

**Jayaswal Neco
Industries Limited**

**46th
ANNUAL REPORT
2018 - 19**



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 thereunder.

To support this initiative, shareholders who are yet to register their e-mail addresses are requested to furnish/register their Email Id's at necoindia.gogreen@sharexindia.in alongwith 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 (Sharex Dyanamic (India) Private Limited), to enable the Company to send all Notices, periodical statements, Annual Report etc. of the Company through electronic mode.

Please note that as a Member of the Company, you will be entitled to be furnished, free of cost a printed copy of Balance Sheet of the Company and all other documents required by law to be attached thereto including the Profit and Loss Account and Auditors' Report, upon receipt of a requisition from you, any time.

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
(COMPANY SECRETARY & COMPLIANCE OFFICER)	:	Shri Vikash Kumar Agarwal	Executive Director (Steel) & COO (Steel Plant Division)
		Smt. Vaishali Nemlekar	Director (IDBI Bank Nominee) (Ceased w.e.f. 12th July, 2019)
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, 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)	:	Sharex Dynamic (India) Private Limited. C-101,247 Park, L.B.S. Marg, Vikhroli West, Mumbai – 400 083. Ph. Nos. 022-28515606, 022-28515644, Fax No. 022-28512885 Email: support@sharexindia.com	
WORKS	:	<ol style="list-style-type: none"> 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 46th Annual General Meeting (AGM) of the Members of **Jayaswal Neco Industries Limited** will be held on **Friday, the 27th Day of September, 2019** at 12.30 P.M. at the Registered Office of the Company situated at F-8, MIDC Industrial Area, Hingna Road, Nagpur- 440016 (MH) 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, 2019 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Basant Lal Shaw (DIN: 00249729), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.

SPECIAL BUSINESS**3. RE-APPOINTMENT OF SHRI B. K. AGRAWAL AS AN INDEPENDENT DIRECTOR**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 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, consent of the members be and is hereby given to 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.”

4. TO APPROVE THE RELATED PARTY TRANSACTIONS

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

“RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 (“the Act”) read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 as applicable and any amendments thereto, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, the approval of the shareholders be and is hereby accorded to all the contracts / arrangements/ agreements likely to be entered into between the Company and M/s. NSSL Private Limited, a related party within the meaning of the aforesaid Act, exceeding the limits as mentioned in the aforesaid Act during the Financial Year 2020-21 as detailed below on such terms and conditions as may be mutually agreed upon between the parties and as detailed in the Explanatory Statement annexed hereto:

Description of Contracts	Period of Contracts	Total Estimated cumulative contracts value with M/s. NSSL Pvt. Ltd. (Rs.in Lacs)
Sale, Purchase, Supply of Goods including Raw Materials, Finished Goods, Scrap, Consumables and Capital Goods, availing other services such as Machining etc.	1 st April, 2020 to 31 st March, 2021	30,000

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to settle any question, difficulty or doubt that may arise with regard to giving effect to the above Resolution; to sign and execute necessary documents and papers on an ongoing basis; to take such steps as may be necessary for obtaining necessary consents, approvals etc. and to approve the terms and conditions related to aforesaid transactions and to do and perform all such acts, deeds and things as may be necessary or in its absolute discretion deem necessary, proper, desirable pursuant to the above Resolution.”

5. TO RATIFY THE REMUNERATION OF COST AUDITORS FOR THE FINANCIAL YEAR ENDING 31ST MARCH, 2020.

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, 2020.”

“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: 12th August, 2019

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**

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. **A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company.**
3. **Instruments appointing proxy or proxies duly filled in, stamped & signed should, however, be deposited at the Registered Office of the Company not less than 48 hours before the Meeting.**
4. **A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**
5. Corporate Members are requested to send Board resolution duly certified, authorizing their representative to attend and vote on their behalf at the AGM.
6. Pursuant to SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, particulars of Director seeking re-appointment at this meeting are annexed hereto.
7. Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 20th September, 2019 to Friday, the 27th September, 2019 (both days inclusive).
8. 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.
9. The Ministry of Corporate Affairs has taken a corporate “Green initiative in the corporate governance” by allowing paperless compliance by Companies. 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 (Sharex Dynamic (India) Private Limited), to enable the Company to send all notices, periodical statements etc. of the Company through electronic mode.



10. 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 46th Annual General Meeting (AGM) by electronic means ('remote e-voting') or by Ballot at AGM. The Members may cast their votes using an electronic voting system from the place other than the venue of the Meeting ('remote e-voting'). Instructions and other information relating to remote e-voting are given in the Notice under Note No. 15.
11. Voting rights will be in proportion to the shares registered in the name of the Members as on 19th September, 2019 (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.
12. 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.
13. The facility for voting through Ballot shall be made available at the Meeting and the Members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through Ballot.
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?	
<ol style="list-style-type: none"> 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. <p><i>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.</i></p>	
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, your 'initial password' is communicated to you on your postal address.
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) **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 Monday, 23rd September, 2019 and end at 5.00 p.m. on Thursday, 26th September, 2019. During the period, Members of the Company, holding shares either in physical or dematerialized form, as on the cut-off date i.e. Thursday, 19th September, 2019 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. 19th September, 2019 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 as well as voting at the AGM through ballot.
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 and ballot) 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 Chairman shall, at the AGM at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer through "Ballot" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
10. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and 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.
11. 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.
12. 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.

Members are requested to bring their attendance slip along with their copy of Annual Report to the Annual General Meeting.

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

Item No. 3:

Pursuant to the provisions of the Section 149, 152 and any other applicable provisions if any, of the Companies Act, 2013 ('Act') read with Schedule IV to the Act and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) and re-enactment(s) thereof for the time being in force and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company vide its meeting dated 22nd May, 2019 has recommended for the approval of the members the re-appointment of Shri B. K. Agrawal, as an independent Director of the Company for a term of 5 (Five) consecutive years from 22nd September, 2019 to 21st September, 2024.

Shri B. K. Agrawal is not disqualified from being re-appointed as a Director of the Company in terms of Section 164 of the Act. The Company has also received declaration from Shri B. K. Agrawal, that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, Shri B. K. Agrawal, fulfils the criteria specified in the Act and Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for his re-appointment as an Independent Director of the Company. Further based on the performance evaluation, the Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as an Independent Director on the Board of the Company.

Brief profile along with other particulars of Shri B. K. Agrawal, as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached as annexure to this Notice. Shri B. K. Agrawal is not related to any other Director of the Company.

Copy of the letter of appointment of Shri B. K. Agrawal as an Independent Director setting out the terms and conditions 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.

Further, as required by SEBI (Listing Obligations And Disclosure Requirements)(Amendment) Regulations, 2018, no listed entity shall appoint a person or continue the Directorship of any person as a Non-Executive Director who has attained the age of Seventy-Five years unless a Special Resolution is passed to that effect. Shri B. K. Agrawal will be attaining the age of Seventy-Five years on 28th January, 2024 i.e during the term for which his re-appointment is sought. Also, as per Section 149 (10) of the Companies Act, 2013, an Independent Director is eligible for re-appointment only on passing of Special Resolution by the Company.

Therefore, keeping in view his vast experience and expertise, it will be in the interest of the Company that Shri B. K. Agrawal's appointment as an Independent Director is approved by shareholders hence, the Board recommends the resolution set out at Item No. 3 of the Notice for Shareholders' approval as a Special Resolution.

Except, Shri B. K. Agrawal, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested in the said resolution.

Item No. 4:

Pursuant to Section 188 of the Companies Act, 2013 ("the Act"), read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 the Company is required to obtain prior approval of the members by way of resolution in case of sale, purchase or supply/availing of any goods, materials or services to/from any of its related parties, directly or through appointment of agent exceeding amount equivalent to ten per cent of the turnover of the Company or Rupees One Hundred Crore, whichever is lower. The aforesaid provisions are not applicable in respect of transactions entered into by the Company in the ordinary course of business and on an arm's length basis.

The Company in its ordinary course of business and on arm's length basis sells and purchases materials to/from different parties. NSSL Private Limited is one of the related parties of the Company engaged in the business of manufacturing Industrial Valves and has a Specialized Machining Division in Nagpur. The purchase of material/products/services from NSSL Private Limited is dependent on the requirement of the Company and the ability of NSSL to supply them to the Company. During the course of its business, the Company also sells its products to NSSL Private Limited.

The transactions likely to be entered by the Company with NSSL Private Limited during the period from 1st April, 2020 to 31st March, 2021 are as follows:

Sr. No.	Nature of Transactions	Value of Transactions (Rs.in Lacs)
Estimated Purchase of Goods by the Company from NSSL Private Limited		
		From 1st April, 2020 to 31st March, 2021
1.	Automotive & Tractor components for Engine & Transmission such as Cylinder Heads, Housings, Hubs, Axles etc.	15500.00
2.	Machining Charges	200.00



3.	Iron & Steel Scrap	300.00
	Total Estimated Purchase of Goods	16000.00
Estimated Sale of Goods by the Company to NSSL Private Limited		
1.	Iron & Steel Castings	14000.00
	Total Estimated Sale of Goods	14000.00
	Total Estimated Transaction Value	30000.00

As the total amount of the transactions of the Company with NSSL Private Limited during the financial year 2020-21 as specified above is likely to exceed the limits prescribed under Section 188 of the Act, hence the transactions between the Company and NSSL Private Limited during the period from 1st April, 2020 to 31st March, 2021 as specified above needs the approval of the Members of the Company as per Section 188 of the Act.

The other particulars related to the above transactions are as under: -

Name of the related party	Name of the Director or Key Managerial Personnel who is related, if any	Nature of Relationship	Nature, Material Terms, Monetary Value and Particulars of the contracts or arrangements	Any other information relevant or important for the members to take a decision on the proposed resolution
NSSL Private Limited	Shri Basant Lall Shaw, Chairman	Member in NSSL Private Limited holding 1.94% shares.	For details of transactions, kindly refer the table given above.	The Transactions are in the Ordinary course of Business and are at Arm's Length Basis. Though approval of shareholders would not be required under the provisions of Section 188 of the Act and the Rules framed thereunder for the above specified transactions with NSSL Private Limited, the same is being sought as an abundant precautionary measure. Shri Anand Jayaswal, Managing Director of NSSL Private Limited is the relative of Shri Basant Lall Shaw, Shri Arbind Jayaswal and Shri Ramesh Jayaswal, being the members of Hindu Undivided Family and is also the son of Shri Arbind Jayaswal.
	Shri Arbind Jayaswal, Managing Director & CEO (Foundry Division)	Member in NSSL Private Limited holding 4.31% of shares.		
	Shri Ramesh Jayaswal, Joint Managing Director & CEO (Steel Plant Division)	Member in NSSL Private Limited holding 2.77% of shares.		
		Their relatives are also Members in NSSL Private Limited.		

Except as specified above none of the Directors, Key Managerial Personnel or their relatives is directly or indirectly concerned or interested, financially or otherwise, in the resolution set out in Item No. 4 of the Notice.

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

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

Item No. 5:

Members are hereby informed that on the recommendation of the Audit Committee, Board of Directors of your Company re-appointed M/s. Manisha & Associates, Cost Accountants, as Cost Auditors of the Company for the year 2019-20 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 06th May, 2019 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. 5 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: 12th August, 2019

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 Basant Lall Shaw	Shri B. K. Agrawal
DIN	00249729	01223894
Date of Birth	03.08.1933	28.01.1949
Designation	Chairman	Independent Director
Date of Appointment	28.11.1972	10.08.1994
Qualification	B. Com	M.Com, FCA
Experience in Specific Functional Areas	Associated with Iron and Steel business for over 59 years. Instrumental in setting up 1 MTPA Integrated Steel Plant in Raipur and other units in the Group in India and abroad. Founder and Chairman of Neco Group of Industries.	Practising Chartered Accountant for over 41 years. Possesses sound knowledge of Accounting, Auditing, Taxation and Corporate Advisory. Financial Advisor to leading Industrial Houses.
Other Directorships (In Listed Entities)	NIL	NIL
Membership of Committees of other Companies	NIL	NIL
No. of Equity Shares Held	10312850	7500

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

Dear Members,

The Directors are pleased to present their **46th Annual Report** on the affairs of the Company together with the Audited Financial Statements for the year ended 31st March, 2019.

