Nagpur

Arbind Jayaswal
Managing Director & CEO
(Foundry Division)
(DIN 00249864)

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

CORPORATE GOVERNANCE REPORT

I COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

II BOARD OF DIRECTORS

As of date, the Board of the Company comprises of 11 (Eleven) Directors; with the composition of Executive, Non-Executive and Independent Directors.

4 (Four) Board Meetings were held during the financial year ended 31.03.2020. The dates of the Board meetings held are as under:

i) 22.05.2019, ii) 12.08.2019, iii) 13.11.2019, iv) 11.02.2020

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 27.09.2019	No. of Directorships in other Companies as on 31/03/2020*	No. of Memberships/ Chairmanship in Committee of Directors in other Companies**		Name of Listed Entity and Category of Directorship
					Director	Member	Chairman	
1	Shri Basant Lall Shaw Chairman (DIN 00249729)	Promoter Non-Executive	3	Yes	4	-	-	-
2	Shri Arbind Jayaswal Managing Director & Chief Executive Officer (Foundry Division) (DIN 00249864)	Promoter Executive	4	Yes	4	-	-	-
3	Shri Ramesh Jayaswal Joint Managing Director & Chief Executive Officer (Steel Plant Division) (DIN 00249947)	Promoter Executive	4	Yes	5	-	-	-
4	Shri B. K. Agrawal Director (DIN 01223894)	Independent Non-Executive	3	Yes	-	-	-	-
5	Shri P. K. Bhardwaj Executive Director & CFO (DIN 03451077)	Professional Executive	4	Yes	-	-	-	-
6	Shri S. N. Singh Director (DIN 00398484)	Independent Non-Executive	4	No	1	-	-	Lloyds Steel Industries Limited – Independent Director

7	Shri Darshan Kumar Sahni Director (DIN 00131269)	Independent Non-Executive	3	No	-	-	-	-
8	Smt. Raji Nathani Director (DIN 06945777)	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	4	No	2	1	1	Sharda Ispat Limited-Independent Director Vidarbha Industries Limited – Independent Director
12	Smt. Vaishali Nemlekar Upto 12 th July, 2019	Director (IDBI Bank Ltd. Nominee)	1	No	-	-	-	-

(*) 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 Arbind 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 :

Skills/Expertise/Competencies Required	Skills/Expertise/Competencies Available	Name of Directors possessing the Skills/Expertise/Competencies
Steel Sector Expert	Yes	S/Shri Basant Lall Shaw, Arbind 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 Arbind Jayaswal, Ramesh Jayaswal and Arvind Iyer
Mining Expert	Yes	Shri D.K Sahni

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

The Company Secretary acts as the Compliance Officer.

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/wp-content/uploads/2016/08/Familiarisation-Program-of-Independent-Director.pdf>

III AUDIT COMMITTEE

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

During the year under review, the Committee met on 22.05.2019, 12.08.2019, 13.11.2019 and 11.02.2020. 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, and the number of Meetings attended by them during the year are as follows:

Sr. No.	Names of Members	No of Meetings attended
1)	Shri B K Agrawal Chairman	3
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 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 22.05.2019, 13.11.2019, 11.02.2020.

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

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

At the meeting held on 22.05.2019, the Committee reviewed and recommended the following:

- Appointment of Shri Basant Lall Shaw, as the Director of the Company liable to retire by rotation.
- Re-appointment of Shri B. K. Agrawal, as an Independent Director for the period of five years.
- The revised remuneration policy of the Company.

At the meeting held on 13.11.2019, the Committee reviewed and recommended the following:

- Re-appointment and remuneration of Shri Arbind Jayaswal as a Managing Director & Chief Executive Officer (CEO), Foundry Division for the period of three years.
- Re-appointment and remuneration of Shri Ramesh Jayaswal, as a Joint Managing Director & Chief Executive Officer (CEO), Steel Plant Division for the period of three years.
- Re-appointment and remuneration of Shri Pramod Kumar Bhardwaj as the Executive Director and Chief Financial Officer (CFO) for the period of three years.

At its meeting held on 11.02.2020, the Committee reviewed and recommended the following:

- The remuneration payable to Senior Management Personnel of the Company.
- 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. 1st 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 Central Government, wherever required 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 to Directors during the financial year 2019-20 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	--	--	-	0.75	10312850	-
2	Shri Arbind Jayaswal	Managing Director & Chief Executive Officer (Foundry Division)	01.01.2020 to 31.12.2022	3 months' notice	151.74 (**)	-	2397920	-
3	Shri Ramesh Jayaswal	Joint Managing Director & Chief Executive Officer (Steel Plant Division)	01.01.2020 to 31.12.2022	3 months' notice	151.74 (**)	-	2397920	-
4	Shri P K Bhardwaj	Executive Director and CFO	25.02.2020 to 24.02.2022	3 months' notice	48.79 (**)	-	-	-
5	Shri B K Agrawal	Independent Director	--	--	-	1.25	7500	-
6	Shri S N Singh	Independent Director	--	--	-	1.20	-	-
7	Shri D K Sahni	Independent Director	--	--	-	0.90	-	-
8	Smt. Raji Nathani	Independent Director	--	--	-	1.00	-	-
9	Shri Arvind Iyer	Independent Director	--	--	-	1.35	140	-
10	Shri Megh Pal Singh	Executive Director (Steel) & Chief Operating Officer (Steel Plant Division)	13.11.2017 to 12.11.2020	3 months' notice	77.21 (**)	-	-	-
11	Shri Rajendra Prasad Mohanka	Independent Director	--	--	-	1.00	-	-
12	Smt. Vaishali Nemlekar Upto 12 th July, 2019	Director (IDBI Bank Ltd. Nominee)	--	--	-	0.25*	-	-

(*) Sitting Fees paid to the Nominating Institution.

(**) Break up of Remuneration

Note: Company has not issued any Convertible Instruments.



(Amount Rs. in lacs)

Names of Directors	Salary and Allowances	Prov. Fund	Perks	Total
Shri Arbind Jayaswal	144.61	7.13	-	151.74
Shri Ramesh Jayaswal	144.61	7.13	-	151.74
Shri P K Bhardwaj	44.12	2.52	2.15	48.79
Shri Megh Pal Singh	71.15	3.06	3.00	77.21

Other payments to Directors:

During the year, the Company has paid an amount of Rs.20.80 lacs to Shri Arbind 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 Arbind Jayaswal, Managing Director & Chief Executive Officer (Foundry Division)	10.40
2	Shri Ramesh Jayaswal, Joint Managing Director & Chief Executive Officer (Steel Plant Division)	10.40
	TOTAL	20.80

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, 2020, Two (02) Complaints were received from shareholders and the same were redressed to the satisfaction of the shareholders.

Presently, Shri B K Agrawal, Non-Executive- Independent Director, is the Chairman of the Committee and Shri Arbind 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. The Committee has periodic interaction with the representatives of the Registrar and Transfer Agent of the Company. During the financial year ended 31st March, 2020 the Committee met Seven times on 08.04.2019,19.04.2019,13.06.2019,13.07.2019, 16.07.2019,14.10.2019,07.01.2020.

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 06.05.2019,23.05.2019,30.07.2019,31.10.2019, 30.01.2020.

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

Sr. No.	Names of Members		Attendance
1	Shri Arbind Jayaswal	Chairman	5
2	Shri Ramesh Jayaswal	Member	5
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.

In the said meetings, the Committee members inter-alia took note of amount spent on CSR activities during the financial year 2018-19, approved the CSR Budget and the activities planned for the financial year 2019-20.

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 06.05.2019. In this meeting the Committee considered and took note of the steps taken during the financial year 2018-19 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:

Sr. No.	Names of Members		Attendance
1	Shri Arbind 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 -

- i) To lay down Policies and procedures for risk assessment and minimization.
- ii) To implement, review and monitor risk management plan of the Company.
- iii) To identify, maintain and periodically review Risk Categories for classification of risk.
- iv) To periodically report to the Board of the key strategic, operations, reporting and compliance risks the Company is facing or likely to face, the level of risk and the processes implemented to manage each of these key risks and about proper implementation and monitoring of the Risk Management Plan.
- v) To comply with the directions of the Board as may be given from time to time in connection with pursuing objectives of Risk Management Policy and such other matters related thereto as the Board may deem fit.

**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 11th February, 2020 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 except for Shri B.K Agrawal and Shri D.K Sahni who could not attend the meetings due to certain pre-occupations.

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
31.03.19	Registered Office at F-8, MIDC Industrial Area, Hingna Road, Nagpur - 440 016.	27.09.19	12.30 P.M.
31.03.18	Registered Office at F-8, MIDC Industrial Area, Hingna Road, Nagpur - 440 016.	28.09.18	12.30 P.M.
31.03.17	Registered Office at F-8, MIDC Industrial Area, Hingna Road, Nagpur - 440 016.	27.09.17	12.30 P.M.

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

a. 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.

b. 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.

c. Annual General Meeting held on 27.09.2017

- i. Resolution under Sections 196, 197 and all other applicable provisions of Companies Act, 2013 read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), approving re-appointment and remuneration of Shri Megh Pal Singh (DIN: 02635073) as an Executive Director (Steel) of the Company for a period of 3 (Three) years with effect from 13th November, 2017 up-to 12th November, 2020.

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 published in Loksatta, Indian Express and Financial Express and are displayed on its website (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) 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).

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 2019-20 and 2020-21 has been duly approved/ratified 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/wp-content/uploads/2019/12/11.-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 and 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 have improved and it is expected that fluctuation in the finished rolled products prices would be within tolerance limits and the same would be negated with 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 almost remained flat in the last three quarters after showing decline in prices in the first quarter.

The Iron ore and ore fines prices had witnessed increase internationally and the same trend continued in India as well.

The Indian Steel Industry expects to gain momentum due to 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., and previous imposition of various anti-dumping and safeguard duties to protect the Indian Steel Industry from cheap imports.

The domestic steel demand is increasing and is expected to show gradual uptrend. There has been upward price revision in the Finished Steel products during the last quarter of the financial year.

However, with global Steel over capacity continuing and US hardening its stand on increasing tariffs on Steel imports, there would be pressure on the selling prices of finished steel globally which may impact the earnings of the Company in future.

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 individually as well as through its association.

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 in the year 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 proactively 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 though.

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	43,95,000 /-
2.	M/s. Naresh Patadia & Co.	Statutory Audit & Limited Review	22,35,000 /-
TOTAL			66,30,000/-

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 31st March, 2020 :

Number of Complaints Received	NIL	Number of Complaints disposed off	N.A
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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 31.03.2020 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 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 and Time, Venue : On or before due date / 24th December 2020* at 12:30 pm
: Regd. Office at F-8, MIDC Industrial
Area, Hingna Road, Nagpur - 440 016.

*The Company is planning to move an application to the Registrar of Companies, Mumbai (ROC) for extension of Annual General Meeting (AGM) of the Company for 3 (Three) months due to CoVID - 19 pandemic. In case ROC grants extension, the Company proposes to hold the AGM on 24th December, 2020.

3. **Book Closure Date** : 18th December, 2020 to 24th December, 2020
(both days inclusive).
4. **Dividend Payment Date** : Not Applicable since no dividend is proposed.
5. **Financial Year** : April 1st to March 31st
6. **Financial Calendar For the Year ending** : 31st March, 2021

Sr. No.	Particulars	Tentative Date
1	Unaudited Financial Results for the period of 3 months ending 30 th June, 2020.	First or Second week of August, 2020.
2	Unaudited Financial Results for the period of 3 months ending 30 th September, 2020.	First or Second week of November, 2020
3	Unaudited Financial Results for the Period of 3 months ending 31 st December, 2020.	First or Second week of February, 2021
4	Audited Financial Results for the year/3 months ending 31 st March, 2021.	Second Last or Last week of May, 2021
5	Annual General Meeting for the year ending 31 st March, 2021.	Second Last or Last week of September, 2021.

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, 5th Floor, Plot No. 6/1,
Bandra Kurla Complex, 'G' Block, Bandra,
MUMBAI – 400 051.
Stock Code – JAYNECOIND

8. Annual Listing fees for the year 2020-2021 have been duly paid to both the above Stock Exchanges.
9. Annual Custody / Issuer fee for the year 2020 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. '19	6.39	5.80	6.25	5.80
May '19	5.73	4.83	5.75	4.70
June '19	4.88	3.94	4.80	3.85
July '19	5.90	4.37	5.80	4.15
Aug. '19	4.21	3.81	4.20	3.80
Sep. '19	4.91	3.66	4.90	3.55
Oct. '19	4.71	3.34	4.75	3.40
Nov. '19	4.12	3.36	4.05	3.35
Dec. '19	3.77	3.07	3.70	3.05
Jan. '20	4.54	3.25	4.55	3.20
Feb. '20	4.08	3.37	4.05	3.35
Mar. '20	3.35	2.03	3.45	1.90

- B. Equity Shares of the Company are regularly traded on both the Exchanges. During the year, approximately 118.70 Lacs Equity Shares were traded.