1. FINANCIAL RESULTS

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

(Rs. in crore)

Particulars	31.03.2019	31.03.2018
Net Sales	4,226.53	3,477.40
Other Income	17.41	24.55
Total Revenue (Net)	4,243.94	3,501.94
Operating Expenses	3,703.82	3,169.87
EBIDTA	540.12	332.07
Finance Costs	711.47	658.18
Depreciation and Amortization Expenses	272.68	273.00
Exceptional Item	-	(7.06)
Profit/(Loss) before tax	(444.03)	(592.05)
Tax Expenses	(0.16)	(100.68)
Profit / (Loss) after Tax carried to Balance Sheet	(443.87)	(491.36)

Your Company has not carried any amount to reserves and the amount of Loss after tax of Rs 443.87 crore 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.

The first half of the year was good for the Steel Sector which witnessed robust demand and prices from the end user customers. The second half of the year more particularly from the end of November, 2018 onwards however witnessed sharp slowdown in the Auto Component customers demand due to which the Company was not able to pass on the raw material and other cost increase.

The slowdown in the end user Auto sector was attributed principally due to strict loan disbursal norms by NBFCs & MFIs, market liquidity issues, farm distress, fuel price spurt, stringent pollution control norms, hike in insurance costs, revision in Axle load norms and China Auto sector demand slowdown.

Despite the aforesaid challenges, the Company tried to optimise the production and plant yield through efficient use of its resources. The Company's Net Sales from operations for the year stood at Rs. 4,226.53 Crores and has increased approximately by 21.54% than the previous year's Net Sales from operations of Rs. 3,477.40 Crores.

During the year the Net sales has increased mainly due to increased capacity utilisation of new Steel Making Facility and increase in selling prices of Iron and Rolled products up to November, 2018.

The Company has been focused on selling high-end value-added products (Rolled Products) with applications in automotive and Auto components segment, thereby ensuring that realisations were better. However, with the slowdown in the second half of the year more particularly from the end of November, 2018 the Company had to sell more metallics and low Alloy Steel in the market with lesser margins to ensure cash flows to sustain its operations.

Despite the aforesaid challenges the Company was able to record good earnings (EBIDTA). The Company's Earnings before Interest Depreciation and Tax (EBIDTA) level during the year was at Rs. 540.12 Crores as against Rs. 332.07 Crores for the previous year.

The Net Loss before Exceptional Items and Tax for the year stood at Rs. 444.03 Crores and Net loss after Tax for the year stood at Rs. 443.87 Crores.

During the year, the Net Worth of the Company has decreased to Rs. 699.80 Crores from Rs. 1149.89 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.

Key Financial Ratios:

Variance over 25% (FY 2018-19 Vs FY 2017-18) with Reasoning:

Debtors Turnover Ratio: The Debtors Turnover Ratio has improved from 6.20 times in FY 2017-18 to 8.70 times in FY 2018-19 with 40.38% variance. The Ratio has improved due to company's effectiveness in collecting its receivables.

Interest Coverage Ratio: The Interest Coverage Ratio has improved from 0.50 in FY 2017-18 to 0.76 in FY 2018-19 with 50.47% variance. The Ratio has improved on account of improvement in EBIDTA due to increase in sale quantity of Rolled Products and increase in overall selling prices and margins during FY 2018-19. In FY 2018-19 the capacity utilization of new Steel Making facility has improved as compared to the last year.

Debt Equity Ratio: The Debt Equity Ratio has deteriorated from 3.18 (As on 31st March, 2018) to 5.14 (As on 31st March, 2019) with 61.61% variance. The Ratio has deteriorated mainly due to decrease in Net worth which is on account of net losses during the period.

Operating Profit Margin (%): The Operating Profit Margin has improved from 8.84% in FY 2017-18 to 12.37% in FY 2018-19 with 39.85% variance. The Improvement in Operating Profit Margin is mainly due to increase in Sale of Rolled Products and increase in overall selling prices and margins during FY 2018-19. In FY 2018-19 the capacity utilization of new Steel Making facility has improved significantly as compared to the last year. The Margin on Rolled products are higher as compared to Iron Products.

Net Profit (Loss) Margin (%): The Net Loss Margin has improved from -14.13% in FY 2017-18 to -10.50% in FY 2018-19 with 25.68% variance. The ratio has improved due to lesser Net Losses mainly due to improvement in EBIDTA levels.

Return on Net Worth: The ratio has deteriorated from -42.73% to -63.43% with 48.43% variance. The ratio has deteriorated due to reduction in Net Worth in FY 2018-19 due to Net Losses in the current year.

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 increased to Rs. 3,717.97 Crores as compared to Rs. 3087.20 Crores of the previous year.

The production levels of the Steel Melt Shop during 2018-19 was around 107% of the previous year and the production levels of the Rolling Mills was around 119% of the previous year. The Hot Metal production level was around 107% of the previous year. Pellet production level was around 107% of the previous year. The Sponge Iron production level was around 111% of the previous year.

The Net Sales has increased mainly due to increased capacity utilisation of new Steel Making Facility, pellet plant, blast furnace, sponge iron plants and increase in selling prices of Iron and Rolled products up to November, 2018.

The share of metallics sales value i.e. pig iron, sponge iron and pellets to total Steel Plant division sales was around 29.30% in 2018-19 which is marginally lower (by 0.19%) than that previous year figure of 29.49%.

Going forward the Company expects to further increase the production of finished steel in its overall sales by gradually ramping up the capacity utilisation of its new Steel making facility.

ii) Castings Division:

The Net Sales from the foundry division has increased to Rs. 508.55 Crores during the year from Rs. 390.20 Crores in the Financial Year 2017-18.

The Automotive Castings Sub Division accounted for around 46%, the Centrifugal Castings Sub Division for around 22%, Engineering Castings Sub Division for around 26% and the Construction Casting Sub Division for around 6% of the total Foundry Division Net Sales.

D] Restructuring of Term Loans and Debt Assignment:

The Company underwent significant financial stress in the last five years due to cancellation of its three captive coal mines which resulted in significant viability issues of the end use Iron and Steel making facilities, payment of additional levy on mined coal as per Hon'ble Supreme Court order, huge dumping of steel in the country which resulted in the low capacity utilisation of its new steel making facilities and unavailability of incremental working capital support due to Reserve Bank of India's (RBI's) Asset Quality review classifying the Company's accounts as technical Non-performing Asset from back date effect. Hence the Company had requested its then lenders to restructure its debts in the year 2017.

The Company's Debt Restructuring Scheme of the year 2017 had already been sanctioned by 11 out of 12 lenders (around 96% in value) and out of the sanctioned 11 lenders, 10 lenders (Including Lead Bank – SBI) had already executed Master Restructuring Agreement (MRA) on 12th December, 2017.

The Company had complied with all the pre-conditions including bringing upfront promoters' contribution of Rs. 100.38 Crores, Independent Evaluation Committee (IEC) recommendation to the debt restructuring scheme and getting Investment Grade rating to the residual debt from two Credit Rating Agencies (CRA) CARE & SMERA appointed by SBI (erstwhile Lead Lender) on the instructions of the erstwhile JLF.

The Lenders appointed CRAs i.e. CARE & SMERA had given Investment Grade Rating, however, RBI had appointed India Rating & Research Pvt Ltd (IRRPL), who could not give Investment Grade Rating in only 3 working days (from the RBI appointment date), by the RBI stipulated timeline of 13th December, 2017. The company has contested the matter and it is currently subjudiced.

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 then lead secured lender, had filed an application under the Insolvency and Bankruptcy Code, 2016, against the Company, claiming an amount of Rs. 51383 lakhs is in default as on 30th November, 2017. The matter is currently in pre-admission stage in the National Company Law Tribunal (NCLT), Mumbai.

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, raising various questions of law and challenging various communications issued by RBI from time to time, which had adversely affected the implementation of the approved Debt Restructuring Scheme of the Company. The Hon'ble Bombay High Court had however dismissed the WP of the company.

The Company then 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.

The Company has been regularly servicing its Letter of Credit bills payments, Working Capital interest as per existing sanctioned rates and term loan servicing as per 2017 Debt Restructuring package without getting any benefits of the Debt restructuring implementation as its implementation was stalled on the instructions of Reserve Bank of India to the erstwhile lead Bank State Bank of India to file case against the Company under IBC in NCLT.

Your company sincerely believes and is quite hopeful, to achieve better performance in terms of serviceability of its financial obligations, deployment of capital and resources, etc.

Presently eight out of twelve bankers of the Company with around 94.20% 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.

During the December, 2018 quarter, four bankers of the Company viz. State Bank of India, Union bank of India, Punjab National Bank and Indian Overseas Bank have 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) and ACRE 63 Trust (for Indian Overseas Bank Debt assignment) vide Assignment Agreements executed by them in favour of ACRE.

Further during the March, 2019 quarter, further four bankers of the Company viz. IDBI Bank, Central Bank of India, Oriental Bank of Commerce and Bank of India have 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 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.

The Company has been actively engaged with ACRE to get its debts restructured and is hopeful to get its Debt Restructuring scheme finalized and implemented in this financial year.

The Company envisages to ensure timely servicing of its obligations as per the new Debt Restructuring scheme.

E] Projects:

The Company, with a view to set up end use projects for its captive coal mines which were although subsequently deallocated, optimize costs, 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 have been completed 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 Sponge Iron Plant & Associated Captive Power Plant unit at Bilaspur by the Company due to its commercial unviability due to cancellation of the captive coal mines of the Company by the Honourable Supreme Court. It was also decided by the JLF forum that the said project would be Non-Core Asset of the Company.

Subsequently, the Directorate of Enforcement in its first attachment provisionally attached the plant and machinery under installation at Dagori Integrated steel plant situated at Bilaspur district to the extent of Rs. 20616 Lakhs and in its second attachment also provisionally attached land at Dagori Integrated steel plant for Rs.2092 Lakhs (apart from Office and Factory Building and Plant and Machinery of the Sponge Iron Plants (350 TPD + 500 TPD) at Steel Plant Division, Siltara, Raipur to the extent of Rs. 8050 Lakhs) for alleged misuse of coal raised from Gare Palma IV/4 coal block at Chhattisgarh.

The Company had challenged the two provisional orders before the Adjudicating Authority. The Adjudicating Authority dismissed the appeals filed by the Company and confirmed the Provisional Attachment Orders.

The Company then filed appeal against the orders passed by the Adjudicating Authority, before the ED Appellate Authority. The ED Appellate Authority vide its order issued notice to Directorate of Enforcement and also directed Directorate of Enforcement not to take any coercive steps.

The last hearing in the ED first Attachment matter was done by the ED Appellate Authority on 15th March, 2019 and now the ED first attachment matter had been clubbed by the ED Appellate Authority with the ED second attachment matter and have been put up for hearing on 17th July, 2019.

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.

F] Industry Outlook, Developments and Concerns:

India was the world's second largest steel producer in the year 2018. The growth in the Indian steel sector has been driven by domestic availability of raw materials such as iron ore, fines, non-coking coal, strong domestic demand and cost-effective labour. Consequently, the steel sector which is part of the Core Sector has been a major contributor to India's manufacturing output.

Steel industry and its associated mining and metallurgy sectors have seen a number of major investments and developments in the recent past in India. 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.

Over the last five years, the output of long products in the country grew at a CAGR of 4.8% and that of flat products grew at a CAGR of 3.9%. The output of long products increased to 45 million tonnes and that of flat products rose to 49.8 million tonnes.

The likely growth in the rural economy and infrastructure is expected to lead to growth in demand for steel. Further the Government of India has also launched e-platform which will facilitate sale of finished and semi-finished steel products.

Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors. The higher consumption is crucially dependent on infrastructure investment from the public and private sources in port, rail and road-led development, more spending by the household and the government in real estate, affordable housing and the smart cities.

The Company's Steel Plant is primarily into Alloy Steel Production. Alloy Steel production is specialty steel production against confirmed orders of various grades, shapes and sizes of Long products. Alloy steel is not a commodity and it has a structured market. The Alloy Steel Industry has witnessed growth rate in India of 6% to 12% in the last decade.

Alloy Steel Industry demand comes from - (a) Automobile Industries (Auto Component players and OEMs) (b) Railways (c) Defence (d) Component Export (e) Non-auto segment like electrodes, shafting, cathode bar, etc.

Alloy Steel market is presently approx. 6.5 million ton/annum in the organized sector. Alloy steel production in India is set to rise up to 13 MTPA by FY 2025. Indian Alloy Steel production accounts for 5% share in the global alloy steel production.

The Alloy steel sector has faced headwinds from the end of November, 2018 as the Indian automobile sector continues to be in a slow lane as is evident from March, 2019 volume numbers. The slowdown is principally attributable to the multiple challenges such as increase in the total cost of ownership of vehicles due to mandatory long-term third-party insurance and implementation of stringent safety regulations, higher cost of retail finance, liquidity squeeze with the NBFCs, farm distress, revision in the Axle Load norms and moderate economic activities ahead of elections.

The long-term Auto Sector outlook however continues to be positive, primarily due to the government's focus on construction and infrastructure and increase in mining activities and strong macroeconomic fundamentals of the country.

According to Society of Indian Automobile Manufacturers (SIAM), the commercial vehicle industry is expected to grow by 10 to 12 per cent in FY'20. The growth projection is largely based on the expected pre-buying which is anticipated to kick in during H2 FY'20 due to implementation of BS VI norms from 1st April, 2020.

The passenger vehicle sales are projected to grow between 3-5 per cent. The two-wheeler segment is expected to grow between 5-7 percent and three-wheeler segment is pegged to grow between 7-9 percent.

Driving this growth will be overall infrastructure and Gross Domestic Product that is estimated to grow at 7 percent during FY20. As per SIAM, the Auto Industry growth will likely to remain intact with positive GDP growth outlook and infrastructure expenditure.

However, despite positive outlook projections, key concerns relating to below normal monsoons, political uncertainty and dipped consumer sentiment continue to be challenges for the auto industry.

As per SIAM, the Indian automotive industry saw marginal increase of 5 per cent at 26,267,783 units in FY'19.

The Commercial Vehicle (CV) sector, mostly a cyclical industry, for the first time crossed one million domestic sales mark in FY 18-19, even as the sector struggled in the second half of the fiscal. The segment was mainly driven by demand due to new infrastructure projects and fleet replacement. The H1 of FY'19 saw the segment obtaining a strong double-digit growth of 37.82 per cent which shrank to 3.3 per cent in the H2 of the fiscal.

The Company is gradually ramping up the operations of its new Steel Melting Shop and Rolling Mill, however finding market for the products amidst subdued demand and shortage of working capital remain its key concerns.

The Law and order problems in the Iron Ore Mining belts in the State of Chhattisgarh is still continuing to be a matter of concern for the Company creating serious problems for governmental and social machineries, although the company has commenced mining from couple of its iron ore mines .

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, analysing 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 or 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 7806.

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) Performance parameter for PMS evaluation has been modified to TPM target from a conventional balance score card. Improvement project aimed at involving each employee in the process of innovation / excellence in the organisation made mandatory.
- ii) To enhance skill set and knowledge level of employees two-pronged action initiated i.e at least attending of two training man-days during the appraisal cycle and imparting two training programs for colleagues/ junior / peer within or outside the department arena.
- iii) Awareness on ISO functioning and involvement made obligatory and credits given on the intensity of involvement / participation.
- iv) Multi skilling introduced in major production department for horizontal growth of Employees as well bringing flexibility in the work site.
- 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) Organisation has made a Skill Development centre functional at the plant site for providing employable skill to 170 youth in seven trades to the unemployed and underprivileged youth of Dharsiwa block through the State Government project under the aegis of Mukhya Mantri Kaushal Vikash Yojana.

- vii) Company has been bestowed with 4 National level awards in the arena of Human Resource and CSR activities which includes:
 - 1) NIPM National Runners Award-2018 for Best HR Practices and
 - 2) India CSR community initiative service Award 2018 for initiating action on skill development centre for the local youth.
- viii) Activated summer internship program for a span of 2 months covering 235 students under summer internship program for the technical and professional colleges of Chhattisgarh.

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 2018-19 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. Four numbers of Health & Eye check-up/awareness camp in association with SMC Heart Institute and Research Centre, MGM Eye Hospital and District Health Services etc, two numbers of Blood donation camp with the support of Vilasa Blood Bank, Medicine supply to the poor in the village of Metabodeli, free Ambulance services for needy patients of nearby villages of Mining areas, Construction of a toilet in Chargaon village, Distribution of Garbage Bins for collection of garbage from Schools, Provision of safe drinking water, Installation/repairing of hand pumps, solar water tanks, solar water pumps, submersible pumps and drilling of ten numbers of Borewells in peripheral villages of Mines, water supply by tankers to villages during Summer, distribution of nutritious food and fruits to the malnourished children of mines peripheral villages.
2. Provided Computer Training to five numbers of needy youths, awards and fifty-two numbers of scholarship to academic meritorious students, financial assistance for honorarium to three teachers, distribution of stationaries to the students & computer printer to schools.
3. Organising of Road Safety Awareness program, providing skill development training to 186 unemployed youths of Dharsiwa Block, Raipur.
4. Organized educational tours and free coaching to school children.
5. Organizing sports activities, sports ground maintenance and providing financial assistance and distribution of sports items for promotion of rural /nationally recognized sports.
6. Development of tailoring training center in four peripheral villages of Mines for imparting training to rural women, providing tailoring material and sewing machines to needy women.
7. Protection of ecological balance through landscaping & garden development, tree plantation and distribution of plants.
8. Promotion of traditional art & culture of state through financial assistance to organise traditional cultural programs in peripheral villages and providing various articles and materials in such programs and distribution of blankets to

weaker sections of the society including senior citizens, retarded and physically handicapped children, orphans and mobile assistance to blind children.

9. Financial Assistance for local development work, renovation of Government school, installation of solar street lights in villages, construction of Community Hall and Samadhan Kendra in villages, providing Hume Pipes in drains for maintenance of culverts, construction and maintenance of village roads etc.
10. Our company have been conferred with one national and state award each for our CSR notable action in the field of CSR.
11. Besides the above, Company has also given financial assistance to the District Collector's CSR fund for the socio-economic development work in the Raipur district.

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 2018-19 on the CSR Activities.
- ii. That the CSR Budget for the Financial Year 2018-19 as approved by the CSR Committee and the Board was of Rs. 323.85 lacs.
- iii. That during the financial year 2018-19, the actual expenditure incurred by the Company on the CSR activities was of Rs. 220.73 lacs.

During the Financial Year 2018-19, the Company spent Rs. 220.73 lacs on CSR activities and thus has been able to increase the amount spent on the CSR activities during the Financial Year 2018-19 as compared to previous financial year's Rs. 209.24 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, 2019 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. 230,954.89 Lakhs due to certain banks and Assets Reconstruction Company. During the year, banks holding 94.20% (by value) of the total principal debt, equivalent to Rs. 339353.50 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 31st March, 2019, 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. It has been actively engaged with its lead lender-ACRE ARC to get its debts restructured and is hopeful to get it finalized this year. 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 45th 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 appointment of

Shri Rajendra Prasad Mohanka (DIN 00235850) as an Independent Director of the Company not liable to retire by rotation for the period of 5 (Five) years w.e.f. 27th July, 2018 and also approved the continuance of Shri Basant Lall Shaw as the Director of the Company liable to retire by rotation and continuance of Shri Darshan Kumar Sahni as an Independent Director of the Company for the remaining tenure upto 21st September, 2021.

On 10th of September, 2018, IDBI Bank Limited withdrew the nomination of Smt. Kanika Sharma (DIN 07902750) and appointed Smt. Vaishali Nemlekar (DIN 02474433) as its nominee.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Shri Basant Lall Shaw (DIN 00249729), Chairman 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 Section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri B. K. Agrawal is to be re-appointed as an Independent Director of the Company not liable to retire by rotation to hold office for further 5 (Five) consecutive years w.e.f. 22nd September, 2019 subject to approval of shareholders in the ensuing Annual General Meeting 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 shall be 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 2018-19 and 2019-20 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 – <http://www.necoindia.com/wp-content/uploads/2016/08/Policy-on-Material-Subsidiaries.pdf>

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

10. CORPORATE GOVERNANCE REPORT:

The report on Corporate Governance as stipulated under Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with the requisite certificate from the Auditors of the Company 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: <http://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, 2019, 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, 2019 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, 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 2018-2019.

The Board of Directors of the Company on the recommendation of the Audit Committee, at its meeting held on 22nd May 2019 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 2019-2020 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 2019-20 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 2018-19.

The Board of Directors of the Company on the recommendation of the Audit Committee, at its meeting held on 22nd May, 2019 has re-appointed M/s. R. A. Daga and Co., Company Secretaries, Nagpur to conduct Secretarial Audit for the financial year 2019-20 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, 2019 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: 22nd May, 2019

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 :

<http://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. (39451.83) 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 2018-19: Nil

5. Details of CSR expenditure for the financial year 2018-19:

- a. Total amount spent during the financial year: **Rs. 220.73 Lacs.**
- b. Amount unspent, if any: Nil.

c. Manner in which the amount spent during the financial year 2018-19 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.	Health & Eye check-up/awareness camp, providing medicines and other facilities at hospitals and health camps, Ambulance on rental for LD & MD, Organizing mid-day meal program to weaker sections of the society, providing safe drinking water, installation/ repairing of hand pumps, installation of solar water tanks and solar water pumps, water supply by tankers in villages, repairing and digging for handpumps, drilling for borewells, installation of submersible pumps in villages, Facilitation of water cooler, filter, water tanks & pumps at public places of Korar & in school, distribution of nutritious food and fruits to village children and poor, construction of Public Toilets, Sanitation Program, Awareness Programs.	Health Care, Sanitation, Safe Drinking Water, Eradicating hunger, poverty and malnutrition.	Narayanpur, Kanker, Bilaspur and Raipur (Chhattisgarh)	103.52	36.57	36.57	36.57
2.	Free coaching and Computer Classes, Distribution of Stationery, Essay, Debate Competition, Mat, Shoes & Bags to primary school children, Motivational activities and for Meritorious students, Skill Development & Training Programme, Honorarium paid to the temporary teachers in schools of village Siltara for promoting education, Scholarship/ Awards distribution to the academic meritorious school students, Organising programmes to honour meritorious teachers, providing Skill Development Training to rural Youth.	Education, Training.	Narayanpur, Kanker, Bilaspur and Raipur (Chhattisgarh)	34.58	13.06	13.06	13.06
3.	Development of tailoring training center for imparting training to the rural women, providing tailoring material and sewing machines at training center, Women amusement Program.	Women Empowerment.	Kanker and. Raipur (Chhattisgarh)	10.08	2.24	2.24	2.24

4	Gramin Krida Utsav, Sports Kit/ T-shirt to villagers, Cricket Tournaments, Kabaddi, Volleyball, Financial assistance for organizing Rural/ Nationally Recognized sports in villages.	Sports & Games Activity	Narayanpur, Kanker, Bilaspur and Raipur (Chhattisgarh)	8.75	3.78	3.78	3.78
5.	Tree plantation at various places, Organising activities for Environment day programmes, Environment Protection/ Eco balance near Airport, Landscaping work.	Environmental Sustainability	Narayanpur, Kanker, Bilaspur and Raipur (Chhattisgarh)	13.07	32.72	32.72	32.72
6.	Samadhan Kendra & Socio House, Assistance in Mela Parv, Ganesh Pooja & Navratri Parv for organizing Cultural Programs, Distribution of Musical Set, Solar Street Lights at Mining Affected Villages, Financial assistance to villages for Promotion and development of traditional Art & Culture among the villagers in plant periphery, Financial Assistance to Gram Panchayats for organising various Parv.	Promotion and Development of Traditional Art and Culture, Community Welfare and Promotion of Weaker Sections of Society.	Narayanpur, Kanker, Bilaspur and Raipur (Chhattisgarh)	14.00	16.08	16.08	16.08
7.	Construction of Rangmunch Bhawan, Bathroom and Toilets, Bath Stairs Case, and School Building Repairing, Construction/ Repairing of Roads & Culverts & muroom filling work, Solar Street Lights, Assistance on Labour Day for organizing local Adivasi cultural dance program, Blanket distribution to old aged, Pond/Dam Deeping Work, Beautification of Small Pond & developing fruit bearing garden, Bus Facilities for villagers, Maintenance of Roads/School Boundry wall/Temple/ Samudayik Bhawan.	Rural & Infrastructure Development Projects	Narayanpur, Kanker, Bilaspur and Raipur (Chhattisgarh)	139.85	116.28	116.28	116.28
TOTAL				323.85	220.73	220.73	220.73

***Note** - The Company has spent all the money on CSR activities directly except financial assistance of Rs.10,00,000 to the District Collector's CSR fund for the socio-economic development work in the Raipur district.