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

Financial Year 2019 –2020	Percentage Change		
	Company	BSE Sensex	NSE Nifty
	(65.39%)	(23.80%)	(26.03%)

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:

Sharex Dynamic (India) Pvt. Ltd.

C-101,247 Park,

L.B.S. Marg, Vikhroli West,

Mumbai – 400 083.

SEBI Reg. No. INR 000002102.

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

(a) Physical Form

The Company has appointed Sharex Dynamic (India) Pvt. Ltd. as its Registrar and Transfer Agent to look into various issues relating to the investors including share transfers. Share transfers in physical form are registered and returned within a period of 10 days from the date of receipt, subject to the documents being valid and complete in all respects. The Company gets report of the share transfers, etc. periodically from Registrar and Transfer Agent.

During the year, the Company has received Two (02) investor complaints, regarding non-receipt of shares and delay in transfer of shares etc. Complaints/Grievances were duly addressed and resolved within 15 days from the date of receipt.

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 a period of 15 days 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 31st March, 2020:

CATEGORY	No. of Shares held	% of Total Shareholding	No. of Shareholders
(A) Shareholding of Promoter and Promoter Group			
Individuals:	15158690	2.37	5
Bodies Corporate:	424144151	66.41	13
Sub-Total (A)	439302841(*)	68.79	18
(B) Public Shareholding			
Institutions:	69559	0.01	20
Non-Institutions:			
a) Bodies Corporate, NRI, OCB and Clearing Members	126108214	19.74	1510
b) Individuals			
i. Individual Shareholders holding nominal Share Capital up-to Rs. 2 Lakhs.	25154251	3.94	35023
ii. Individual Shareholders holding nominal Share Capital in excess of Rs. 2 Lakhs.	47998198	7.52	326
Sub-Total (B)	199330222	31.21	36879
GRAND TOTAL	638633063	100.00	36897

(*) 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 31st March, 2020:

(Amount in Rs.)

Shares of Nominal Value	Number of Shareholders	% of Holders	Total Amount	% of Amount
Upto 5000	27920	75.67	47192960.00	0.74
5001 to 10000	3694	10.01	32073000.00	0.50
10001 to 20000	2077	5.63	33805280.00	0.53
20001 to 30000	781	2.12	20709110.00	0.32
30001 to 40000	393	1.07	14395360.00	0.23
40001 to 50000	491	1.33	23643370.00	0.37
50001 to 100000	717	1.94	54743870.00	0.86
100001 and Above	824	2.23	6159767680.00	96.45
Total	36897	100.00	6386330630.00	100.00

15. Dematerialisation of Shares and Liquidity:

636083768 Equity Shares i.e. 99.60 % of the total Equity Shares have been dematerialized up to 31.03.2020.

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

16. Company has no outstanding GDR's, ADR's, Warrants or any other Convertible Instruments.**17. Plant Locations:**

1. Steel Plant Division - Siltara Growth Centre, Raipur (CG).
2. Centricast Division – F-8 & F-8/1, MIDC Area, Hingna Rd, Nagpur (MH).
3. Engineering Castings Division- T-41/42, MIDC Area, Hingna, Nagpur (MH)
4. Automotive Castings Division- Village Ruikhairi, Wardha Rd. Butibori, Nagpur (MH).
5. Construction Castings Divisions – 105, Light Industrial Area, Bhilai, Dist. Durg (CG) & Thanod Road, Anjora, Dist. Rajnandgaon (CG).

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 / 236251

Email: contact@necoindia.com

Registrar and Transfer Agents Office:**Sharex Dynamic (India) Private Limited**

C-101, 247 Park,

L.B.S. Marg, Vikhroli (West),

Mumbai-400083.

Ph. Nos. 022-28515606, 022-28515644

E-mail: support@sharexindia.com

For and on behalf of Board of Directors

Date: 29th June, 2020

Place: Nagpur

Arbind 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) 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 31st March, 2020 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.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	BASANT LALL SHAW	00249729	28/11/1972
2	ARBIND 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	DARSHAN KUMAR SAHNI	00131269	11/08/2014
7	SATYENDRA NARAIN SINGH	00398484	10/02/2014
8	ARVIND IYER	01375173	13/11/2014
9	MEGH PAL SINGH	02635073	28/10/2010
10	RAJI NATHANI	06945777	11/08/2014
11	RAJENDRA PRASAD MOHANKA	00235850	27/07/2018

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

UDIN : F005522B000327778

Date:- 09th June,2020

Place: Nagpur

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

To

The Members of

JAYASWAL NECO INDUSTRIES LIMITED.

1. The Corporate Governance Report prepared by **JAYASWAL NECO INDUSTRIES LIMITED** ('the Company') for the financial year 2019-20 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 2019-20.

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 2019-20 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: 10th August, 2020

Place: Nagpur

**Rachana Daga
Proprietor
[M. No.: -F5522]
[CP No.: 5073]
UDIN: -F005522B000563631**



CERTIFICATION ON FINANCIAL STATEMENTS

We, Shri Arbind 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 31st March, 2020 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
Date: 29th June, 2020

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

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 31.03.2020, adhered to the Code of Conduct laid down by the Company.

For **JAYASWAL NECO INDUSTRIES LIMITED**
Arbind Jayaswal
Managing Director & CEO (Foundry Division)
DIN: 00249864

Date: 29.06.2020

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, 2020, 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, 2020 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. 207,711.72 Lakhs due to certain banks and Assets Reconstruction Company. Banks holding 94.18% (by value) of the total principal debt, equivalent to Rs. 339,353.50 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 eight different Trusts (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, 2020, 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 continued to incur cash losses, it's net worth has been fully eroded, impairment of certain non-current assets (Refer Note No. 2.11), loans have 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 94.18% (by value) of the total principal debt, equivalent to Rs. 339,353.50 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 eight different Trusts (ACRE). 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 Matters

We draw your attention to :

- i) Note no. 45 to the Financial Statements, which describes the uncertainties related to COVID-19 and its consequential effects on the affairs of the Company.
- ii) Note no. 2.08 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 these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements 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
1) Impairment of Property, Plant and Equipment (PPE) and Capital Work in Progress (CWIP):	
<p>As at March 31, 2020 carrying value of PPE and CWIP is Rs. 428,184.66 lakhs which constitutes 74.31% of the total assets of the Company.</p> <p>As per Ind AS 36 "Impairment of Assets", in assessing whether there is any indication that an asset may be impaired, as entity shall consider as a minimum, the external and internal sources of information, any other indication or evidences from internal reporting that indicates that the asset may be impaired.</p> <p>The existence of an impairment indicator is significantly influenced, the Company has been incurring cash losses, its net worth has been fully eroded and COVID – 19 Pandemic has impacted its business.</p> <p>Management concluded that the recoverable amount of certain PPE and CWIP were lower than their carrying values and accordingly the Company has made a provision of Rs. 56,816.68 Lakhs as an impairment loss. These conclusions are dependent upon significant management judgement, including in respect of:</p> <ul style="list-style-type: none"> –Estimated utilization, disposal values and –Estimated resale values, provided by an independent external valuer. <p>We considered this matter as key audit matter due to the significance of the carrying value of the assets being assessed and due to the level of management judgement required in the assumptions impacting the impairment assessment and the sensitivity of the impairment model.</p> <p>Refer Note no. 2 to the Financial Statements.</p>	<p>Our audit procedure included, among others:</p> <ul style="list-style-type: none"> • Updating our understanding of management's annual impairment testing process. • Assessing internal controls designed for identification of impairment indicators. • Ensuring that the methodology of the impairment exercise continues to comply with the requirements of Ind AS, as adopted, including evaluating management's assessment of indicators of impairment against indicators of impairment specified within Ind AS 36. • Assessing the appropriateness of the Company's valuation methodology applied in determining the recoverable amount. In making this assessment, it took into consideration the valuation report of the specialist involved by the Company. It also required evaluating the objectivity, independence and competency of specialists involved in the valuation process. • Verifying the completeness of disclosure in the financial statements as per Ind AS 36.

Key Audit Matter	How our audit addressed the key audit matter
2) Inventories	
<p>As of March 31, 2020, inventories appear in the Financial Statements for an amount of Rs. 85,385.84 lakhs constitutes 14.82% of the total assets of the Company. Inventories are valued at the lower of cost and net realizable value.</p> <p>The Company may recognize an inventory allowance if inventory items are damaged, if the selling price has declined, or if the estimated costs to completion or to be incurred to make the sale have increased.</p> <p>We considered this matter as key audit matter due to the:</p> <ul style="list-style-type: none"> • Significance of the inventories balance. • Complexities involved in determining quality of inventories and quantities on hand due to the number, weight, location, diversity of inventory storage locations Valuation procedure including valuation of obsolete inventories. <p>Refer note no. 1(C)(VI) and 7 to the Financial Statements.</p>	<p>Our audit procedure included, among others:</p> <ul style="list-style-type: none"> • Reviewing the Company's process and procedure for physical verification of the Inventories and accounting for the same. • 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. • Assessing the methods used to value inventories and ensuring the consistency of accounting methods. • Testing, by sampling, the effectiveness of the controls set up by Management to prevent or detect possible errors in valuation of inventories. • Analyzing the company's assessment of net realizable value, as well as reviewing the assumptions and calculations for stock obsolescence. • Verifying the completeness of disclosure in the Financial Statements as per Ind AS 2. • Obtaining representation letter from the management as per SA 580 (revised) – Written representations.

Key Audit Matter	How our audit addressed the key audit matter
3) Litigation and Regulatory Claims	
<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, 2.08, 2.09, 22.05, 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"> • Assessing the procedures implemented by the Company to identify and gather the risks it is exposed to. • Obtaining an understanding of the risk analyses performed by the Company, with related supporting documentation, and studying written statements from internal and external legal experts, where applicable. • Discussion with the management on the development in these litigations during the year. • Enquiring from the company's legal counsel (internal/ external) and study the responses as received from them. • 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 with the Company. • Obtaining representation letter from the management on the assessment of these matters as per SA 580 (revised) – Written representations.



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.

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 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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 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 year 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 Statement of cash flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, 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, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 over financial reporting 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 managerial remuneration aggregating of Rs. 131.57 Lakhs paid to the whole time directors of the Company during the year ended March 31, 2020, is subject to approval from the shareholders of the Company as required under 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, 2.08, 2.09, 22.05, 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: 20043495AAAAACE1388
Mumbai
Date: June 29, 2020

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

Naresh Patadia
Proprietor
Membership No. 35620
UDIN: 20035620AAAAAD9864
Nagpur
Date: June 29, 2020

“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, 2020)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **JAYASWAL NECO INDUSTRIES LIMITED** (‘the Company’) as of March 31, 2020 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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (‘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 over financial reporting 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting 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 over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.



Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Pathak H. D. & Associates LLP**

Chartered Accountants

Firm Reg. No. 107783W/W100593

Mukesh Mehta

Partner

Membership No. 43495

UDIN: 20043495AAAAACE1388

Mumbai

Date: June 29, 2020

For **Naresh Patadia & Co.**

Chartered Accountants

Firm Reg. No. 106936W

Naresh Patadia

Proprietor

Membership No. 35620

UDIN: 20035620AAAAAAD9864

Nagpur

Date: June 29, 2020

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, 2020)

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, 2020	Remarks (give reasons for the exception)
1	4 immovable properties land at Raipur (1 agreement pledge with the lender)	Leasehold Land	1798.63	2 title deeds are in the name of Corporate Ispat Alloys Limited, from where the unit demerged and acquired by the Company and 2 title deeds are in the name of Nagpur Alloy Castings Limited 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	63.76	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. 679.54 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:
- 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.
 - 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.
 - 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, 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:
- 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, 2020 for a period of more than six months from the date they became payable.
 - Details of dues of Duty of Custom, Duty of Excise, Service Tax, Sales Tax and Value Added Tax aggregating to Rs. 1318.33 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 lacs) (*)	
Custom Duty	Custom Act, 1962	2014-16	78.56	CESTAT
		2004-05	100.00	Commissioner
Excise Duty	Central Excise Act, 1944	2009-16	139.77	CESTAT
Service Tax	Finance Act, 1994	2005-09 & 2015-18	230.34	CESTAT
		2015 -18	13.71	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	18.55	Additional Commissioner
		2013-15	4.40	Joint Commissioner
		1996-97, 2002-03 & 2013-14	18.68	Deputy Commissioner
Total			1,318.33	

(*) 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, 2020 the Company has defaulted in repayment of dues to lenders aggregating to Rs. 278014.67 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)	95,531.58	8,196.60	87,334.98
ACRE 64 Trust (Punjab National Bank)	64,855.39	5,483.89	59,371.50
ACRE 59 Trust (Union Bank of India)	33,886.61	3,097.41	30,789.20
ACRE 70 Trust (Oriental Bank of Commerce)	11,634.47	1,027.39	10,607.08
ACRE 76 Trust (Bank of India)	6,972.43	625.15	6,347.28
ACRE 63 Trust (Indian Overseas Bank)	11,601.58	915.09	10,686.49
ACRE 69 Trust (Central Bank of India)	20,468.62	1,723.74	18,744.88
ACRE 68 Trust (IDBI Bank)	19,138.18	1,248.92	17,889.26
Bank of Maharashtra	8271.18	702.79	7568.39
Andhra Bank	3,431.12	298.50	3,132.62
UCO Bank	2,223.51	84.51	2,139.00
Total	278,014.67	23,403.99	254,610.68

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, 2020 in their Books of Account.