6. During the financial year 2018-19 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: 22nd May, 2019

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. Mandatory energy audit carried out by BEE accredited agency in year 2018-19 for PAT cycle -2. Total 3148 Mkal thermal and 6.8 MKwh electrical energy saving potential identified.
2. Cleaning of condenser tubes to increase the heat transfer in cooling water which will improve the vacuum from -0.86 kg/cm² to -0.90 kg/cm² at Power Plant-3.
3. Cleaning of condenser tubes to increase the heat transfer in cooling water which will improve the vacuum from -0.80 kg/cm² to -0.90 kg/cm² at Power Plant-2.
4. Reduction done in CEP discharge pressure from 13.5 Kg/cm² to 7.5 kg/cm² step by step of 0.5 kg/cm². Thereby reducing the power consumption with same efficiency at Power Plant-3.
5. Zero liquid discharge achieved in GCP, SGP, Pellet plant and Coke ovens.
6. Installation of pneumatic dust conveying system in both DRP to control fugitive dust emission.

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

- Installation of LED rods in place of T8 rods done.

iii) The capital investment on energy conservation equipments:

1. Opacity Meter installed at four stacks of plant as per norms of CPCB at the cost of Rs. 10 Lakhs.
2. Fume treatment plant commissioned at cast house of Blast Furnace to control dust emission at the cost of Rs. 1.75 Cr.

B) Technology Absorption-

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

- Increase water supply in blast furnace tuyeres. Increase tuyere life from 5 months to 11 months.
- In house fabrication and commission of ID fan in pellet plant thus saving cost of 1.32 Lakhs.
- DRI 500 Kiln alignment.
- Coke crusher of sinter plant made operative with speed variation. Crushing capacity increased from 5T/hrs to 10-12T/hrs.
- SMS 1&2 slag detection system has been made in-house to improve billet quality and metal loss.
- In house fabrication and installation of side screen filter to improve water quality in SMS 2.
- Design and installation of pressure sand filter to reduce turbidity from 30 NTU to 5 NTU.
- Thermit welding and track alignment of coke oven quenching car rail track to eliminate breakdown in transfer car.
- Use of special grease for track and anti-pitting gear oil.
- Installation of bag house for collection of cast house dust in blast furnace.
- Installation of hood seal fan to increase productivity in pellet plant.
- Modification, fabrication and commissioning of 60-ton weigh-bridge at Pellet Plant.
- Furnace bay panel and co-jet tile no-03 height increased in SMS1.



- 1000 T Press Machine installed with modification in hydraulic system for straightening the finish product of BSM.
- Ladle car wheel axle assembly modified from 65 MT to 80 MT capacity.
- Kiln feed tube life increased by changing degree and height.
- Cooling tower installation for bar annealing furnace for uninterrupted production during shutdown of other sections.
- Top roof truss of shed replacement in SMS1.
- Fabrication of annealing box for bloom/billet for quality improvement.

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 –

	2018-19 (Rs. in Lacs)
Foreign Exchange earned in terms of Actual Inflows -	1394.15
Foreign Exchange spent in terms of Actual Outflows -	10979.76

For and on behalf of Board of Directors

Date: 22nd May, 2019
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 31.03.2019.

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	31.03.2018
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: 22nd May, 2019

Place: Nagpur



ANNEXURE D
Form No. MGT - 9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2019

[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, 237471 ,237472
	Fax Number:	07104 - 237583, 236255
	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	87.97
2	Iron and Steel Castings	2431	12.03

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 01.04.2018)				No. of Shares held at the end of the year (As on 31.03.2019)				% 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	920	3166	4086	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	54620	8646	63266	0.01	-
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	125016094	834099	125850193	19.71	122242584	834099	123076683	19.27	(0.43)
ii) Overseas	-	-	-	-					-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	22459365	1701437	24160802	3.78	21601995	1674135	23276130	3.65	(0.14)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	47146080	32696	47178776	7.39	50753171	32696	50785867	7.95	0.57



c) Others (specify)									
NRI	975137	10759	985896	0.15	1038738	10591	1049329	0.16	0.01
Clearing Members	1091289	0	1091289	0.17	1078947	0	1078947	0.17	0.00
OCB	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	196687965	2578991	199266956	31.20	196715435	2551521	199266956	31.20	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	196742585	2587637	199330222	31.21	196770055	2560167	199330222	31.21	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	636045426	2587637	638633063	100.00	636072896	2560167	638633063	100.00	0.00

ii. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2018)			Shareholding at the end of the year (As on 31.03.2019)			% 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	8.25	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 Metalics 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	9.43	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	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

3	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
4	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
5	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
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	1393671	0.22		
	Buy of shares on 03.08.2018	946708	--	2340379	0.37
	Buy of shares on 10.08.2018	24557	--	2364936	0.37
	Buy of shares on 11.01.2019	81532	--	2446468	0.38
	Buy of shares on 29.03.2019	37041	--	2483509	0.39
	At the End of the year			2483509	0.39
10	Bharatkumar Taparua				
	At the beginning of the year	1571176	0.25		
	Buy of shares on 29.06.2018	30924	--	1602100	0.25
	Buy of shares on 13.07.2018	20000	--	1622100	0.25
	Buy of shares on 07.09.2018	168809	--	1790909	0.28
	Buy of shares on 14.09.2018	77110	--	1868019	0.29
	Buy of shares on 28.09.2018	279681	--	2147700	0.34
	Buy of shares on 05.10.2018	38100	--	2185800	0.34
	Buy of shares on 19.10.2018	17529	--	2203329	0.35
	Buy of shares on 26.10.2018	547	--	2203876	0.35
	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	Kanika Sharma, Nominee Director (IDBI Bank Limited) (Upto 10.09.2018)				
	At the beginning of the year	-	-		
	Change during the year		Nil		
	At the End of the year			-	-
10	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			-	-
11	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

12	Bharat Pal Singh, Director (Independent) upto 08.05.2018				
	At the beginning of the year	-	-		
	Change during the year		Nil		
	At the End of the year			-	-
13	RP Mohanka, Director (Independent) w.e.f 27.07.2018				
	At the beginning of the year	-	-		
	Change during the year		Nil		
	At the End of the year			-	-
14	Vaishali Nemlekar, Nominee Director (IDBI Bank Ltd.) w.e.f 10.09.2018				
	At the beginning of the year	-	-		
	Change during the year		Nil		
	At the End of the year			-	-
B	Key Managerial Personnel (KMP)				
1	Vikash Kumar Agarwal, Company Secretary & Compliance Officer (w.e.f 01.02.2019)				
	At the beginning of the year	-	-		
	Change during the year		Nil		
	At the End of the year			-	-
2	Vallabh Ghate, Company Secretary & Compliance Officer (30.10.2018 to 31.01.2019)				
	At the beginning of the year	-	-		
	Change during the year		Nil		
	At the End of the year			-	-
3	Ashutosh Mishra, General Manager, Company Secretary & Compliance Officer (upto 10.10.2018)				
	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 (01.04.2018)				
i) Principal Amount	365982.36	13343.69	-	379326.05
ii) Interest due but not paid	104377.97	10.11	-	104388.08
iii) Interest accrued but not due	268.48	-	-	268.48
TOTAL (i + ii + iii)	470628.81	13353.80	-	483982.61
Change in Indebtedness during the financial year (Principal Amount)				
Addition	-	101.36 **	-	101.36
Reduction	6023.94	-	-	6023.94
Net Change	-6023.94	101.36	-	-5922.58
Indebtedness at the end of the financial year (31.03.2019)				
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

** During the year, Addition (Rs. 101.36 Lacs) is in the amount of Non-current - Unsecured – Inter Corporate Deposits (ICD) from Related Parties (Rs. 763.47 Lacs as on 31/03/2019 against Rs. 662.11 Lacs as on 31/03/2018). The same is on account of Fair Market Valuation of Inter Corporate Deposits from Related Parties as per IND-AS. (Refer Note No 39)

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	127.11	127.11	62.85	42.58	359.65
	(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)	127.11	127.11	65.85	44.73	364.80
	Ceiling as per the Act, 2013*	147.63	147.63	147.63	147.63	-

* 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 Amount
1	Independent Directors	B. P. Singh (upto 08.05.2018)	D. K. Sahni	Arvind Iyer	
	Fee for attending Board/ Committee meetings	0.25	0.95	0.35	1.55
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	0.25	0.95	0.35	1.55
2	Independent Directors	B. K. Agrawal	S. N. Singh	Raji Nathani	
	Fee for attending Board/ Committee meetings	1.60	1.20	0.75	3.55
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	1.60	1.20	0.75	3.55
3	Independent Directors	R. P. Mohanka (w.e.f. 27.07.2018)			
	Fee for attending Board/ Committee meetings	0.75			0.75
	Commission				
	Others, please specify				
	Total (3)	0.75			0.75

4	Other Non-Executive Directors	Vaishali Sanjay Nemlekar (w.e.f. 10.09.2018)	Kanika Sharma Nominee Director (upto. 10.09.2018)	Basant Lall Shaw Chairman	Total Amount
	Fee for attending Board/ Committee meetings	0.25	0.25	0.75	1.25
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (4)	0.25	0.25	0.75	1.25
	Total (B)=(1+2+3+4)	2.85	2.40	1.85	7.10
	Total Managerial Remuneration*				371.90
	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 2018-19.

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

(Rs. in Lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Ashutosh Mishra General Manager (Company Secretary & Compliance Officer) (Upto 10.10.2018)	Vallabh Ghat Company Secretary & Compliance Officer (From 30.10.2018 to 31.01.2019)	Vikash Kumar Agarwal Company Secretary & Compliance Officer (w.e.f. 01.02.2019)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	13.63	1.51	4.00	19.14
	(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	13.63	1.51	4.00	19.14



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: 22nd May, 2019
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 MARCH 31, 2019

[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 March 31, 2019 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 March 31, 2019 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, 2009;
 - (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 March 31, 2019:-**

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, 1998;

(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) and General Meetings (SS-2) 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.

- As directed by RBI, which had not agreed to the Debt Restructuring Scheme being fully implemented within the stipulated time line of 13th December, 2017, State Bank of India (SBI)-the erstwhile lead lender had filed an application under Section 7 of the Insolvency and Bankruptcy Code, 2016, read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2013 against the Company, claiming that an amount of Rs. 51,383 lakhs is in default as on 30th November, 2017. The matter is currently in pre-admission stage.
- Being aggrieved by the non-implementation of the approved Debt Restructuring Scheme, the Company had filed Writ Petition, before the Hon'ble Bombay High Court, Mumbai, against RBI and the other respondents and, has sought directions for the implementation of the executed Master Restructuring Agreement (MRA) dated 12th December, 2017.
- As represented by the Company the Writ Petition filed before the Hon'ble Bombay High Court has been dismissed and the Company had then filed Special Leave Petition before the Hon'ble Supreme Court of India, challenging the Judgment passed by the Hon'ble Bombay High Court on 5th March, 2018.

The Hon'ble Supreme Court of India on 16th April, 2018 while hearing the Special Leave Petition filed by the Company challenging the Judgment dated 5th March, 2018 passed by the Hon'ble Bombay High Court, was pleased to issue notice and directed the parties to maintain status quo. The matter is yet to be listed on the bench.

- Total eight out of twelve bankers of the Company with around 94.20% of the Principal Fund Based Outstanding have assigned their fund-based debt along with underlying financial documents together with their rights, benefits and obligations in favor of Assets Care & Reconstruction Enterprise Ltd (ACRE) acting in its capacity as trustee of various trusts.
- The remaining lenders of the Company are also continually supporting the operations of the Company. During the recent past the steel sector in India has improved, the margins and orders of the Company have improved, and it continue to prepare the books of accounts on going concern basis.

The Company has been actively engaged with ACRE for finalization of a debt resolution plan. However, the appropriateness of assumption of going concern is critically dependent upon the approval of its debt resolution plan and the Company's ability to generate cash flows in future to meet its obligations.

- 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:- 18/05/2019

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

Encl. ANNEXURE I
ANNEXURE II

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 - 440016.

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. Where ever 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: 18/05/2019

Signature:
R.A. DAGA & Co.
Company Secretaries
Sd/-
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: 18/05/2019

Signature:
R.A. DAGA & Co.
Company Secretaries
Sd/-
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, 2019.

- i) The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19:

Sr. No.	Name of Directors	Ratio
1	Shri Basant Lall Shaw	0.25
2	Shri Arbind Jayaswal	42.79
3	Shri Ramesh Jayaswal	42.79
4	Shri B. K. Agrawal	0.54
5	Shri P. K. Bhardwaj	15.06
6	Shri S. N. Singh	0.40
7	Shri Darshan Kumar Sahni	0.32
8	Smt. Raji Nathani	0.25
9	Shri Megh Pal Singh	22.17
10	Shri Arvind Iyer	0.12
11	Shri Bharat Pal Singh (upto. 08.05.2018)	0.08
12	Smt. Kanika Sharma (upto. 10.09.2018)	0.08
13	Shri Rajendra Prasad Mohanka (w.e.f. 27.07.2018)	0.25
14	Smt. Vaishali Nemlekar (w.e.f. 10.09.2018)	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 2018-19:

Sr. No.	Name of Directors / KMP	Designation	Remuneration Paid (Rs. in Lacs)		% increase / (decrease) in Remuneration Paid
			2018-19	2017-18	
1	Shri Basant Lall Shaw	Chairman	0.75	1.25	(40.00)
2	Shri Arbind Jayaswal	Managing Director & CEO (Foundry Division)	127.11	127.11	--
3	Shri Ramesh Jayaswal	Jt. Managing Director & CEO (Steel Plant Division)	127.11	127.11	--
4	Shri B. K. Agrawal	Independent Director	1.60	2.05	(21.95)
5	Shri P. K. Bhardwaj	Executive Director and CFO	44.73	46.19	(3.16)
6	Shri S. N. Singh	Independent Director	1.20	1.15	4.35
7	Shri Darshan Kumar Sahni	Independent Director	0.95	1.15	(17.39)
8	Smt. Raji Nathani	Independent Director	0.75	1.00	(25.00)
9	Shri Megh Pal Singh	Executive Director (Steel) & COO (Steel Plant Division)	65.85	65.85	--
10	Shri Arvind Iyer	Independent Director	0.35	1.60	(78.13)
11	Shri Bharat Pal Singh (upto.08.05.2018)	Independent Director	*0.25	1.00	(75.00)
12	Smt. Kanika Sharma (upto.10.09.2018)	Nominee Director (IDBI Bank Limited)	*0.25	* 0.50	(50.00)
13	Shri Rajendra Prasad Mohanka (w.e.f.27.07.2018)	Independent Director	0.75	--	N..A
14	Smt. Vaishali Nemlekar (w.e.f.10.09.2018)	Nominee Director (IDBI Bank Limited)	0.25	--	N.A
15	Shri Ashutosh Mishra (upto 10.10.2018)	Company Secretary and Compliance Officer	*13.63	20.76	(34.34)
16	Shri Vallabh Ghate (from 31.10.2018 upto 31.01.2019)	Company Secretary and Compliance Officer	*1.51	--	N.A
17	Shri Vikash Kumar Agarwal (w.e.f. 01.02.2019)	Company Secretary and Compliance Officer	*4.00	--	N.A

* Reflects the remuneration paid for part of the year.

- iii) The percentage increase in the median remuneration of employee(s) in the financial year 2018-19: 07.39.
- iv) The number of permanent employees on the role of the Company: 3968 Employees as on 31st March, 2019.
- v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
 Percentage increment at 50th Percentile for Salaries of Non-Managerial Personnel is **9.56%**.
 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, 2019;

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	66 B.Sc.	42	127.11	Managing Director of Jayaswals Neco Limited	01.01.1998	0.38
2	Shri Ramesh Jayaswal	Joint Managing Director & CEO (Steel Plant Division)/ Contractual	60 B.Com.	35	127.11	Whole time Director of Nagpur Alloy Castings Limited	01.01.1998	0.38
3	Shri Avneesh Jayaswal	Group Director	33 B.B.A.	7	53.09	Jayaswal Neco Urja Limited	01.09.2014	0.56
4	Shri Megh. Pal Singh	Executive Director (Steel) & COO (Steel Plant Division) / Contractual	61 B. E. (Metallurgy)	39	65.85	Bhushan Steel Limited	13.11.2014	--
5	Shri Susanta Kumar Moitra	Associate Director (Business Development)	54 M.Com., D.B.M. and M.B.A.	28	61.07	House of Kedia, Bhilai	10.10.2001	--
6	Shri S.K. Swain	Associate Director (Metal Mines)	51 B. E. (Metallurgy)	27	61.71	Midwest Iron & Steel Co. Ltd.	11.09.1995	--
7	Shri Rajkamal Shrivastava	President (Marketing)	56 B.Com., LLB, PGDM & SM	34	66.30	Sunflag Iron & Steel Co. Ltd.	14.08.2003	--
8	Shri Kapil Shroff	President (Finance)	40. B.Com, F.C.A, D.I.S.A.	19	49.30	Sunflag Iron & Steel Co. Ltd.	15.05.2004	--
9	Shri B. Venkata Narayana	Vice President (Project)	54, B.E. (Mech.)	28	53.00	MGM Steel Limited	16.12.2010	--
10	Shri B. Srinivasa Rao	Vice President (Pellet Plant)	51 AMIE (Elect. & Tele.), MBA, PG DIL PER MGMT, PROD.MGMT.	29	50.17	Essar Steel Limited	31.05.2012	--

Notes:

- i. Remuneration includes Salary and allowances.
- ii. Shri Arbind Jayaswal and Shri Ramesh Jayaswal are the sons of Shri Basant Lal Shaw, Chairman.
- iii. 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: 22nd May, 2019
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 12 (Twelve) Directors; with the composition of Executive, Non-Executive and Independent Directors.

4 (Four) Board Meetings were held during the financial year ended 31.03.2019. The dates of the Board meetings held are as under:

i) 30.04.2018, ii) 27.07.2018, iii) 30.10.2018, iv) 31.01.2019

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 28.09.2018	No. of Directorships in other Companies as on 31/03/2019*	No. of Memberships/ Chairmanship in Committee of Directors in other Companies**		Name of Listed Entity and Category of Directorship
						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	5	-	-	-
3	Shri Ramesh Jayaswal Joint Managing Director & Chief Executive Officer (Steel Plant Division) (DIN 00249947)	Promoter Executive	3	Yes	6	-	-	-
4	Shri B. K. Agrawal Director (DIN 01223894)	Independent Non-Executive	4	Yes	-	-	-	-
5	Shri P. K. Bhardwaj Executive Director & CFO (DIN 03451077)	Professional Executive	4	Yes	-	-	-	-
6	Shri S. N. Singh Director (DIN 00398484)	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	3	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	1	No	-	-	-	-
11	Shri Bharat Pal Singh Director (DIN 00739712) upto 08.05.2018	Independent Non-Executive	1	No	-	-	-	-
12	Shri Rajendra Prasad Mohanka Director (DIN 00235850) w.e.f 27.07.2018	Independent Non-Executive	3	No	4	-	2	Gaurav Paper Mills Limited – Independent Director Sharda Ispat Limited- Independent Director
13	Smt. Kanika Sharma (DIN 07902750) upto 10.09.2018	Nominee Director (IDBI Bank Ltd) ***	1	No	-	-	-	-
14	Smt. Vaishali Nemlekar (DIN 02474433) w.e.f 10.09.2018	Nominee Director (IDBI Bank Ltd) ***	1	No	-	-	-	-

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

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

(***) IDBI Bank Limited, lender of the Company.

None of the Directors of the Company are inter-se related to each other except Shri Arvind Jayaswal, Managing Director & Chief Executive Officer (Foundry Division) and Shri Ramesh Jayaswal, Joint Managing Director & Chief Executive Officer (Steel Plant Division) who are sons of Shri Basant Lal 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 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
Steel Sector Expert	Yes
Finance & Taxation Expert	Yes
Commercial Expert	Yes
Mining Expert	Yes

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 -

<http://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 30.04.2018, 27.07.2018, 30.10.2018 and 31.01.2019. 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	4
2)	Shri Ramesh Jayaswal Member	3
3)	Shri S N Singh Member	4
4)	Shri Arvind Iyer Member	1

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 perform all other functions as are required under the Listing Regulations,
- 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.

IV NOMINATION AND REMUNERATION COMMITTEE

During the year, Nomination and Remuneration Committee met on 30.04.2018, 27.07.2018, 30.10.2018, 31.01.2019.

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	4
2.	Shri D K Sahni	Member	4
3.	Shri Arvind Iyer	Member	1

At the meeting held on 30.04.2018, the Committee reviewed and recommended the following:

- Appointment of Shri Ramesh Jayaswal, as the Director of the Company liable to retire by rotation.

At the meeting held on 27.07.2018, the Committee reviewed and recommended the following:

- Appointment of Shri Rajendra Prasad Mohanka as an Additional Director (Independent) of the Company.
- Approval for Continuance of Shri Basant Lall Shaw and Shri Darshan Kumar Sahni as Directors of the Company as required by SEBI (LODR) Amendment Regulations.2018.

At its meeting held on 30.10.2018, the Committee reviewed and recommended the following:

- Took note of cessation of Mr. Ashutosh Mishra from the position of the Company Secretary & Compliance Officer of the Company and approved and recommended to the Board the appointment of Mr. Vallabh Ghate as the Company Secretary & Compliance Officer of the Company.

At its meeting held on 31.01.2019, the Committee reviewed and recommended the following:

- Took note of cessation of Mr. Vallabh Ghate from the position of the Company Secretary & Compliance Officer of the Company and approved and recommended to the Board the appointment of Mr. Vikash Kumar Agarwal as the Company Secretary & Compliance Officer 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 perform all other functions as are required under the Listing Regulations as amended from time to time and
- To recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

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 shall be based on the outcome of evaluation process.