(Rs. in lakhs)

Sr. No.	Bank	Term Loan Principal	Fund Based Working Capital	Total
1.	Bank of Maharashtra	9,258.78	-	9,258.78
2.	Andhra Bank	4,815.61	-	4,815.61
3.	UCO Bank	1,434.19	-	1,434.19
4.	ICICI Bank	-	5,474.43	5,474.43
	Total	15,508.58	5,474.43	20,983.01

- 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 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, except remuneration paid to three of the whole time directors amounting to Rs. 131.57 Lakhs, which is subject to the shareholder's approval.
- 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

Mukesh Mehta

Partner

Membership No. 43495

UDIN: 20043495AAAACE1388

Mumbai

Date: June 29, 2020

For **Naresh Patadia & Co.**

Chartered Accountants

Firm Reg. No. 106936W

Naresh Patadia

Proprietor

Membership No. 35620

UDIN: 20035620AAAAAD9864

Nagpur

Date: June 29, 2020

BALANCE SHEET AS AT 31ST MARCH, 2020

(Rs.in lakhs)

PARTICULARS	Note No.	As at 31.03.2020	As at 31.03.2019
I. ASSETS			
1) Non Current Assets			
(a) Property, Plant and Equipment	2	423087.50	462525.81
(b) Capital Work in Progress	2	5097.16	47703.77
(c) Intangible Assets	3	1023.21	1573.87
(d) Intangible Assets under Development	3	3141.41	1599.03
(e) Financial Assets			
(i) Other Financial Assets	4	123.41	2.38
(f) Non Current Tax Assets (Net)	5	228.30	233.63
(g) Other Non Current Assets	6	3460.62	3384.27
		436161.61	517022.76
2) Current Assets			
(a) Inventories	7	85385.84	83417.42
(b) Financial Assets			
(i) Investments	8	0.04	0.10
(ii) Trade Receivables	9	35131.85	48552.92
(iii) Cash and Cash Equivalents	10	1196.91	1123.02
(iv) Bank Balances other than (iii) above	11	10443.46	8749.03
(v) Loans	12	-	-
(vi) Other Financial Assets	13	271.27	212.90
(c) Current Tax Assets (Net)	14	1273.42	1172.61
(d) Other Current Assets	15	6340.98	11305.26
		140043.77	154533.26
TOTAL ASSETS		576205.38	671556.02
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	16	63862.58	63862.58
(b) Other Equity	17	(144500.94)	6117.70
		(80638.36)	69980.28
LIABILITIES			
1) Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	213316.22	236720.62
(ii) Other Financial Liabilities	19	16.86	16.35
(b) Provisions	20	23.53	21.32
(c) Deferred Tax Liabilities (Net)	21	-	-
		213356.61	236758.29
2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	86723.56	86704.15
(ii) Trade Payables	23		
Total Outstanding dues of Micro Enterprises and Small Enterprises		4440.03	4030.72
Total outstanding dues of Creditors other than Micro enterprises and Small Enterprises		23663.05	29257.09
(iii) Other Financial Liabilities	24	316622.71	230708.57
(b) Other Current Liabilities	25	4167.40	7272.06
(c) Provisions	26	7870.38	6844.86
		443487.13	364817.45
TOTAL EQUITY AND LIABILITIES		576205.38	671556.02
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)

MUKESH MEHTA

Partner

Membership No.: 43495

For NARESH PATADIA & CO.

Chartered Accountants

(Registration No. : 106936W)

NARESH PATADIA

Proprietor

Membership No.: 35620

For and on behalf of Board of Directors

ARBIND JAYASWAL

Managing Director & Chief Executive Officer

DIN : 00249864

VIKASH KUMAR AGARWAL

Company Secretary

Membership No.: A19583

P. K. BHARDWAJ

Executive Director & Chief Financial Officer

DIN : 03451077

Nagpur, 29th June, 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

(Rs.in lakhs)

PARTICULARS	Note No.	For the year ended 31.03.2020	For the year ended 31.03.2019
1 Revenue from Operations	27	363217.96	422652.60
2 Other Income	28	852.27	1740.86
3 Total Income (1+2)		364070.23	424393.46
4 Expenses			
Cost of Materials Consumed		206151.79	236316.91
Purchase of Stock in Trade		1054.56	1333.22
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	29	11422.11	(23124.49)
Employee Benefits Expense	30	22578.22	21929.64
Finance Costs	31	86736.36	71146.83
Depreciation and Amortisation Expense	32	27633.74	27268.36
Other Expenses	33	102065.43	133926.28
Total Expenses		457642.21	468796.75
5 Loss Before Exceptional Items and Tax (3-4)		(93571.98)	(44403.29)
6 Exceptional Items (Refer Note No. 2.11)		56816.68	-
7 Loss Before Tax (5-6)		(150388.66)	(44403.29)
8 Tax Expenses :			
Deferred Tax	21	(57.88)	26.77
Income Tax for Earlier Years		-	(10.73)
		(57.88)	16.04
9 Loss for the Year (7+8)		(150446.54)	(44387.25)
10 Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Remeasurement Gains / (Losses) on Defined Benefit Plans		(229.98)	76.62
Tax Effect on above	21	57.88	(26.77)
(ii) Items that will be reclassified to profit or loss		-	-
Total Other Comprehensive Income (Net of Tax)		(172.10)	49.85
Total Comprehensive Income for the Year (9+10)		(150618.64)	(44337.40)
11 Earnings per Equity Share of Rs. 10/- each	34		
Basic (Rs.)		(23.56)	(6.95)
Diluted (Rs.)		(23.56)	(6.95)
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)

MUKESH MEHTA

Partner

Membership No.: 43495

For **NARESH PATADIA & CO.**

Chartered Accountants

(Registration No. : 106936W)

NARESH PATADIA

Proprietor

Membership No.: 35620

For and on behalf of Board of Directors

ARBIND JAYASWAL

Managing Director & Chief Executive Officer

DIN : 00249864

VIKASH KUMAR AGARWAL

Company Secretary

Membership No.: A19583

P. K. BHARDWAJ

Executive Director & Chief Financial Officer

DIN : 03451077

Nagpur, 29th June, 2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

A. EQUITY SHARE CAPITAL

(Rs. in lakhs)

PARTICULARS	Balance as at 01.04.2018	Changes during the year	Balance as at 31.03.2019	Changes during the year	Balance as at 31.03.2020
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		
Balance as at 1 st April, 2018	1518.42	7762.89	96345.81	16700.87	5100.37	(76883.85)	560.13	51126.11
Transitional Impact of Ind AS - 115	-	-	-	-	-	(671.01)	-	(671.01)
Total Comprehensive Income for the year	1518.42	7762.89	96345.81	16700.87	5100.37	(77554.86)	560.13	50455.10
Balance as at 31 st March, 2019	1518.42	7762.89	96345.81	16700.87	5100.37	(44387.25)	49.85	(44337.40)
Balance as at 1 st 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)

As per our Report of even date

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

MUKESH MEHTA

Partner
Membership No. : 43495

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

NARESH PATADIA

Proprietor
Membership No. : 35620

For and on behalf of Board of Directors

ARBIND JAYASWAL

Managing Director & Chief Executive Officer
DIN : 00249864

P. K. BHARDWAJ

Executive Director & Chief Financial Officer
DIN : 03451077

Nagpur, 29th June, 2020



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2020

	(Rs. in lakhs)	
PARTICULARS	For the Year ended 31.03.2020	For the Year ended 31.03.2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss before Tax as per the Statement of Profit and Loss	(150388.66)	(44403.29)
ADJUSTED FOR		
Depreciation and Amortisation Expense	27633.74	27268.36
Exceptional Items (Refer Note No. 2.11)	56816.68	-
(Gain)/Loss on Sale / Discard of Property, Plant and Equipment (Net)	(309.79)	35.13
Loss on Financial Instruments measured at Fair Value through	0.06	0.05
Profit or Loss (Net)		
Capital Work In Progress Written Off	-	9.50
Profit on Sale of Current Investment	-	(0.84)
Account Written Back	-	(874.51)
Interest Income	(211.87)	(199.02)
Finance Costs	86736.36	71146.83
Unrealised loss on Foreign Currency Transaction (Net)	255.46	2.35
Bad Debts / Advances written off (Net of reversal)	59.61	(9.40)
Provision for Credit Impaired Trade Receivables / Advances	136.19	807.57
Provision for Expected Credit Loss on Trade Receivables	682.52	478.02
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	21410.30	54260.75
ADJUSTMENTS FOR		
Trade and Other Receivables	17387.41	138.52
Inventories	(1968.42)	(24434.99)
Trade and Other Payables	(5463.54)	7558.07
CASH GENERATED FROM OPERATIONS	31365.75	37522.35
Direct Taxes (Paid) / Refund	(95.48)	(125.00)
NET CASH FLOW FROM OPERATING ACTIVITIES	31270.27	37397.35
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment and Intangible Assets	(3429.79)	(1601.06)
Sale of Property, Plant and Equipment	335.55	45.74
Sale of Current Investment	-	60.96
Interest Income	234.22	145.61
NET CASH USED IN INVESTING ACTIVITIES	(2860.02)	(1348.75)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Lease Liability	(43.55)	(337.60)
Repayment of Non Current Borrowings	(769.99)	(4896.86)
Current Borrowings (Net)	(258.87)	(5268.67)
Finance Costs	(25499.24)	(27235.28)
Margin Money (Net)	(1815.46)	492.02
NET CASH USED IN FINANCING ACTIVITIES	(28387.11)	(37246.39)

NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS

23.14 (1197.79)

CASH AND CASH EQUIVALENTS (OPENING BALANCE)

980.33 7978.12

Less : Amount transferred to Bank Balances Other Than Cash & Cash Equivalents

- (5800.00)

NET CASH AND CASH EQUIVALENTS (OPENING BALANCE)

980.33 2178.12

Effect of Exchange rate on Cash and Cash Equivalents

0.01 0.01

Balance of Cash and Cash Equivalents

1003.46 980.32

CASH AND CASH EQUIVALENTS

(CLOSING BALANCE) (Refer Note No. 10.01)

1003.47 980.33

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

(Rs.in lakhs)

Particulars	31.03.2020	31.03.2019
Opening Balance of Liabilities arising from Financing Activities	394177.03	403992.34
Add : Changes from Cash Flow from Financing Activities (Net)	(1072.41)	(10503.13)
Add : Changes in Fair Value	666.36	687.82
Add : Effects of changes in Foreign Exchange Rates	278.28	-
Closing Balance of Liabilities arising from Financing Activities	394049.26	394177.03

- (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

ARBIND 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, 29th June, 2020

**Notes to the Financial Statements for the year ended 31st March, 2020****NOTE: 1****A CORPORATE INFORMATION**

Jayaswal Neco industries Limited ("the Company") is domiciled and incorporated in India under the provision 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 31st March, 2020 were approved and adopted by Board of Directors in their meeting dated 29th June, 2020.

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 recognised 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. 1st 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 recognised in the Statement of Profit and Loss when the asset is derecognised.

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. Automotive Casting Division (II) at 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 amortised 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 amortisation 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. 1st April, 2015.

The Company does not have any intangible assets having indefinite life. Intangible assets are amortised on a straight line method based on useful lives estimated by the management. Technical Know-how is amortised over the useful life of the underlying plant. Softwares are amortised over a period of three years and Indefeasible Right to Use has been amortised 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 recognised in the statement of profit and loss when the asset is derecognised.

(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 amortised 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 6 years and which are all cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms. As at March 31, 2020, the Company doesn't 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 recognised 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 recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(VI) INVENTORIES:

The inventories i.e. Raw Materials, Stores and Spares, Finished Goods etc. are measured at lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. The cost of inventories comprise of all costs of purchase, costs of conversion and other costs incurred in bringing them to their respective present location and condition.

The cost of Raw Materials and Stores & Spares are determined at first-in-first-out method and weighted average method respectively. By-products are measured at net realisable value. The cost of Work-In-Progress and Finished Goods is determined on absorption costing method.

(VII) CASH AND CASH EQUIVALENT:

Cash and cash equivalent in the balance sheet comprise cash at banks, on hand, cheques in hand, and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(VIII) NON CURRENT ASSETS HELD FOR SALE:

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when a sale is highly probable from the date of classification, management are committed to the sale and the asset is available for immediate sale in its present condition. Non-current assets are classified as held for sale from the date these conditions are met and are measured at the lower of carrying amount and fair value less cost to sell. Any resulting impairment loss is recognised 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 recognised 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 amortised cost. Purchase and sale of financial assets are recognised using trade date accounting.

(ii) Financial Assets -Subsequent measurement**a) Financial Assets carried at amortised cost (AC)**

Financial assets are measured at amortised 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 derecognised (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 recognised 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 recognised 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 derecognised 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 recognised 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 recognised 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 recognised 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 recognised 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 recognised 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 recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised 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 recognised 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 recognised 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 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 recognised 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 recognised in OCI or profit or loss are also recognised 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 losses arising from changes in the fair value of derivative are 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 recognised 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 recognised 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 recognised 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 recognised 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 recognised 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 recognised 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 shareholder 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 MAT and income tax for earlier years) and deferred tax. Tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognised in equity or other comprehensive income is also recognised 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 recognised 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 recognised for all taxable temporary differences, and deferred tax assets are generally recognised 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.

MAT Credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

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 / Amortisation and useful lives of Property Plant and Equipment (PPE) / Intangible Assets:

PPE / intangible assets are depreciated / amortised 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 / amortisation 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 recognised will not occur and is reassessed at the end of each reporting period.

iii. Decommissioning Liabilities:

The Liability for decommissioning costs is recognised 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 estimated 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 Units (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 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
COST / DEEMED COST										
Balance as at 1st April, 2018	1928.54	3392.29	40789.18	730.09	499475.82	1468.59	299.18	169.56	98.54	548351.79
Additions	-	-	8.22	-	1361.97	-	76.25	16.85	3.47	1466.76
Disposals / Adjustments	-	28.41	-	-	66.92	-	-	-	6.51	101.84
Balance as at 31st March, 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	1,134.18
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
ACCUMULATED DEPRECIATION										
Balance as at 1st April, 2018	72.00	-	3801.96	75.62	55691.63	326.13	140.93	62.58	38.35	60209.20
Depreciation Expense for the year	21.83	-	1510.88	25.18	25262.64	102.26	50.35	18.65	10.88	27002.67
Disposals / Adjustments	-	-	-	-	17.51	-	-	-	3.46	20.97
Balance as at 31st March, 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. 2.11)	-	-	2001.13	-	10737.87	730.59	-	-	-	13469.59
Balance as at 31st March, 2020	115.70	0.00	8828.99	126.05	117006.67	1261.52	244.31	95.97	56.41	127735.62
NET CARRYING VALUE										
Balance as at 31st March, 2019	1834.71	3363.88	35484.56	629.29	419834.11	1040.20	184.15	105.18	49.73	462525.81
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

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. 35D for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.



(Rs. in lakhs)

2.04 CAPITAL WORK-IN-PROGRESS INCLUDES :	As at 31.03.2020	As at 31.03.2019
Building under Construction	60.54	27.69
Plant and Equipment under installation	24618.70	23911.07
Pre-operative Expenses (Refer Note No. 2.05)	23765.01	23765.01
Impairment (Refer Note No. 2.11)	(43347.09)	-
TOTAL	5097.16	47703.77

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:

(Rs. in lakhs)

Particulars	31.03.2020	31.03.2019
Pre-operative Expenses upto Previous Year	23795.68	23805.18
Less : Charged to the Statement of Profit and Loss	-	9.50
TOTAL	23795.68	23795.68

2.06 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 August 24, 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 July 31, 2020. 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.

2.07 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 subjudiced. The Company doesn't expect any financial effect of the above matter under litigation.

2.08 In the Previous years, the Directorate of Enforcement had provisionally attached the Plant and Machinery under installation at Dagori Integrated steel plant situated at Bilha, Bilaspur (Chhattisgarh) to the extent of Rs. 20616.40 Lakhs for alleged misuse of coal raised from Gare Palma IV/4 coal block at Chhattisgarh - (First attachment) and also had provisionally attached certain property, plant and equipment to the extent of Rs. 2092.08 lakhs situated at Dagori Integrated steel plant situated at, Bilha, Bilaspur (Chhattisgarh) and Rs. 8049.91 Lakhs situated at Steel Plant Division, Siltara, Raipur. The Order inter-alia alleged that benefits to the extent of Rs. 10141.99 Lakhs accrued to the Company, in the form of fresh share capital issuance for setting up end use projects related to captive coal mine of Gare Palma IV/4 coal block, constitutes as part of Proceeds of Crime – (Second attachment).

The Adjudicating Authority had confirmed the above both provisional attachments. Subsequently the Appellate Authority stayed both the attachments on an appeal filed by the Company. On March 15, 2019, upon the Company's request, the ED Appellate Authority had clubbed the matter of first attachment with the matter of second attachment. The matter has been put up for hearing now on September 18, 2020 with the ED Appellate Authority. 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.

2.09 In addition to the above, during the financial 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.

2.10 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.

2.11 As per the impairment policy, the Company has carried out an impairment test in accordance with the Indian Accounting Standards (Ind AS) 36 – ‘Impairment of Assets’ and found that the Carrying cost of its property, plant and equipment of Flat Production Division (FPD) at Raipur and Capital Work in Progress presently being suspended at its Bilha Bilaspur plant, exceeds its recoverable value; therefore, an impairment loss of Rs. 56816.68 Lakhs (includes building Rs. 2001.13 Lakhs, Plant & machinery Rs. 11468.46 Lakhs and Capital Work In Progress Rs.43347.09 Lakhs) has been recognized for the year ended March 31, 2020 and the same has been disclosed as exceptional items in the Financial Statements (previous year Nil).

2.12 During the 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
COST / DEEMED COST					
Balance as at 1st April, 2018	110.35	337.21	1.30	1995.31	2444.17
Additions	-	-	-	59.88	59.88
Disposals / Adjustments	-	-	-	-	-
Balance as at 31st March, 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
ACCUMULATED AMORTISATION					
Balance as at 1st April, 2018	65.06	84.54	0.60	514.29	664.49
Amortisation Expense for the year	20.94	28.15	0.20	216.40	265.69
Disposals / Adjustments	-	-	-	-	-
Balance as at 31st March, 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	-	-	-	-	-
Balance as at 31st March, 2020	105.14	140.92	1.00	1239.72	1486.78
NET CARRYING VALUE					
Balance as at 31st March, 2019	24.35	224.52	0.50	1324.50	1573.87
Balance as at 31st March, 2020	11.15	196.29	0.30	815.47	1023.21

* 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 31.03.2020	As at 31.03.2019
Mining Rights	3110.74	1568.36
Pre-operative Expenses (Refer Note No. 2.05)	30.67	30.67
TOTAL	3141.41	1599.03

3.03 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, 2020.

NOTE : 4

OTHERS NON CURRENT FINANCIAL ASSETS

(Rs. in lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
Fixed Deposits with Banks held as Margin Money	123.41	2.38
TOTAL	123.41	2.38

NOTE : 5

NON-CURRENT TAX ASSETS (NET)

(Rs. in lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
Advance Payment of Income-Tax (Net)	228.30	233.63
TOTAL	228.30	233.63

NOTE : 6

OTHER NON CURRENT ASSETS

(Unsecured, Considered Good unless stated otherwise)

(Rs. in lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
Capital Advances	9.78	2.97
Security Deposits with Government and others		
Considered Good	3449.05	3373.01
Credit Impaired	5.54	5.54
	3454.59	3378.55
Less : Provision for Credit Impaired	5.54	5.54
	3449.05	3373.01
Prepaid Expenses	1.79	8.29
TOTAL	3460.62	3384.27

NOTE : 7

INVENTORIES

(Rs. in lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
Raw Materials	24274.23	14038.06
Raw Materials-in-Transit	4924.55	790.66
Work-in-Progress	4597.81	6192.25
Finished Goods	40848.28	48489.45
Finished Goods-in-Transit	1647.76	3595.64
Stock in Trade	25.12	263.74
Stores, Spares and Consumables	9068.09	10047.62
TOTAL	85385.84	83417.42

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 31.03.2020	As at 31.03.2019
	Rs. Face Value	
Investment designated at Fair Value through Profit and Loss		
In Equity Shares - Fully Paid Up (Quoted)		
Datar Switchgears Limited	2200	2200
Elbee Services Limited	1400	1400
Triveni Sheet Glass Limited	1000	1000
In Equity Shares - Fully Paid Up (Unquoted)		
Antarctica Graphics Limited	53000	53000
Essar Steel Limited	60	60
TOTAL	0.04	0.10

8.01 Aggregate Amount of Quoted Investments

0.04 0.10

8.02 Aggregate Market Value of Quoted Investments

0.04 0.10

8.03 Aggregate Amount of Unquoted Investments

0.00 0.00

NOTE : 9

TRADE RECEIVABLES

(Unsecured)

(Rs. in lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
Trade Receivable		
Considered Good*	36292.39	49030.94
Credit Impaired	3005.56	2925.54
	39297.95	51956.48
Less : Provision for Credit Impaired	3005.56	2925.54
Less : Provision for Expected Credit Loss	1160.54	478.02
	35131.85	48552.92
TOTAL	35131.85	48552.92

*Includes amount of Rs. NIL (Previous Year : 31.60 lakhs) due from NSSL Private Limited (Refer Note No 38).



NOTE : 10

CASH AND CASH EQUIVALENTS

(Rs. in lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
Balances with Banks in Current Accounts	1178.54	1103.12
Cash on hand	18.37	19.90
TOTAL	1196.91	1123.02

10.01 For the purpose of the Statement of Cash Flow, Cash and Cash Equivalents comprise the followings :

(Rs. in lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
Balances with Banks in Current Accounts	1178.54	1103.12
Cash on hand	18.37	19.90
Book Overdraft	(193.44)	(142.69)
TOTAL	1003.47	980.33

NOTE : 11

BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(Rs.in lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
Fixed Deposits with Banks Pledged as Margin Money	4643.46	2949.03
Balances with Bank in Current Account (Refer Note No. 24.01)	5800.00	5800.00
TOTAL	10443.46	8749.03

NOTE : 12

CURRENT LOANS

(Unsecured)

(Rs. in lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
Financial Assets Measured at Amortised Cost		
Loans to Related Party (Refer Note No. 38)		
Considered Good	-	-
Credit Impaired	738.30	738.30
	738.30	738.30
Less : Provision for Credit Impaired	738.30	738.30
	-	-
TOTAL	-	-

NOTE : 13

OTHERS CURRENT FINANCIAL ASSETS

(Unsecured, Considered Good unless stated otherwise)

(Rs.in lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
Security Deposits		
Considered Good	166.42	94.35
Considered Doubtful	51.11	35.84
	<u>217.53</u>	<u>130.19</u>
Less : Provision for Doubtful	51.11	35.84
	<u>166.42</u>	<u>94.35</u>
Interest Receivables		
Considered Good	91.27	113.62
Considered Doubtful	157.92	157.92
	<u>249.19</u>	<u>271.54</u>
Less : Provision for Doubtful	157.92	157.92
	<u>91.27</u>	<u>113.62</u>
Others *		
Considered Good	13.58	4.93
Considered Doubtful	29.09	29.09
	<u>42.67</u>	<u>34.02</u>
Less : Provision for Doubtful	29.09	29.09
	<u>13.58</u>	<u>4.93</u>
TOTAL	<u>271.27</u>	<u>212.90</u>

* Mainly includes export incentive and other receivable.