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 thereunder 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 2018-19 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)	01.01.2017 to 31.12.2019	3 months' notice	127.11 (**)	-	2397920	-
3	Shri Ramesh Jayaswal	Joint Managing Director & Chief Executive Officer (Steel Plant Division)	01.01.2017 to 31.12.2019	3 months' notice	127.11 (**)	-	2397920	-
4	Shri P. K. Bhardwaj	Executive Director and CFO	25.02.2017 to 24.02.2020	3 months' notice	44.73 (**)	-	-	-
5	Shri B. K. Agrawal	Independent Director	--	--	-	1.60	7500	-
6	Shri S. N. Singh	Independent Director	--	--	-	1.20	-	-
7	Shri D. K. Sahni	Independent Director	--	--	-	0.95	-	-
8	Smt. Raji Nathani	Independent Director	--	--	-	0.75	-	-
9	Shri Arvind Iyer	Independent Director	--	--	-	0.35	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	65.85 (**)	-	-	-
11	Shri Bharat Pal Singh	Independent Director	--	--	-	0.25	-	-
12	Shri Rajendra Prasad Mohanka	Independent Director	--	--	-	0.75	-	-
13	Smt. Kanika Sharma	Director (IDBI Bank Ltd. Nominee)	--	--	-	0.25*	-	-
14	Smt. Vaishali Nemlekar	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	119.99	7.12	-	127.11
Shri Ramesh Jayaswal	119.99	7.12	-	127.11
Shri P. K. Bhardwaj	40.06	2.52	2.15	44.73
Shri Megh Pal Singh	59.79	3.06	3.00	65.85

Other payments to Directors:

During the year, the Company has paid an amount of Rs.19.20 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)	9.60
2	Shri Ramesh Jayaswal, Joint Managing Director & Chief Executive Officer (Steel Plant Division)	9.60
	TOTAL	19.20

V. SHARE TRANSFER – CUM – STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company has Share Transfer-Cum-Stakeholders Relationship Committee. The terms of reference of the Committee are to consider and approve the transfer of shares, consolidation / split of share certificates, issue of duplicate share certificates and other allied matters. The said Committee is also empowered to look into and address Shareholders, Security holders and Investors Grievances in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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, 2019, Five (05) Complaints were received from shareholders and the same were redressed to the satisfaction of the shareholders and One (1) complaint was pending as on 31st March, 2019 as it was received on last day of quarter.

Presently, Shri B. K. Agrawal, Non-Executive- Independent Director, is the Chairman of the Committee, while 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, 2019 the Committee met Seventeen times on 10.04.2018, 02.05.2018, 02.07.2018, 12.07.2018, 30.07.2018, 31.08.2018, 15.10.2018, 05.11.2018, 03.12.2018, 05.12.2018, 31.12.2018, 07.01.2019, 10.01.2019, 21.01.2019, 01.02.2019, 26.02.2019 and 19.03.2019.

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 09.04.2018, 24.04.2018, 17.07.2018, 16.10.2018 & 21.01.2019.

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	4
3	Shri B. K. Agrawal Member	4

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 2017-18, approved the CSR Budget and the activities planned for the financial year 2018-19.

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 09.04.2018. In this meeting the Committee considered and took note of the steps taken during the financial year 2017-18 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	1
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 31st January, 2019 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 Arvind Iyer 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
31.03.18	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.
31.03.16	Registered Office at F-8, MIDC Industrial Area, Hingna Road, Nagpur - 440 016.	29.09.16	12.30 P.M.

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

a. 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.

b. 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.

c. Annual General Meeting held on 29.09.2016

- i. Resolution under 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, approving re-appointment of Shri S. N. Singh (DIN: 00398484) as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up-to 21st September, 2021.
- ii. Resolution under 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, approving re-appointment of Smt. Raji Nathani (DIN: 06945777) as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up-to 21st September, 2021.

- iii. Resolution under 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, approving re-appointment of Shri Darshan Kumar Sahni (DIN: 00131269) as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up-to 21st September, 2021.
- iv. Resolution under 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, approving re-appointment of Shri Arvind Iyer (DIN: 01375173) as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up-to 12th November, 2021.
- v. 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 the re-appointment and remuneration of SHRI ARBIND JAYASWAL as Managing Director of the Company for a period of 3 years with effect from 1st day of January, 2017 up-to 31st December, 2019.
- vi. 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 RAMESH JAYASWAL as Joint Managing Director of the Company for a period of 3 years with effect from 1st day of January, 2017 up-to 31st December, 2019.
- vii. 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 the re-appointment and remuneration of SHRI P. K. BHARDWAJ as Executive Director and Chief Financial Officer of the Company for a period of 3 years with effect from 25th February, 2017 up-to 24th February, 2020.
- viii. Resolution under Section 14 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approving the deletion of all the Articles of the existing Articles of Association of the Company and its substitution by the new set of Articles of Association and adoption of the said new set of Articles of Association as the Articles of Association of the Company.
- ix. Resolution under Section 13 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approving alteration/modification and substitution of the existing Sub Clause 3 and Sub Clause 13 of Clause III B- Incidental or Ancillary Objects for the attainment of Main Objects, of the Memorandum of Association of the Company.

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 2018-19 and 2019-20 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 - <http://www.necoindia.com/wp-content/uploads/2019/04/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 - <http://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 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/-

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 31.03.2019 and the declaration to that effect from Managing Director & CEO (Foundry Division) is annexed to this report.
3. The Statutory Auditors' Certificate that the Company has complied with the conditions of Corporate Governance is annexed to the Report of the Board of Directors.

4. Matters required to be covered under Management Discussion and Analysis report are covered in the Report of the Board of Directors under relevant heads, hence not been given separately.

XIII. GENERAL SHAREHOLDER INFORMATION:

1. The Company is registered in the State of Maharashtra, India with the Registrar of Companies, Mumbai. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L28920MH1972PLC016154.
2. **Annual General Meeting**
Date and Time, Venue : 27th September, 2019 at 12.30 P.M.
: Regd. Office at F-8, MIDC Industrial Area, Hingna Road, Nagpur - 440 016.
3. **Book Closure Date** : 20th September, 2019 to 27th September, 2019
(both days inclusive).
4. **Dividend Payment Date** : Not Applicable since no dividend is proposed.
5. **Financial Year** : April 1 to March 31
6. **Financial Calendar For the Year ending** : 31st March, 2019

Sr. No.	Particulars	Tentative Date
1	Unaudited Financial Results for the period of 3 months ending 30 th June, 2019.	First or Second week of August, 2019.
2	Unaudited Financial Results for the period of 3 months ending 30 th September, 2019.	First or Second week of November, 2019
3	Unaudited Financial Results for the Period of 3 months ending 31 st December, 2019.	First or Second week of February, 2020
4	Audited Financial Results for the year/3 months ending 31 st March, 2020.	Second Last or Last week of May, 2020
5	Annual General Meeting for the year ending 31 st March, 2020.	Second Last or Last week of September, 2020.

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 2019-2020 have been duly paid to both the above Stock Exchanges.
9. Annual Custody / Issuer fee for the year 2019 will be paid to NSDL and CDSL on receipt of the invoice.

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. '18	8.63	7.27	8.60	7.30
May '18	7.85	6.75	7.85	6.70
June '18	7.13	6.08	7.05	6.00
July '18	6.37	4.96	6.20	5.00
Aug. '18	6.81	5.62	6.75	5.60
Sep. '18	6.27	5.47	6.25	5.40
Oct. '18	5.20	4.57	5.20	4.60
Nov. '18	5.18	4.72	5.15	4.65
Dec. '18	6.34	4.73	6.40	4.75
Jan. '19	6.18	4.80	6.15	4.80
Feb. '19	4.71	3.20	4.75	3.30
Mar. '19	5.99	4.26	6.00	4.30

- B. Equity Shares of the Company are regularly traded on both the Exchanges. During the year, approximately 237.12 Lacs Equity Shares were traded.
- C. Share Price Performance relative to BSE Sensex and NSE Nifty

Financial Year 2018 –2019	Percentage Change		
	Company	BSE Sensex	NSE Nifty
	(22.92%)	17.30%	14.93%

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-400083.

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 Five (05) investor complaints, regarding non-receipt of exchanged share certificate, Non-receipt of Annual Report, 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, 2019:

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:	4086	0.00	13
Non-Institutions:			
a) Bodies Corporate, NRI, OCB and Clearing Members	128499346	20.12	1633
b) Individuals			
i. Individual Shareholders holding nominal Share Capital up-to Rs. 2 Lakhs.	26440265	4.14	36028
ii. Individual Shareholders holding nominal Share Capital in excess of Rs. 2 Lakhs.	44386525	6.95	325
Sub-Total (B)	199330222	31.21	37999
GRAND TOTAL	638633063	100.00	38017

(*) 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, 2019:

(Amount in Rs.)

Shares of Nominal Value	Number of Shareholders	% of Holders	Total Amount	% of Amount
Upto to 5000	28505	74.98	48627440.00	0.76
5001 to 10000	3910	10.29	33955520.00	0.53
10001 to 20000	2176	5.72	35491580.00	0.56
20001 to 30000	827	2.17	21955620.00	0.34
30001 to 40000	427	1.12	15658980.00	0.25
40001 to 50000	554	1.46	26718810.00	0.42
50001 to 100000	774	2.04	59283740.00	0.93
100001 to Above	844	2.22	6144638940.00	96.21
Total	38017	100.00	6386330630.00	100.00

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

636072896 Equity Shares i.e. 99.60 % of the total Equity Shares have been dematerialized up to 31.03.2019.

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.

Fax No. 07104-237583 / 236255.

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

Fax No. 022-28512885

E-mail : support@sharexindia.com

For and on behalf of Board of Directors

Date: 22nd May, 2019

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, M.I.D.C INDUSTRIAL AREA, HINGNA ROAD,
NAGPUR- MH 440016 IN**

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, M.I.D.C INDUSTRIAL AREA, HINGNA ROAD, NAGPUR MH 440016 IN** (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 ending on 31st March, 2019 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.	DARSHAN KUMAR SAHNI	00131269	11/08/2014
2.	RAJENDRAPRASAD SHRINIWAS MOHANKA	00235850	27/07/2018
3.	BASANT LALL SHAW	00249729	28/11/1972
4.	ARVINDKUMAR JAYASWAL	00249864	28/11/1972
5.	RAMESH JAYASWAL	00249947	05/03/1983
6.	SATYENDRA NARAIN TEJ NARAIN SINGH	00398484	10/02/2014
7.	BRAJKISHORE HARGOVIND AGRAWAL	01223894	10/08/1994
8.	ARVIND SHRINIVASAN IYER	01375173	13/11/2014
9.	VAISHALI SANJAY NEMLEKAR	02474433	10/09/2018
10.	MEGH PAL SINGH	02635073	28/10/2010
11.	PRAMOD KUMAR BHARDWAJ	03451077	25/02/2011
12.	RAJI NATHANI	06945777	11/08/2014

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.

**Place: Nagpur
Date:-18/05/2019**

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

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



AUDITORS' CERTIFICATE OF CORPORATE GOVERNANCE

To,
The Members,
Jayaswal Neco Industries Limited

1. The Corporate Governance Report prepared by Jayaswal Neco Industries Limited ("the Company"), contains details as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") with respect to Corporate Governance for the year ended 31st March, 2019. This certificate is required by the Company for annual submission to the Stock exchange and to be sent to the shareholders of the Company.

MANAGEMENT'S RESPONSIBILITY

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

AUDITOR'S RESPONSIBILITY

4. Our responsibility is to provide a reasonable assurance that the Company has complied with the conditions of Corporate Governance, as stipulated in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditors' judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedure includes, but not limited to, verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.
8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

OPINION

9. Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended 31st March, 2019, referred to in paragraph 1 above.

OTHER MATTERS AND RESTRICTION ON USE

10. This Certificate 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.

11. This Certificate is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and 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 or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

For Pathak H. D. & Associates

Chartered Accountants
Firm Reg. No. 107783W

Mukesh Mehta

Partner

Membership No. 43495

Mumbai

Date: 22nd May, 2019

For Naresh Patadia & Co.