NOTE : 14

CURRENT TAX ASSETS (NET)

(Rs. in lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
Advance Payment of Income-Tax (Net)	1273.42	1172.61
TOTAL	<u>1273.42</u>	<u>1172.61</u>

NOTE : 15

OTHER CURRENT ASSETS

(Rs. in lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
Advances to Suppliers		
Related Parties (Refer Note No. 38)	31.05	27.60
Others		
Unsecured Considered Good	5056.58	9844.70
Considered Doubtful	2307.60	2363.72
	<u>7395.23</u>	<u>12236.02</u>
Less : Provision for Doubtful	2307.60	2363.72
	<u>5087.63</u>	<u>9872.30</u>
Prepaid Expenses	221.88	324.72
Other Receivables*	1031.47	1108.24
TOTAL	<u>6340.98</u>	<u>11305.26</u>

* 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)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
Authorised		
2,50,00,00,000 (Previous Year 2,50,00,00,000) Equity Shares of Rs.10/- each	250000.00	250000.00
	250000.00	250000.00
Issued, Subscribed and Paid up		
63,86,33,063 (Previous Year 63,86,33,063) Equity Shares of Rs.10/- each fully paid up	63863.30	63863.30
Less : Allotment Money Unpaid (from other than Directors)	0.72	0.72
	63862.58	63862.58

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

PARTICULARS	As at 31.03.2020		As at 31.03.2019	
	No. of Shares	Amount (Rs. in lakhs)	No. of Shares	Amount (Rs. in lakhs)
Shares outstanding at the beginning of the year	63,86,33,063	63863.30	63,86,33,063	63863.30
Shares outstanding at the end of the year	63,86,33,063	63863.30	63,86,33,063	63863.30

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

Name of Shareholders	As at 31.03.2020		As at 31.03.2019	
	No of Shares held	Percentage held	No of Shares held	Percentage held
Jayaswal Holdings Private Limited	5,30,98,951	8.31	5,30,98,951	8.31
Karamveer Impex Private Limited	4,72,29,000	7.40	4,72,29,000	7.40
Nine Star Plastic Packaging Services Private Limited	4,42,94,600	6.94	4,42,94,600	6.94
Jayaswal Neco Metallica Private Limited	4,07,10,500	6.37	4,07,10,500	6.37
Jayaswal Neco Energy Private Limited	3,97,32,000	6.22	3,97,32,000	6.22
Avon Sales and Services Private Limited	3,90,95,000	6.12	3,90,95,000	6.12
Anurag Sales and Services Private Limited	3,89,31,000	6.10	3,89,31,000	6.10
Jayaswal Neco Power Private Limited	3,63,54,500	5.69	3,63,54,500	5.69
Apex Spinning Mills Private Limited	3,52,99,600	5.53	3,52,99,600	5.53
Jayaswal Neco Infrastructures Private Limited	3,43,85,500	5.38	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 31.03.2020	As at 31.03.2019
Equity Component of Compound Financial Instruments		
Balance as per last Balance Sheet	1518.42	1518.42
Capital Reserve		
Balance as per last Balance Sheet	7762.89	7762.89
Securities Premium		
Balance as per last Balance Sheet	96345.81	96345.81
General Reserve		
Balance as per last Balance Sheet	16700.87	16700.87
Capital Redemption Reserve		
Balance as per last Balance Sheet	5100.37	5100.37
Retained Earnings		
Balance as per last Balance Sheet	(121942.11)	(76883.85)
Less : Transitional Impact of Ind AS - 115	-	671.01
	(121942.11)	(77554.86)
Add : Loss for the year	(150446.54)	(44387.25)
	(272388.65)	(121942.11)
Revaluation Reserve		
Balance as per last Balance Sheet	21.47	21.47
Other Comprehensive Income (OCI)		
Balance as per last Balance Sheet	609.98	560.13
Add : Movement in OCI (Net) during the year	(172.10)	49.85
	437.88	609.98
TOTAL	(144500.94)	6117.70

NATURE AND PURPOSE OF RESERVES

Capital Reserve

The Capital Reserve was created pursuant to the Scheme of Merger of the Steel Division of Corporate Ispat Alloys Limited, Amalgamation of Nagpur Alloy Casting Limited and Capital incentive received from Government of Maharashtra. It shall be utilised in accordance with the provisions of the Companies Act, 2013.

Securities Premium

Securities Premium was created when shares were issued at premium. It shall be utilised in accordance with the provisions of the Companies Act, 2013.

General Reserve

The General Reserve was created pursuant to the Scheme of Amalgamation of Inertia Iron and Steel Industries Private Limited, Merger of Sponge Iron Plant and Power Plant of Corporate Ispat Alloys Limited and Abhijeet Infrastructure Limited. It shall be utilised in accordance with the provisions of the Companies Act, 2013.

Capital Redemption Reserve

Capital Redemption Reserve was created for redemption of Preference Shares. It shall be utilised in accordance with the provisions of the Companies Act, 2013.

Retained Earnings

Retained Earnings represent the accumulated profits/losses made by the Company over the years.

Revaluation Reserve

Revaluation Reserve was created for revaluation of Factory Building and Shed. It shall be utilised in accordance with the provisions of the Companies Act, 2013.

Other Comprehensive Income

Other Comprehensive Income (OCI) represents the amount recognised in Other Equity consequent to remeasurement of Defined Benefit Plan.



Equity Component of Compound Financial Instruments

The Company 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.

NOTE: 18

NON CURRENT BORROWINGS

(Rs. in lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
Secured		
Term Loans #		
- From Banks	10092.49	11032.04
- From Assets Reconstruction Company (ARC) (Refer Note No. 18.01)	197411.73	219641.78
Unsecured		
Sales Tax Deferral (Under Package Scheme of Incentives)	4486.48	4843.21
Inter Corporate Deposits from Related Parties (Refer Note No. 38)	880.67	763.47
Long Term Maturities of Finance Lease Obligations	444.85	440.12
TOTAL	213316.22	236720.62

Net off of processing fees amounting to Rs. 207.50 lakhs (Previous Year : Rs. 281.96 lakhs).

18.01 In the previous year, eight bankers of the Company viz. State Bank of India, Union bank of India, Punjab National Bank, Indian Overseas Bank, IDBI Bank, Central Bank of India, Oriental Bank of Commerce and Bank of India had assigned their fund based debt along with underlying financial documents together with their rights, benefits and obligations to Assets Care & Reconstruction Enterprise Ltd (ACRE) acting in its capacity as trustee of ACRE 54 Trust (for State Bank of India Debt assignment), ACRE 59 Trust (for Union Bank of India Debt assignment), ACRE 64 Trust (for Punjab National Bank Debt assignment), ACRE 63 Trust (for Indian Overseas Bank Debt assignment), ACRE 68 Trust (for IDBI Bank Debt assignment), ACRE 69 Trust (for Central Bank of India Debt assignment), ACRE 70 Trust (for Oriental Bank of Commerce Debt assignment) and ACRE 76 Trust (for Bank of India Debt assignment) vide Assignment Agreements executed by them in favour of ACRE.

Total eight out of twelve bankers of the Company with Rs 339353.50 Lakhs representing around 94.18% of the Principal Fund Based Outstanding had assigned their debt in favour of Assets Care & Reconstruction Enterprise Ltd (ACRE) acting in its capacity as trustee of various trusts.

18.02 The Term Loans from Banks and ARC referred to above aggregating to Rs. 207711.72 lakhs and Rs. 93184.39 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. 8284.36 lakhs and Rs. 5446.36 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. 207711.72 lakhs and Rs. 93184.39 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.
- 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. 0.89 lakhs included in Current Maturities of Long Term Debts in Note No. 24 are 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. 207711.72 lakhs and Rs. 23243.17 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. 194001.21 lakhs is repayable in 144 structured monthly installments, ending in March, 2032.

Rs. 19546.60 lakhs is repayable in 35 equal monthly installments of Rs. 558.47 lakhs each, ending in February, 2023.

Rs. 7019.44 lakhs is repayable in 38 equal monthly installments of Rs. 184.72 lakhs each, ending in May, 2023.

Rs. 7350.00 lakhs is repayable in 56 structured monthly installments, ending in November, 2024.

Rs. 3037.64 lakhs is repayable in 69 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
Term Loans from Banks and ARC	2020-2021	93185.28	2027-2028	16838.46
	2021-2022	24600.56	2028-2029	16838.46
	2022-2023	27301.63	2029-2030	16838.46
	2023-2024	19311.19	2030-2031	16623.82
	2024-2025	18416.75	2031-2032	16869.25
	2025-2026	17234.68		
	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, 2020 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. 5240.23 lakhs (Previous Year : Rs. 5470.52 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, 2020 are as follows:

	31.03.2020 (Rs. in lakhs)	31.03.2019 (Rs. in lakhs)
Minimum Lease Payments		
(i) Payable not later than 1 year	73.03	73.03
(ii) Payable later than 1 year and not later than 5 years	177.48	174.21
(iii) Payable later than 5 years	3937.34	3984.16
Total Minimum Lease Payments	4187.85	4231.40
Less : Future Finance Charges	3672.55	3720.83
Present Value of Minimum Lease Payments	515.30	510.57
Present Value of Minimum Lease Payments		
(i) Payable not later than 1 year	70.45	70.45
(ii) Payable later than 1 year and not later than 5 years	130.79	128.78
(iii) Payable later than 5 years	314.06	311.34
Total Present Value of Minimum Lease Payments	515.30	510.57

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, 2020, the Company has overdue of principal of Rs. 69941.22 lakhs (Previous Year : Rs. 46468.33 lakhs) and Interest of Rs. 199510.39 lakhs (Previous Year : Rs. 142499.55 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. 64290.43 lakhs and Rs. 5650.79 lakhs outstanding for a period of more than 3 months and less than 3 months respectively and overdue of Interest comprises of Rs. 183243.19 lakhs and Rs. 16267.20 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. 20983.01 lakhs (Previous Year : Rs. 20875.87 lakhs) as at 31st March, 2020 as Non Performing Asset (NPA) in their books of account.

As on 31st March, 2020, 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 March 31, 2020 of Rs 207711.72 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 31.03.2020	As at 31.03.2019
Security Deposits	16.86	16.35
TOTAL	16.86	16.35

NOTE : 20

NON CURRENT PROVISIONS

PARTICULARS	(Rs. in lakhs)	
	As at 31.03.2020	As at 31.03.2019
Provision for Assets Retirement Obligations	23.53	21.32
TOTAL	23.53	21.32

NOTE : 21

INCOME TAX

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

PARTICULARS	(Rs. in lakhs)	
	For the year ended 31.03.2020	For the year ended 31.03.2019
Recognised in the Statement of Profit and Loss		
Deferred Tax - Relating to Origination and Reversal of Temporary Differences	(57.88)	26.77
Income Tax for Earlier Years	-	(10.73)
Total Tax (Expenses) / Income	(57.88)	16.04

21.02 Reconciliation between Tax (Expenses) / Incomes and Accounting Loss multiplied by Tax Rate for the year ended 31st March, 2020 and 31st March, 2019:

	(Rs. in lakhs)	
Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Accounting Loss before Tax	(150388.66)	(44403.29)
Applicable tax rate (in %)	25.17	34.94
Computed Tax Expenses / (Income)	(37849.82)	(15516.28)
Tax effect on account of :		
Property, Plant and Equipment and Intangible Assets	(22093.24)	719.60
Expenses / Income not allowed	18683.92	(2245.17)
Unused Tax Assets (MAT Credit entitlement)	2597.50	(24.98)
Unabsorbed Depreciation	32986.76	3763.61
Net impact of Section 115BAA of Income Tax Act	(5272.72)	-
Sales Tax Deferral / Lease obligation	(68.14)	18.53
Income Tax for Earlier Years	-	10.73
Deferred Tax Assets not recognised	10957.86	13257.92
Income Tax (Expenses) / Incomes recognised in the Statement of Profit and Loss	(57.88)	(16.04)

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

	(Rs. in lakhs)			
	Balance Sheet		Statement of Profit and Loss including OCI	
PARTICULARS	As at 31.03.2020	As at 31.03.2019	For the year ended 31.03.2020	For the year ended 31.03.2019
Property, Plant and Equipment and Intangible Assets	44116.01	78927.80	(34811.79)	6619.94
Financial Instruments - Liabilities	376.84	714.84	(338.00)	(88.56)
Financial Instruments - Assets	(1.14)	(1.56)	0.42	(4.92)
Items disallowed under the Income Tax Act, 1961	(34790.93)	(53366.63)	18575.70	(17045.73)
Provision for Doubtful Debts/Expected Credit Loss	(1876.44)	(2353.10)	476.66	(408.60)
Provision for Non-moving Inventories	(162.97)	(226.28)	63.31	(226.28)
Unabsorbed Depreciation	(37447.41)	(61897.82)	24450.41	(2104.79)
Unused Tax Assets (MAT Credit entitlement)	-	(2597.50)	2597.50	(24.98)
Assets Retirement Obligations	(5.92)	(7.45)	1.53	(0.77)
Deferred Tax Assets not recognised *	29526.64	40484.50	(10957.86)	13257.92
	(265.32)	(323.20)	57.88	(26.77)
Related to Other Comprehensive Income	265.32	323.20	(57.88)	26.77
TOTAL	-	-	-	-

*The Company has Net Deferred Tax Assets (DTA) as at 31st March, 2020 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 31.03.2020	As at 31.03.2019
Opening Balance at the beginning of the year	-	-
Deferred Tax (Expense) / Income recognised in the Statement of Profit and Loss	57.88	(26.77)
Deferred Tax (Expense) / Income recognised in OCI	(57.88)	26.77
Closing Balance at the end of the year TOTAL	-	-

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	10507.26	2024-25
2017-18	14233.76	2025-26
2020-21	66647.49	2028-29
Total	91388.51	

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 31.03.2020	As at 31.03.2019
Secured		
Working Capital Rupee Loans		
- From Banks	6439.66	5264.14
- From Assets Reconstruction Company (ARC)	53965.96	53965.96
Unsecured		
Inter Corporate Deposits taken from :		
Related Parties (Refer Note No. 38)	2237.91	2237.91
Others (Refer Note No. 22.05)	10443.67	10443.67
	12681.58	12681.58
Suppliers Credits	13636.36	14792.47
TOTAL	86723.56	86704.15

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 referred to above includes Devolved Letter of Credit of Rs. 965.23 lakhs (Previous Year : Rs. Nil)

22.04 As on 31st March, 2020, the Company has overdue Working Capital Interest Rs. 8563.06 lakhs (Previous Year : Rs. 5196.52 lakhs) included in Interest Accrued and Due in Note No. 24 for a period of less than 4 year.

22.05 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 petition is still at pre admission stage and the Company believes that the petition is not sustainable.

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

PARTICULARS	(Rs. in lakhs)	
	As at 31.03.2020	As at 31.03.2019
Micro, Small and Medium Enterprises	4,586.06	4313.94
Others	23517.02	28973.87
TOTAL	28103.08	33287.81

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 :

Particulars	(Rs. in lakhs)	
	As at 31.03.2020	As at 31.03.2019
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	4586.06	4313.94
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	56.23	53.32
(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	56.23	53.32
(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

OTHERS CURRENT FINANCIAL LIABILITIES

PARTICULARS	(Rs. in lakhs)	
	As at 31.03.2020	As at 31.03.2019
Current Maturities of Long Term Debts	93185.28	70054.50
Current Maturities of Sales Tax Deferral	753.75	627.31
Current Maturities of Finance Lease Obligations	70.45	70.45
Interest Accrued but not due on Borrowings	89.78	204.72
Interest Accrued and due	208433.40	147749.91
Advance against Share Application Money (Refer Note No. 24.01)	5800.00	5800.00
Book Overdraft	193.44	142.69
Bonus Payable	522.14	510.10
Other Payables*	7574.47	5548.89
TOTAL	316622.71	230708.57

* 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)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
Advances from Customers	1302.79	2141.60
Statutory Liabilities	2864.61	5130.46
TOTAL	4167.40	7272.06

NOTE : 26

CURRENT PROVISIONS

(Rs.in lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
Provision for Employee Benefits	2682.04	2052.14
Provision for Energy Development Cess (Refer Note No. 26.01)	4791.59	4395.97
Other Provisions*	396.75	396.75
TOTAL	7870.38	6844.86

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

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 November 2, 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 amounts to Rs. 4791.59 Lakhs till March 31, 2020.

NOTE : 27

REVENUE FROM OPERATIONS

(Rs. in lakhs)

PARTICULARS	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Sale of Products	362066.61	421745.89
Sale of Services / Job Work Income	14.76	94.98
Other Operating Revenues - Sale of Scrap	1,136.59	811.73
TOTAL	363217.96	422652.60

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

PARTICULARS	(Rs. in lakhs)	
	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Iron and Steel Castings	41378.40	50782.84
Pig Iron / Skull	58359.49	10037.25
Billets / Rolled Products	175229.25	258730.75
Sponge Iron	41635.21	43738.00
Pellet	42332.60	55167.46
Job Work / Commission	14.76	94.98
Others	4268.25	4101.32
TOTAL	363217.96	422652.60

27.02 Revenue disaggregation by geography is as follows:

PARTICULARS	(Rs. in lakhs)	
	For the Year ended 31.03.2020	For the Year ended 31.03.2019
India	360941.17	421085.68
Outside India	2276.79	1,566.92
TOTAL	363217.96	422652.60

27.03 Reconciliation of Revenue from Operations with Contract Price:

PARTICULARS	(Rs. in lakhs)	
	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Contract Price	366916.03	424862.20
Reduction towards variables considerations components *	3698.07	2209.60
TOTAL	363217.96	422652.60

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

**NOTE : 28
OTHER INCOME**

PARTICULARS	(Rs. in lakhs)	
	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Interest Income from Financial Assets measured at Amortised Cost		
- Fixed Deposits with Banks	211.87	199.02
- Others	145.21	609.38
Profit on Sale of Property, Plant and Equipment (Net)	311.41	-
Profit on Sale of Investment	-	0.84
Account Written Back	-	874.51
Export Incentives	39.98	28.95
Other Miscellaneous Receipts	143.80	28.16
TOTAL	852.27	1740.86



NOTE : 29

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

(Rs. in lakhs)

PARTICULARS	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Closing Inventories		
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
	47118.97	58541.08
Opening Inventories		
Finished Goods	48489.45	24687.98
Finished Goods in Transit	3595.64	16.95
Add : Transitional Impact of Ind AS 115	-	4,698.37
Work-in-Progress	6192.25	5738.10
Stock in Trade	263.74	275.19
	58541.08	35416.59
(Increase) / Decrease in Inventories	TOTAL	
	11422.11	(23124.49)

NOTE : 30

EMPLOYEE BENEFITS EXPENSE

(Rs. in lakhs)

PARTICULARS	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Salaries, Wages and Allowances	19369.64	18776.21
Contribution to Provident and Other Funds	1636.88	1610.20
Welfare and Other Amenities	1571.70	1543.23
TOTAL	22578.22	21929.64

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)

Particulars	2019-20	2018-19
(a) Contribution to Defined Contribution Plan, recognised as expense for the year are as under		
Employer's Contribution to Provident Fund, ESIC and Other Funds	1206.43	1203.72

(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 31.03.2020	As at 31.03.2019
Actuarial Assumptions		
	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Mortality Table (LIC)		
Salary growth	7% & 8%	7% & 8%
Discount rate	6.84% & 6.87%	7.69% & 7.76%
Attrition age	2.50%	2.50%
	(Rs. in lakhs)	
Particulars	Gratuity (Funded)	
	As at 31.03.2020	As at 31.03.2019
Movement in Present Value of Defined Benefit Obligations		
Defined Benefit Obligations at the beginning of the year	4259.50	3906.30
Current Service Cost	406.39	378.11
Past Service Cost	(0.08)	-
Interest Cost	324.49	289.21
Benefit Paid	(145.80)	(203.17)
Actuarial Loss / (Gain)	188.62	(110.95)
Defined Benefit Obligations at the end of the year	5033.12	4259.50
Movement in Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	3659.05	3204.52
Interest Income	300.35	260.84
Employer Contribution	318.42	431.19
Benefit Paid	(145.80)	(203.17)
Remeasurement Loss arising from return on Plan Assets	(41.36)	(34.33)
Fair Value of Plan Assets at the end of the year	4090.66	3659.05
Expense recognised in the Statement of Profit and Loss		
Current Service Cost	406.39	378.11
Past Service Cost	(0.08)	-
Interest on Defined Benefit Obligations	324.49	289.21
Interest Income	(300.35)	(260.84)
Total included in "Remuneration and Benefits to Employees"	430.45	406.48
Remeasurements (recognised in Other Comprehensive Income)		
Effect of changes in financial assumptions	188.62	(110.95)
Loss on Plan Assets (excluding Interest Income)	(41.36)	(34.33)
Total remeasurements included in OCI	229.98	(76.62)
(c) Fair Value of Plan Assets		
Life Insurance Corporation of India (LIC)	4090.66	3659.05
(d) Net Defined Benefit Obligations / (Assets) reconciliation		
Present Value of Obligations at the end of the year	5033.12	4259.50
Less : Fair Value of Plan Assets at the end of the year	4090.66	3659.05
Net Obligations recognised at the end of the year	942.46	600.45
(e)	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 31.03.2020	As at 31.03.2019
		Effect on Gratuity Increase / (Decrease)	
Discount Rate	+1%	(505.47)	(359.77)
Discount Rate	-1%	593.69	415.23
Salary Increase Rate	+1%	528.00	379.24
Salary Decrease Rate	-1%	(467.39)	(336.52)
Attrition Rate	+1%	(52.57)	(1.80)
Attrition Rate	-1%	63.17	1.69

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
31 st March, 2021	190.32
31 st March, 2022	235.47
31 st March, 2023	265.16
31 st March, 2024	279.88
31 st March, 2025	315.29
31 st March, 2026 to 31 st March, 2030	1824.67

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)

PARTICULARS	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Interest Expenses on Financial Liabilities measured at Amortised Cost	85408.74	69830.08
Lease Finance Charges	-	11.35
Other Financial Charges	1327.62	1305.40
TOTAL	86736.36	71146.83

NOTE : 32

DEPRECIATION AND AMORTISATION EXPENSE

(Rs. in lakhs)

PARTICULARS	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Depreciation of Property, Plant and Equipment (Refer Note No. 2)	27077.14	27002.67
Amortisation of Intangible Assets (Refer Note No. 3)	556.60	265.69
TOTAL	27633.74	27268.36

NOTE : 33

OTHER EXPENSES

(Rs.in lakhs)

PARTICULARS	For the Year ended 31.03.2020	For the Year ended 31.03.2019
MANUFACTURING EXPENSES		
Consumables, Stores and Spares Consumed	33894.02	53698.41
Power and Fuel	21059.84	25493.03
Repairs and Maintenance -		
Buildings	81.06	48.97
Plant and Equipments	14737.03	18721.17
Others	1.40	1.38
Royalty and Cess	4174.52	4176.59
Internal Material Movement	5996.84	6110.04
Lease Rent	840.00	840.00
Other Manufacturing Expenses	1922.36	2480.79
	82707.07	111570.38
SELLING AND DISTRIBUTION EXPENSES		
Advertisement and Publicity	46.15	37.57
Commission	110.07	144.64
Sales Promotion Expenses	81.16	72.53
Freight and Forwarding	9180.19	13062.53
Sales Tax	-	86.18
	9417.57	13403.45
ADMINISTRATIVE EXPENSES		
Rent	224.21	227.88
Rates and Taxes	244.31	253.07
Insurance	446.21	351.50

Loss on Foreign Currency Fluctuation (Net)	442.37	74.26
Printing and Stationery	51.13	47.52
Communication	78.21	90.12
Travelling and Conveyance	1035.54	1011.54
Vehicle Maintenance	165.08	192.35
Legal and Professional Charges	2129.09	1296.47
Payment to Auditors (Refer Note No. 33.01)	71.39	69.81
Security Expenses	577.32	544.23
Miscellaneous	1355.49	725.11
	6820.35	4883.86

OTHER EXPENSES

Bank Charges and Commission	97.61	56.26
Bad Debts / Advances written off	156.62	160.85
Less : Provision written back	97.01	170.25
		(9.40)
Cash Discount	2135.04	2693.98
Provision for Credit Impaired Trade Receivable / Advances	215.05	
Less : Provision reversed during the year	78.86	807.57
Provision for Expected Credit Loss on Trade Receivable	682.52	478.02
Loss on Financial Instruments measured at Fair Value through Profit or Loss (Net)	0.06	0.05
Loss on Sale / Discard of Property, Plant and Equipment (Net)	1.62	35.13
Donations	7.79	6.98
	3120.44	4068.59
TOTAL	102065.43	133926.28

33.01 Break-up of Payment to Auditors :

Particulars	(Rs. in lakhs)	
	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Audit Fees	57.30	57.30
Certification Charges	9.00	9.00
Out of Pocket Expenses	5.09	3.51
TOTAL	71.39	69.81
Cost Audit Fees	1.44	1.25
Tax Audit Fees	7.50	7.50

NOTE : 34

EARNINGS PER SHARE

(Rs. in lakhs except per equity share data)

PARTICULARS	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Basic Earnings Per Share		
Loss for the year (A)	(150446.54)	(44387.25)
Weighted average number of Equity Shares (Nos.) (B)	638633063	638633063
Basic Earnings Per Share of Rs.10/- each Rs. (A) / (B)	(23.56)	(6.95)
Diluted Earnings Per Share		
Amount available for calculation of Diluted EPS (A)	(150446.54)	(44387.25)
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)	(23.56)	(6.95)

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

31.03.2020

31.03.2019

(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)	3314.93	3199.57
b. Corporate Guarantee (Given to Banks against the borrowings taken by one of the Associate Company)	1181.00	1181.00

TOTAL

4495.93

4380.57

II LETTER OF CREDIT OUTSTANDING

a. Letters of Credit opened in favour of Suppliers (Cash flow is expected on receipt of material from suppliers)	2144.96	12969.59
b. Liability in respect of Bills Discounted	2078.89	525.36

TOTAL

4223.85

13494.95

III OTHER CONTINGENT LIABILITIES

Claims against the Company not acknowledged as debts

a. Disputed Excise Duty and Service Tax	399.17	541.40
b. Disputed Sales Tax	1199.23	1579.52
c. Disputed Customs Duty	184.79	184.79
d. Other Disputed Demands (Mainly related to demand of Electricity Duty and Stamp Duty)	5213.65	8295.45
e. Third Party Claims # (Matters are pending before various forums)	2286.53	2286.53

TOTAL

9283.37

12887.69

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 Private Limited 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 August 4, 2017 and corrected vide its order dated on September 15, 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 December 21, 2017 and judgement dated April 5, 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.