Chartered Accountants
Firm Reg. No. 106936W

Naresh Patadia

Proprietor

Membership No. 35620

Nagpur

Date: 22nd May, 2019

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 31.03.2019, 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: 22.05.2019

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, 2019 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

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



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 31st March, 2019, 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 31st March, 2019 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. 230,954.89 Lakhs due to certain banks and Assets Reconstruction Company. During the year, banks holding 94.20% (by value) of the total principal debt, equivalent to Rs. 339353.50 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 31st March, 2019, 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 (ICAI) together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note No. 36 to the Financial Statements regarding preparation of Financial Statements of the Company on going concern basis, notwithstanding the fact that the Company continue to incurred cash losses, its net worth has been eroded as on 31st March, 2019, 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. During the year, Banks holding 94.20% (by value) of the total principal debt, equivalent to Rs. 339353.50 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). The appropriateness of assumption of going concern is critically dependent upon the Company's ability to raise requisite finances and generate cash flows in future to meet its obligations and to restructure its borrowing with the lenders.

Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw your attention to the:

Note No. 2.08 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.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current year. 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) Carrying value of property, plant and equipment (PPE), Capital Work in Progress (CWIP), Intangible Assets under development	
<p>As at 31st March, 2019 carrying value of PPE, CWIP and Intangible Assets under development is Rs. 511,828.61 lakhs which constitutes 76.22% 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 assets may be impaired, an 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 assets 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 eroded as on 31st March, 2019, loans have been called back by few of the secured lenders, and an application has been made to National Company Law Tribunal (NCLT).</p> <p>Management concluded that the recoverable amount of PPE, CWIP and Intangible assets under development were higher than their carrying values such that no impairment provision was required. These conclusions are dependent upon significant management judgement, including in respect of:</p> <ul style="list-style-type: none"> – Estimated utilisation, disposal values, and discount rates applied to future cash flows; 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. The main assumptions impacting the assessment and sensitivity of the model are future cash flows, growth rates applied to cash flows and discount rates. These assumptions are subjective and subject to management judgement about the future results of the business.</p> <p>Refer Note no. 2 and 3 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. • Assessing the assumptions around the key drivers of the cash flow forecasts including growth rate and discount rate. • Testing the arithmetical accuracy of the impairment model prepared by the management. • 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
<p>2) Inventories</p> <p>As of 31st March, 2019, inventories appear in the Financial Statements for an amount of Rs. 83,417.42 lakhs constitutes 12.42% of the total assets of the Company. Inventories are valued at the lower of cost and net realizable value (Refer note no. 1(C)(VI) and 7 to the Financial Statements).</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 involve in determining inventory quantities on hand due to the number, location and diversity of inventory storage locations. Valuation procedure including of obsolete inventories. 	<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 at the year end and accounting for the same. Obtaining the physical inventory count reports of the Management, 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. Reviewing the reported acquisition cost on a sample basis. 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.
<p>3) Revenue Recognition</p> <p>Revenue is recognized net of discounts & rebates earned by the customers on the Company's sales. The estimation of discounts & rebates recognized based on sales made during the year is considered to be complex and judgmental.</p> <p>Revenue is recognized when control of the underlying products has been transferred along with satisfaction of performance obligation.</p> <p>The application of the new revenue accounting standard involves certain key judgments relating to identification of distinct performance obligations and determination of transaction price of the identified performance obligations.</p> <p>Further customer's incentive, rebate / discounts represent a material reduction in sales and process for calculating and recording the above involves significant manual process.</p> <p>Additionally, new revenue accounting standard contains disclosures which involve collection of information in respect of disaggregated revenue.</p> <p>Accordingly, it has been determined as a key audit matter.</p> <p>Refer Note no. 1(C)(XV) and 27 to the Financial Statements.</p>	<p>Our audit procedure included, among others:</p> <ul style="list-style-type: none"> Assessing the Company's processes and controls for recognizing revenue as part of our audit. Our audit approach included testing of the controls and substantive audit procedures, including: <ul style="list-style-type: none"> Performing detailed transaction testing by agreeing a sample of individual revenue items from order to sales invoices, evidence of delivery and subsequent cash receipt; Performing sales cut-off testing immediately before and after the year end by testing sales invoices to evidence of delivery to ensure that revenue had been recognised in the correct accounting period; <p>With regard to the expected impact of the initial application of Ind AS 115 from the financial year 2018 onward, our audit approach included, among other items:</p> <ul style="list-style-type: none"> Assessing the process to identify the impact of adoption of the new revenue accounting standards. Verifying the completeness of disclosure in the Financial Statements as per Ind AS 115.

Key Audit Matter	How our audit addressed the key audit matter
<p>4) Provision of Finance Costs on Borrowings from Banks and Financial Institutions (FI's) and receipt of loan recall notice from secured lenders.</p> <p>The Company has recognised the interest expenses on borrowings from the secured lenders amounts to Rs. 68,417.64 lakhs based on the interest rates provided in the agreements between the secured lenders and the Company.</p> <p>Due to various reasons mentioned in note no. 18.01, 18.10 & 36 to the Financial Statements the secured lenders have classified the Company's accounts as Non-performing Asset (NPA) for nonpayment of monthly installments and stopped recognizing the interest income in their books of account, hence accordingly not confirmed the amount of interest due from the Company. The Company has received the loan recall notice from few secured lenders.</p> <p>We considered this matter as key audit matter due to significant amount of finance costs incurred, which comprises 15.18% of the total expenditure of the Company.</p>	<p>Our audit procedure included, among others:</p> <ul style="list-style-type: none"> • Updating our understanding of Company's procedure and financial control about recognition of finance costs. • Verifying, on test check basis, the computation of interest with reference to principal amount, rate of interest, additional or penal interest as per the agreements, as applicable. • Verifying the monthly bank statements on test check basis. • Obtaining direct balance confirmation of principal amount due from the selected lenders as at March 31, 2019. • Ensuring the completeness of disclosure and presentation of borrowings and borrowing costs as per applicable Ind AS.
Key Audit Matter	How our audit addressed the key audit matter
<p>5) Litigation and Regulatory Claims</p> <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, 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, 22.04, 26.01, 35 and 36 to the Financial Statements)</p> <p>Due to complexity involved in these litigation and regulatory claims, management's judgment regarding recognition and measurement of provisions for these legal proceedings is inherently uncertain and might change over time as the outcomes of the legal cases are determined. Accordingly, it has been considered as a key matter.</p>	<p>Our audit procedure included the following :</p> <ul style="list-style-type: none"> • Assessing the procedures implemented by the Company to identify and gather the risks it is exposed to. • 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. • Verifying that the accounting and / or disclosure as the case may be in the financial statements made by the Company is in accordance with the assessment of legal counsel / management, based on the information currently available to the Company. • 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 the statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Act read with relevant rules issued thereunder.

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

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

Auditors' Responsibility for the audit of the Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current 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 Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, except the matter described in the "Basis for Qualified Opinion" paragraph above, the aforesaid Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules thereunder;
 - e. The going concern matter described in "Material Uncertainty Related to Going Concern" paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - f. On the basis of the written representations received from the directors as on 31st March, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements as referred to in Note No. 2.06, 2.07, 2.08, 22.04, 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
Chartered Accountants
Firm Reg. No. 107783W

Mukesh Mehta
Partner
Membership No. 43495
Mumbai
Date: 22nd May, 2019

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

Naresh Patadia
Proprietor
Membership No. 35620
Nagpur
Date: 22nd May, 2019

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 31st March, 2019)

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 31st March, 2019 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 31st March, 2019, 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**

Chartered Accountants

Firm Reg. No. 107783W

Mukesh Mehta

Partner

Membership No. 43495

Mumbai

Date: 22nd May, 2019

For **Naresh Patadia & Co.**

Chartered Accountants

Firm Reg. No. 106936W

Naresh Patadia

Proprietor

Membership No. 35620

Nagpur

Date: 22nd May, 2019

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 31st March, 2019)

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 31 st March, 2019	Remarks (give reasons for the exception)
1	4 immovable properties land at Raipur (1 agreement pledged with the lender)	Leasehold Land	1,820.26	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	66.06	The title deeds are in the name of Jayaswals 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. 682.64 Lakhs the original title deeds have been deposited with the lenders as security, we have been produced photocopies of documents for those immovable properties and based on such documents, the title deeds are held in the name of the Company except 5 immovable properties as disclosed above.

ii. In respect of its inventories:

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

iii. In respect of loans, secured or unsecured, granted by the Company to companies, firms, Limited liability partnerships or other parties covered in the register maintained under section 189 of the Act:

- a. In the earlier years the Company had granted unsecured loan to one such Company and the terms and conditions on which the loan had been granted were not, prima facie, prejudicial to the interest of the Company.

- b. The terms of repayment of principal and payment of interest have been stipulated and during the year, the principal and interest were due for payment but due to the financial crisis the party has not paid the same.
- c. The amount is overdue and the Company has considered the said loan and interest receivables as doubtful and has been fully provided for.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of grant of loans, making investments and providing securities.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) (d) of the Act, as applicable and are of the opinion that, prima facie, the prescribed accounts and records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us in respect of statutory dues:
 - a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Customs Duty, Cess and any other statutory dues with the appropriate authorities during the year however delays have been noticed in respect of Income Tax and Goods and Service Tax. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as at 31st March, 2019 for a period of more than six months from the date they became payable.
 - b. Details of dues of Duty of Custom, Duty of Excise, Service Tax, Sales Tax and Value Added Tax aggregating to **Rs. 1,923.38 Lakhs** that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

(Rs. in Lakhs)

Name of the Statutes	Nature of the Dues	Period to which it relates	Amounts (Rs. in lakhs) (*)	Forum where the dispute is pending
The Customs Act, 1962	Custom Duty	2014-16	78.56	CESTAT
		2004-05	100.00	Commissioner
The Central Excise Act, 1944	Excise Duty	2009-16	132.83	CESTAT
Finance Act, 1994	Service Tax	2005-09, 2015-18 & 2010-11	312.53	CESTAT
		2009-10 & 2015-18	72.78	Commissioner
The Central Sales Tax Act, 1956 and Sales Tax Acts of various states	Sales Tax / VAT	2008-09	9.40	High Court
		2007-08, 2009-10, 2011-12 and 2013-15	297.46	Tribunal
		2011-12, 2012-14 and 2015-17	803.40	Additional Commissioner
		2012-15	97.74	Joint Commissioner
		1996-97, 2002-03 and 2013-14	18.68	Deputy Commissioner
		Total	1923.38	

(*) 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 31st March, 2019 the Company has defaulted in repayment of dues to banks aggregating to Rs. **194,164.40** Lakhs. Lender wise details of such default is as under

(Rs. in Lakhs)

Banks	Total Default	Below 90 days	Above 90 days
ACRE-54-Trust (State Bank of India)	58,205.79	4,471.53	53,734.26
ACRE-59-Trust (Union Bank of India)	27,334.95	2,158.64	25,176.31
ACRE-63-Trust (Indian Overseas Bank)	8,525.87	591.45	7,934.42
ACRE-64-Trust (Punjab National Bank)	47,528.00	3,170.67	44,357.33
ACRE-68-Trust (IDBI Bank)	14,317.46	1,023.92	13,293.54
ACRE-69-Trust (Central Bank of India)	14,656.78	1,697.73	12,959.05
ACRE-70-Trust (Oriental Bank of Commerce)	8,325.49	216.17	8,109.32
ACRE-76-Trust (Bank of India)	4,948.24	145.70	4,802.54
Bank of Maharashtra	6,127.06	474.17	5,652.89
Andhra Bank	2,457.81	229.55	2,228.26
UCO Bank	1,736.95	297.01	1,439.94
Total	194,164.40	14,476.54	179,687.86

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 31st March, 2019 in their Books of Account.