The total amount of Arbitral award is estimated to be around Rs. 1600.00 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. The matter was last listed for hearing in the Hon'ble Supreme Court on January 31, 2020, wherein both the parties informed the court that their pleadings have been completed and now the matter may 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.** Management is of the view that above litigations will not impact significantly the financial position of the Company.
- C.** 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.

D. Capital Commitments :

Estimated amount of contracts remaining to be executed on

Capital Accounts and not provided for (Net of Advances)	24063.67	23897.47
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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 and its consequent adverse impact on the Company as stated in Note no. 45 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 including getting Independent Evaluation Committee recommendation to the scheme, infusion of stipulated additional funds as Promoters Contribution as per the scheme and signing of its Master Restructuring Agreement 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 December 13, 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 November 30, 2017.

In view of the Status Quo order issued by the Hon'ble Supreme Court, 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. The matter would be listed only after the Special Leave Petition (SLP) filed by the Company is disposed of by the Hon'ble Supreme Court.

Being aggrieved by the non-implementation of the approved debt restructuring scheme, the Company had filed Writ Petition (WP) before the Hon'ble Bombay High Court, Mumbai, against RBI, which got dismissed. The Company had challenged the order of the Hon'ble Bombay High Court before the Hon'ble Supreme Court of India and on April 16, 2018 the Hon'ble Supreme Court was pleased to issue notice and directed the parties to maintain status quo. The matter is yet to be listed on the bench.

All the lenders of the Company continue to support the operations of the Company. The Company is actively pursuing restructuring of its debts 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, 2020 and in respect of Assets / Liabilities as at 31st March, 2020.

Information about Primary (Product wise) segments:

(Rs. in lakhs)

Particulars	Steel	Iron & Steel Castings	Others	Unallocated	Eliminations	Total
1. REVENUE						
External Sales	321830.70 (371797.40)	41383.89 (50839.09)	3.37 (16.11)	- (-)		363217.96 (422652.60)
Inter-segment Sales	3108.42 (3888.30)	108.57 (16.72)	- (-)	- (-)	(3216.99) (-3905.02)	- (-)
Total Revenue	324939.12 (375685.70)	41492.46 (50855.81)	3.37 (16.11)	- (-)	(3216.99) (-3905.02)	363217.96 (422652.60)
2. RESULTS						
Segment Results	(6222.15) (25297.71)	(377.85) (1115.14)	(243.82) (3.61)	- (-)		(6843.82) (26416.46)
Less : Unallocated Corporate Expenses	- (-)	- (-)	- (-)	510.38 (478.35)		510.38 (478.35)
Less : Unallocated Depreciation	- (-)	- (-)	- (-)	4.70 (4.70)		4.70 (4.70)
Operating Profit / (-) Loss	(6222.15) (25297.71)	(377.85) (1115.14)	(243.82) (3.61)	(515.08) (-483.05)		(7358.90) (25933.41)
Less : Finance Cost	- (-)	- (-)	- (-)	86736.36 (71146.83)		86736.36 (71146.83)
Add : Unallocated Interest Income	- (-)	- (-)	- (-)	211.87 (808.40)		211.87 (808.40)
Add : Unallocated Income	- (-)	- (-)	- (-)	311.41 (1.73)		311.41 (1.73)
Less : Exceptional Items	56816.68 (-)	- (-)	- (-)	- (-)		56816.68 (-)
Less : Tax Expenses (Including Deferred Tax)	- (-)	- (-)	- (-)	57.88 (-16.04)		57.88 (-16.04)
Net Profit / (-) Loss	(63038.83) (25297.71)	(377.85) (1115.14)	(243.82) (3.61)	(86786.04) (-70803.71)		(150446.54) (-44387.25)
3. OTHER INFORMATION						
Segment Assets	533730.33 (628530.47)	29735.24 (31924.73)	41.34 (283.48)	- (-)		563506.91 (660738.68)
Unallocated Corporate Assets	- (-)	- (-)	- (-)	12698.47 (10817.34)		12698.47 (10817.34)
Total Assets	533730.33 (628530.47)	29735.24 (31924.73)	41.34 (283.48)	12698.47 (10817.34)		576205.38 (671556.02)
Segment Liabilities	42964.71 (48290.81)	5361.73 (5053.10)	- (-)	- (-)		48326.44 (53343.91)
Unallocated Corporate Liabilities	- (-)	- (-)	- (-)	608517.30 (548231.83)		608517.30 (548231.83)
Total Liabilities	42964.71 (48290.81)	5361.73 (5053.10)	- (-)	608517.30 (548231.83)		656843.74 (601575.74)

Particulars	Steel	Iron & Steel Castings	Others	Unallocated	Eliminations	Total
Capital Expenditure	3083.06 (1184.28)	346.73 (305.11)	- (-)	- (-)		3429.79 (1489.39)
Depreciation	26521.88 (26115.03)	1107.16 (1148.63)	- (-)	4.70 (4.70)		27633.74 (27268.36)
Non-cash Expenses other than Depreciation	489.22 (1141.84)	389.10 (143.75)	- (-)	- (-)		878.32 (1285.59)

Note : Figures in brackets represent previous year's 2018-19 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 31st March, 2020 and 31st March 2019.
- No single customer has accounted for more than 10% of the Company revenue for the year ended 31st March, 2020 and 31st March 2019.

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 Arbind Jayaswal

Shri Ramesh Jayaswal

Shri P. K. Bhardwaj

Shri Anshul Bhardwaj

Shri Avneesh Jayaswal

Shri Vikash Kumar Agarwal (w.e.f. 01.02.2019)

Shri M. P. Singh

Shri Vallabh Ghate (w.e.f. 30.10.2018 to 31.01.2019)

Shri Ashutosh Mishra (upto 10.10.2018)

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 Metallica Private Limited	Jayaswal Neco Urja 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)

Nature of Transactions	Name of the Related Parties	2019-20	2018-19
Transactions with Associate :			
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	324.50
Reimbursement of Expenses to the Company	Maa Usha Urja Limited	0.74	12.81
Transactions with Other Related Parties:			
Purchase of Property, Plant and Equipment	Neco Heavy Engineering and Castings Limited	8.68	18.41
	Neco Defence Systems Limited	6.23	-
Sale of Property, Plant and Equipment	Neco Heavy Engineering and Castings Limited	18.47	-
Sale of Products	NSSL Private Limited	5128.95	8890.12
	Neco Heavy Engineering and Castings Limited	613.50	989.30
	Neco Ceramics Limited	80.13	126.54
Rent Received	Neco Heavy Engineering and Castings Limited	-	0.90
Purchase of Goods and Services	NSSL Private Limited	5871.72	9898.77
	Neco Heavy Engineering and Castings Limited	201.22	574.97
Other Manufacturing Expenses	NSSL Private Limited	175.38	30.87
	Neco Heavy Engineering and Castings Limited	165.77	219.98
	AMR Iron & Steel Private Limited	-	10.62
Sale of Services / Job Work Income	NSSL Private Limited	-	76.18
Rent / Lease Rent	The Jayaswal Basant Lall Shaw Family Trust	90.14	84.00
	Shashi Enterprises	14.00	-
	Shri Arbind Jayaswal	10.40	9.60
	Shri Ramesh Jayaswal	10.40	9.60
Deposit Given	The Jayaswal Basant Lall Shaw Family Trust	2.10	-
	Shashi Enterprises	3.00	-

Interest Expense	Apex Spinning Mills Private Limited	5.86	5.07
	Nine Star Plastic Packaging Services Private Limited	11.72	10.14
	Jayaswal Neco Infrastructures Private Limited	23.44	20.27
	Jayaswal Neco Energy Private Limited	23.44	20.27
	Jayaswal Neco Metallica Private Limited	29.30	25.34
	Jayaswal Neco Steel and Mining Limited	23.44	20.27
Sitting Fees	Shri B.L. Shaw	0.75	0.75
Managerial Remuneration	Shri Arbind Jayaswal	151.74	127.11
	Shri Ramesh Jayaswal	151.74	127.11
	Shri P. K. Bhardwaj	48.79	44.73
	Shri M.P. Singh	77.21	65.85
	Shri Avneesh Jayaswal	62.26	53.09
	Shri Ashutosh Mishra	-	13.63
	Shri Vallabh Ghate	-	1.51
	Shri Vikash Kumar Agarwal	24.02	4.00
	Shri Anshul Bhardwaj	2.36	1.75
Reimbursement of Expenses to the Company	NSSL Private Limited	6.90	5.18
	Neco Heavy Engineering and Castings Limited	1.88	0.18
Reimbursement of Expenses by the Company	NSSL Private Limited	-	0.10
	Neco Heavy Engineering and Castings Limited	-	1.80

(Rs.in lakhs)

Nature of Transactions	Name of the Related Parties	As at 31.03.2020	As at 31.03.2019
Balances with Associate :			
Corporate Guarantee Given	Maa Usha Urja Limited	1181.00	1181.00
Current Borrowings -Inter Corporate Deposits	Maa Usha Urja Limited	2,237.91	2237.91
Trade payables	Maa Usha Urja Limited	463.76	412.98
Interest Accrued and due	Maa Usha Urja Limited	292.05	-
Balance with Other Related Parties :			
Non Current Borrowings - Inter Corporate Deposits	Apex Spinning Mills Private Limited	44.04	38.18
	Nine Star Plastic Packaging Services Private Limited	88.07	76.35
	Jayaswal Neco Infrastructures Private Limited	176.13	152.69
	Jayaswal Neco Energy Private Limited	176.13	152.69
	Jayaswal Neco Metallica Private Limited	220.17	190.87
	Jayaswal Neco Steel and Mining Limited	176.13	152.69
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 Metallica Private Limited	650.00	650.00
	Jayaswal Neco Steel and Mining Limited	1350.00	1350.00

Trade Payables	NSSL Private Limited	62.48	-
	Neco Heavy Engineering and Castings Limited	41.42	26.33
	AMR Iron and Steel Private Limited	10.62	10.62
	Neco Defence System Limited	0.41	-
Deposit Given	The Jayaswal Basant Lall Shaw Family Trust	23.10	21.00
	Shashi Enterprises	3.00	-
Current - Loans	Jayaswal Neco Urja Limited	738.30	738.30
Interest Receivables	Jayaswal Neco Urja Limited	157.92	157.92
Provision for Doubtful Advance (Including Interest Receivables)	Jayaswal Neco Urja Limited	896.22	896.22
Advances to Suppliers	NSSL Private Limited	26.87	23.42
	Neco Defence Systems Limited	4.18	4.18
Trade Receivables	NSSL Private Limited	-	31.60
	Neco Heavy Engineering and Castings Limited	436.27	315.12

C. Compensation to Key Managerial Personnel of the Company

(Rs.in lakhs)

Nature of Transaction	2019-20	2018-19
Short Term Employee Benefits	454.04	384.52
Post-employment Benefits	3.03	3.74
TOTAL	457.07	388.26

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 31.03.2020	For the Year ended 31.03.2019
a. 16% Redeemable Cumulative Preference Shares	1700.51	1700.51
b. 0.0001% Cumulative Redeemable Preference Shares	0.01	0.01
TOTAL	1700.52	1700.52

NOTE : 40

EXPENDITURE RELATED TO CORPORATE SOCIAL RESPONSIBILITY (CSR) AS PER SECTION 135 OF THE COMPANIES ACT, 2013 READ WITH SCHEDULE VII.

- a. 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)
- b. Expenditure incurred related to Corporate Social Responsibility is Rs. 229.15 lakhs (Previous Year : Rs. 220.73 lakhs).

Details of Expenditure incurred towards CSR given below:

(Rs. in lakhs)

PARTICULARS	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Rural Development Projects	128.44	116.27
Environmental Sustainability	27.12	32.72
Education and Training	4.36	13.06
Health Care, Sanitation and providing Drinking Water	42.70	36.57
Promotion and Development of Traditional Art and Culture, Community Welfare	19.63	16.08
Others	6.90	6.03
TOTAL	229.15	220.73



NOTE : 41 PROVISIONS

Disclosures as required by Ind AS 37-“Provisions, Contingent Liabilities and Contingent Assets” :

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	(Rs. in lakhs)
					Provision for Entry Tax and Cess
As at 1st April, 2018	19.32	5618.63	-	4008.35	396.75
Provision during the year	2.00	807.57	478.02	387.62	-
Provision reversed during the year	-	(170.25)	-	-	-
As at 31st March, 2019	21.32	6255.95	478.02	4395.97	396.75
Provision during the year	2.21	215.05	682.52	395.62	-
Amount received 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

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 31.03.2020	As at 31.03.2019
Financial Assets designated at Fair Value through Profit and Loss :		
- Investments	0.04	0.10
TOTAL	0.04	0.10

b) Financial Assets / Liabilities designated at Amortised Cost:

Particulars	(Rs. in lakhs)			
	As at 31.03.2020		As at 31.03.2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets :				
Financial Assets designated at Amortised Cost :				
- Trade Receivables	35131.85	35131.85	48552.92	48552.92
- Cash and Cash Equivalents	1196.91	1196.91	1123.02	1123.02
- Bank Balances other than Cash and Cash Equivalents	10443.46	10443.46	8749.03	8749.03
- Loans	-	-	-	-
- Others	394.68	394.68	215.28	215.28
TOTAL	47166.90	47166.90	58640.25	58640.25

Financial Liabilities :

Financial Liabilities designated at Amortised

Cost :

- Borrowings	300039.78	300039.78	323424.77	323424.77
- Trade Payables	28103.08	28103.08	33287.81	33287.81
- Other Financial Liabilities	316639.57	316639.57	230724.92	230724.92
TOTAL	644782.43	644782.43	587437.50	587437.50

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:

- i) 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.
- ii) 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.
- iii) 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 31.03.2020		
	Level 1	Level 2	Level 3
Financial Assets			
Financial Assets designated at Fair Value through Profit and Loss :			
Investments	0.04	-	0#
(Rs. in lakhs)			
Particulars	As at 31.03.2019		
	Level 1	Level 2	Level 3
Financial Assets			
Financial Assets designated at Fair Value through Profit and Loss :			
Investments	0.10	-	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 policies 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 31st March 2020 and 31st March 2019.

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations, provisions and on the non-financial assets and liabilities. The sensitivity of the relevant Statement of Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as at 31st March, 2020 and 31st March, 2019.

(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 st 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)	(7,641.47)
Trade Payable	SEK	(650000)	(49.60)
Trade Payable	CAD	(93100)	(50.38)

Unhedged Foreign currency exposure as at 31 st March, 2019	Currency	Amount in FC	(Rs. in lakhs)
Trade Receivable	USD	173966	120.71
Trade Receivable	EURO	173205	134.58
Trade Payable	USD	(236889)	(165.65)
Trade Payable	SEK	(650000)	(49.21)
Trade Payable	CAD	(93100)	(48.77)

Foreign Currency sensitivity

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

Particulars	2019-2020		2018-2019	
	2% Increase	2% Decrease	2% Increase	2% Decrease
	- Profit / (Loss)	- Profit / (Loss)	- Profit / (Loss)	- Profit / (Loss)
USD	(147.44)	147.44	(0.90)	0.90
EURO	0.99	(0.99)	2.69	(2.69)
SEK	(0.99)	0.99	(0.98)	0.98
CAD	(1.01)	1.01	(0.98)	0.98
(Increase) / Decrease in Loss Before Tax	(148.45)	148.45	(0.17)	0.17

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 Company is exposed to interest rate risk associated with its term loan and working capital facility due to floating rates of interest.

Further, due to default in servicing of its dues by the Company, all the 12 Banks of the Company had classified the credit facilities given to the Company as Non Performing Asset (NPA) in their books of account in the earlier years and interest in respect of those specified banks have been provided in the books of the Company but actual interest levy by some banks may vary depending upon as and when it is charged by the banks and the various trusts of Assets Care & Reconstruction Enterprise Limited (ACRE) to whom eight bankers have assigned their fund based debt in the previous year 2018-19. The Lenders of the Company had signed the Master Restructuring Agreement for its debts, however on instructions of Reserve Bank of India 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 (IBC), against the Company. Being aggrieved by the non-implementation of the approved Debt Restructuring Scheme the Company had filed Writ Petition (WP) before the Hon'ble Bombay High Court, Mumbai, against RBI and the other respondents. The Hon'ble Bombay High Court had dismissed the WP of the Company. The Company has challenged the order of

the Hon'ble Bombay High Court before the Hon'ble Supreme Court of India and in the last year, the Hon'ble Supreme Court was pleased to issue notice and directed all the parties to maintain status quo. In view of the Status Quo order issued by the Hon'ble Supreme Court, 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. The matter would be listed only after the Special Leave Petition (SLP) filed by the Company is disposed of by the Hon'ble Supreme Court. Further during the previous year 2018-19 total eight out of twelve bankers of the Company with around 94.18% of the Principal Fund Based Outstanding had assigned their fund based debt along with underlying financial documents together with their rights, benefits and obligation in favour of ACRE acting in its capacity as trustee of various trusts.

The table below illustrates the impact of a 2% increase / decrease in interest rates on interest on financial liabilities assuming that the changes occur at the reporting date and has been calculated based on risk exposure outstanding as of date. The year end balances are not necessarily representative of the average debt outstanding during the year.

Particulars	2019-20		2018-19	
	2% Increase	2% Decrease	2% Increase	2% Decrease
	- Increase in LBT	- Decrease in LBT	- Increase in LBT	- Decrease in LBT
Working Capital Facility	(1208.11)	1208.11	(1184.60)	1184.60
Term Loan from Banks and Others	(6017.92)	6017.92	(6019.99)	6019.99
(Increase) / Decrease in Loss Before Tax	(7226.03)	7226.03	(7204.59)	7204.59

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.

Due to COVID-19 pandemic selling prices of metallic products and rolled products have been impacted significantly. The selling prices remain under pressure without corresponding reduction in raw material prices, consequently the estimated margins in these products are expected to reduce and will have impact on the profitability. The Company also expects reduction in its sales in the near future. 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, 2020.

The Company aims to sell its products at prevailing market prices. Similarly the Company procures key raw materials like iron ore, fines and coal based at prevailing market rates, predominantly the selling prices of steel and castings and that of input raw materials move in the same direction although with a lag effect.

The following table details the Company's sensitivity to a 5% movement in the input price of Iron Ore and Coking Coal.

Particulars	2019-20		2018-19	
	5% Increase	5% Decrease	5% Increase	5% Decrease
	- Increase in LBT	- Decrease in LBT	- Increase in LBT	- Decrease in LBT
Iron Ore / Fines	(3129.16)	3129.16	(3653.79)	3653.79
Coal / Coke	(5697.50)	5697.50	(6167.87)	6167.87
(Increase) / Decrease in Loss Before Tax	(8826.66)	8826.66	(9821.66)	9821.66

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 st March 2020		31 st March 2019	
	Gross Carrying Amount	Loss Allowance	Gross Carrying Amount	Loss Allowance
Trade Receivables	39297.95	4166.10	51956.48	3403.56
Total	39297.95	4166.10	51956.48	3403.56

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

(Rs. in lakhs)

Particulars	31 st March 2020	31 st March 2019
Opening Balance	3403.56	2722.83
Add : Provided during the year	762.54	680.73
Closing Balance	4166.10	3403.56

No significant changes in estimation techniques or assumptions were made during the reporting period.

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 during the year the novel Corona Virus (COVID-19) pandemic has affected all the business activities in India, directly and indirectly. COVID-19 has added to the liquidity crisis of the Company due to production interruptions / lockdowns, rising inventories, muted demand, suppressed selling prices, supply chain disruptions resulting into increase in cost of goods manufactured, etc. However, the impact of COVID-19 issues has started easing out as the businesses returns to normalcy. Further all the lenders are continually supporting the operations of the Company.

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

Particulars	Maturity				(Rs. in lakhs)
	On Demand	Less than 1 Year	1 to 5 Years	More than 5 years	Total
As at 31st 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
Total	73087.20	358362.15	93447.39	120093.19	644989.93
As at 31st March, 2019					
Non Current Borrowings #	-	-	97630.06	139372.52	237002.58
Other Financial Liabilities (Non Current)	-	-	16.35	-	16.35
Short term borrowings	71911.68	14792.47	-	-	86704.15
Trade Payables	-	33287.81	-	-	33287.81
Other Financial Liabilities	-	230708.57	-	-	230708.57
Total	71911.68	278788.85	97646.41	139372.52	587719.46

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 Total debt divided by Total Capital plus Debt.

Particulars	(Rs. in lakhs)	
	As at 31.03.2020	As at 31.03.2019
Total Debt	394049.26	394177.03
Less : Cash and cash equivalent	1196.91	1123.02
Less : Other Bank Balances	10443.46	8749.03
Less : Non current Bank Deposits	123.41	2.38
Less : Current Investments	0.04	0.10
Net Debt	382285.44	384302.50
Equity	(80638.36)	69980.28
Total Capital Employed (Equity plus Net Debts)	301647.08	454282.78
Gearing ratio	126.73%	84.60%

NOTE : 45 The outbreak of COVID-19 virus continues to spread across the globe including India and to control this, the Governmental authorities had been forced to commence nationwide lockdown. Accordingly, with effect from March 24, 2020 to May 14th, 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. Presently the operations have commenced with reduced capacity. It has significantly affected the Company's business and liquidity and raised concerns over its future prospects.

Post gradual lifting of lockdown, significant challenges for the Company's business persist. Restoring supply chains and customers normal scale of operations more predominantly located in the Red Zones and bringing back the migrant labors working with the customers remain huge challenge. The customers would first try to liquidate the existing stocks once their operations resume before starting to ramp up production. Consequently the company is expected to continue to work at lower utilization levels till demand resumes meaningfully. 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. The Company has also ensured regular and contract labour continuity for its operations. The migrant labour exodus has not affected the Company's work force. The Market demand for alloy steel is bare minimum at present and revival of its demand to pre Covid-19 levels would be a process expected to be drawn over couple of quarters. Until the demand for alloy steel picks up, the Company will focus more on its iron products.

It is not possible to determine exact financial impact of Covid-19 pandemic over the business at this juncture. The sustainable demand volumes, selling prices and margins that the Company can earn post Covid-19 recovery would be known once businesses stabilize and the entire ecosystem starts functioning smoothly. Keeping in mind the health and safety of its employees, customers, vendors, the Company strives hard to come out of the Covid-19 crisis with positive approach, patience, committed team work, enhancement of efficiencies, cost reduction, Governmental and stakeholders support, clearly defined objectives and meticulous roadmap for its execution.

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 31.03.2020	As at 31.03.2019
I	Loan Given		
	Jayaswal Neco Urja Limited	738.30	738.30
II	Corporate Guarantee Given		
	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)

MUKESH MEHTA

Partner

Membership No.: 43495

For NARESH PATADIA & CO.

Chartered Accountants

(Registration No. : 106936W)

NARESH PATADIA

Proprietor

Membership No.: 35620

For and on behalf of Board of Directors

ARBIND JAYASWAL

Managing Director & Chief Executive Officer

DIN : 00249864

VIKASH KUMAR AGARWAL

Company Secretary

Membership No.: A19583

P. K. BHARDWAJ

Executive Director & Chief Financial Officer

DIN : 03451077

Nagpur, 29th June, 2020



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