(Rs. in lakhs)

Sr. No.	Bank	Term Loan Principal	Fund Based Working Capital	Total
1	Bank of Maharashtra	9,266.94	-	9,266.94
2	Andhra Bank	4,815.61	-	4,815.61
3	UCO Bank	1,529.18	-	1,529.18
4	ICICI Bank	-	5,264.14	5,264.14
	Total	15,611.73	5,264.14	20,875.87

- 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, the Company has paid or provided managerial remuneration in accordance with the provisions of requisite approvals mandated by the provision of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.

- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable Indian accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or debentures during the year. Therefore, the provisions of clause (xiv) of paragraph 3 of the order are not applicable to the Company.
- xv. According to the information and explanations given to us, during the year the Company has not entered into non-cash transactions with directors or persons connected with him. Therefore, the provisions of clause (xv) of paragraph 3 of the Order are not applicable to the Company.
- xvi. In our opinion and according to information and explanations provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Pathak H. D. & Associates

Chartered Accountants

Firm Reg. No. 107783W

For Naresh Patadia & Co.

Chartered Accountants

Firm Reg. No. 106936W

Mukesh Mehta

Partner

Membership No. 43495

Mumbai

Date: 22nd May, 2019

Naresh Patadia

Proprietor

Membership No. 35620

Nagpur

Date: 22nd May, 2019



BALANCE SHEET AS AT 31ST MARCH, 2019

(Rs.in lakhs)

PARTICULARS	Note No.	As at 31.03.2019	As at 31.03.2018
I. ASSETS			
1) Non Current Assets			
(a) Property, Plant and Equipment	2	462525.81	488142.59
(b) Capital Work in Progress	2	47703.77	47709.62
(c) Intangible Assets	3	1573.87	1779.68
(d) Intangible Assets under Development	3	1599.03	1639.93
(e) Financial Assets			
(i) Other Financial Assets	4	2.38	105.89
(f) Non Current Tax Assets (Net)	5	233.63	113.13
(g) Other Non Current Assets	6	3384.27	3437.00
2) Current Assets			
(a) Inventories	7	83417.42	54284.07
(b) Financial Assets			
(i) Investments	8	0.10	60.27
(ii) Trade Receivables	9	48552.92	56079.37
(iii) Cash and Cash Equivalents	10	1123.02	7984.74
(iv) Bank Balances other than (iii) above	11	8749.03	3337.54
(v) Loans	12	-	-
(vi) Other Financial Assets	13	212.90	1345.37
(c) Current Tax Assets (Net)	14	1172.61	1178.84
(d) Other Current Assets	15	11305.26	9330.23
TOTAL ASSETS		154533.26	133600.43
		671556.02	676528.27
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	16	63862.58	63862.58
(b) Other Equity	17	6117.70	51126.11
LIABILITIES			
1) Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	236720.62	260245.13
(ii) Other Financial Liabilities	19	16.35	26.25
(b) Provisions	20	21.32	19.32
(c) Deferred Tax Liabilities (Net)	21	-	-
2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	86704.15	91972.82
(ii) Trade Payables	23		
Total Outstanding dues of Micro Enterprises and Small Enterprises		4030.72	1516.04
Total outstanding dues of Creditors other than Micro enterprises and Small Enterprises		29257.09	26473.90
(iii) Other Financial Liabilities	24	230708.57	169839.15
(b) Other Current Liabilities	25	7272.06	4992.92
(c) Provisions	26	6844.86	6454.05
TOTAL EQUITY AND LIABILITIES		671556.02	676528.27
Significant Accounting Policies	1		
Notes to the Financial Statements	2 to 51		

As per our Report of even date

For PATHAK H. D. & ASSOCIATES

Chartered Accountants

(Registration No. : 107783W)

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, 22nd May, 2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs.in lakhs)

PARTICULARS	Note No.	For the Year ended 31.03.2019	For the Year ended 31.03.2018
1 Revenue from Operations	27	422652.60	357766.67
2 Other Income	28	1740.86	2454.61
3 Total Income (1+2)		424393.46	360221.28
4 Expenses			
Cost of Materials Consumed		236316.91	177460.76
Purchase of Stock in Trade		1333.22	2303.66
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	29	(23124.49)	6996.34
Excise Duty and Service Tax		-	10027.17
Employee Benefits Expense	30	21929.64	19829.76
Finance Costs	31	71146.83	65818.04
Depreciation and Amortisation Expense	32	27268.36	27299.53
Other Expenses	33	133926.28	110396.41
Total Expenses		468796.75	420131.67
5 Loss Before Exceptional Items and Tax (3-4)		(44403.29)	(59910.39)
6 Exceptional Items		-	(705.81)
7 Loss Before Tax (5-6)		(44403.29)	(59204.58)
8 Tax Expenses :			
Deferred Tax	21	(26.77)	(10088.32)
Income Tax for Earlier Years		10.73	20.18
		(16.04)	(10068.14)
9 Loss for the Year (7-8)		(44387.25)	(49136.44)
10 Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Remeasurement (Gains) / Losses on Defined Benefit Plans		(76.62)	(577.03)
Tax Effect on above	21	26.77	199.69
(ii) Items that will be reclassified to profit or loss		-	-
Total Other Comprehensive Income (Net of Tax)		(49.85)	(377.34)
Total Comprehensive Income for the Year (9-10)		(44337.40)	(48759.10)
11 Earnings per Equity Share of Rs. 10/- each	34		
Basic (Rs.)		(6.95)	(7.69)
Diluted (Rs.)		(6.95)	(7.69)
Significant Accounting Policies	1		
Notes to the Financial Statements	2 to 51		

As per our Report of even date

For PATHAK H. D. & ASSOCIATES

Chartered Accountants
(Registration No. : 107783W)

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, 22nd May, 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

A. EQUITY SHARE CAPITAL

(Rs. in lakhs)

PARTICULARS	Balance as at 01.04.2017	Changes during the year	Balance as at 31.03.2018	Changes during the year	Balance as at 31.03.2019
Equity Share Capital	63862.58	-	63862.58	-	63862.58

B. OTHER EQUITY

(Rs. in lakhs)

PARTICULARS	Equity Component of Compound Financial Instruments	Reserves and Surplus					Revaluation Reserve	Item of Other Comprehensive Income		Total
		Capital Reserve	Securities Premium	General Reserve	Capital Redemption Reserve	Retained Earnings		Remeasurements of Defined Benefit Plans		
Balance as at 1 st April, 2017	1518.42	7762.89	96345.81	16700.87	5100.37	(27747.41)	21.47	182.79	99885.21	
Total Comprehensive Income for the year	-	-	-	-	-	(49136.44)	-	377.34	(48759.10)	
Balance as at 31 st March, 2018	1518.42	7762.89	96345.81	16700.87	5100.37	(76883.85)	21.47	560.13	51126.11	
Balance as at 1 st April, 2018	1518.42	7762.89	96345.81	16700.87	5100.37	(76883.85)	21.47	560.13	51126.11	
Transitional Impact of Ind AS - 115 (Refer Note No. 48)	-	-	-	-	-	(671.01)	-	-	(671.01)	
Total Comprehensive Income for the year	1518.42	7762.89	96345.81	16700.87	5100.37	(77554.86)	21.47	560.13	50455.10	
	-	-	-	-	-	(44387.25)	-	49.85	(44337.40)	
Balance as at 31 st March, 2019	1518.42	7762.89	96345.81	16700.87	5100.37	(121942.11)	21.47	609.98	6117.70	

As per our Report of even date

For PATHAK H. D. & ASSOCIATES
Chartered Accountants
(Registration No. : 107763W)

MUKESH MEHTA

Partner
Membership No.: 43495

For NARESH PATADIA & CO.

Chartered Accountants
(Registration No. : 106936W)

NARESH PATADIA

Proprietor
Membership No.: 35620

VIKASH KUMAR AGARWAL

Company Secretary
Membership No.: A19583

ARBIND JAYASWAL

Managing Director & Chief Executive Officer
DIN : 00249864

P. K. BHARDWAJ

Executive Director & Chief Financial Officer
DIN : 03451077

Nagpur, 22nd May, 2019

For and on behalf of Board of Directors

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs. in lakhs)

PARTICULARS	For the Year ended 31.03.2019	For the Year ended 31.03.2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss before Tax as per the Statement of Profit and Loss	(44403.29)	(59204.58)
ADJUSTED FOR		
Depreciation and Amortisation Expense	27268.36	27299.53
Exceptional Items	-	(705.81)
Loss on Sale / Discard of Property, Plant and Equipment (Net)	35.13	16.85
Gain on Financial Instruments measured at Fair Value through Profit and Loss	0.05	(8.49)
Pre-operative Expenses charged to the Statement of Profit and Loss	9.50	-
Profit on Sale of Current Investment	(0.84)	(2.05)
Account Written Back	(874.51)	(1184.86)
Interest Income	(199.02)	(584.37)
Finance Costs	71146.83	65818.04
Unrealised Foreign Exchange differences	2.35	(2.29)
Bad Debts / Advances written off (Net of reversal)	(9.40)	37.59
Provision for Credit Impaired Trade Receivables / Advances	807.57	1380.27
Provision for Expected Credit Loss on Trade Receivables / Advances	478.02	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	54260.75	32859.83
ADJUSTMENTS FOR		
Trade and Other Receivables	138.52	(17283.85)
Inventories	(24434.99)	13851.13
Trade and Other Payables	7558.07	(3714.31)
CASH GENERATED FROM OPERATIONS	37522.35	25712.80
Direct Taxes (Paid) / Refund	(125.00)	247.49
NET CASH FLOW FROM OPERATING ACTIVITIES	37397.35	25960.29
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment and Intangible Assets	(1601.06)	(577.98)
Sale of Property, Plant and Equipment	45.74	48.24
Compensation on Cancellation of Coal Mining Assets	-	2307.00
Sale of Current Investment	60.96	62.93
Interest Income	145.61	639.34
NET CASH FROM / (USED IN) INVESTING ACTIVITIES	(1348.75)	2479.53



C. CASH FLOW FROM FINANCING ACTIVITIES

Repayment of Lease Liability	(337.60)	(946.24)
Repayment of Non Current Borrowings	(4896.86)	(2074.45)
Current Borrowings (Net)	(5268.67)	(12607.65)
Advance against Share Application Money	-	5800.00
Finance Costs	(27235.28)	(13610.17)
Margin Money (Net)	492.02	914.77

NET CASH USED IN FINANCING ACTIVITIES	(37246.39)	(22523.74)
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NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(1197.79)	5916.08
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CASH AND CASH EQUIVALENTS (OPENING BALANCE)	7978.12	2062.04
Less : Amount transferred to Bank Balances Other Than Cash & Cash Equivalents	(5800.00)	-
NET CASH AND CASH EQUIVALENTS (OPENING BALANCE)	2178.12	2062.04
Effect of Exchange rate on Cash and Cash Equivalents	0.01	(0.09)
Balance of Cash and Cash Equivalents	980.32	7978.21
CASH AND CASH EQUIVALENTS (CLOSING BALANCE) (Refer Note No. 10.01)	980.33	7978.12

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

Particulars	31.03.2019	31.03.2018
Opening Balance of Liabilities arising from Financing Activities	403992.34	418855.95
Add : Changes from Cash Flow from Financing Activities (Net)	(10503.13)	(15628.34)
Add : Changes in Fair Value	687.82	764.73
Closing Balance of Liabilities arising from Financing Activities	394177.03	403992.34

- (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
Chartered Accountants
(Registration No. : 107783W)

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, 22nd May, 2019

Notes to the Financial Statement for the year ended 31st March, 2019

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 casting.

The financial statements of the Company for the year ended 31st March, 2019 were approved and adopted by Board of Directors in their meeting dated 22nd May, 2019.

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 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:

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the statement of profit and loss.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(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 rights 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.

Transition

On transition to Ind AS 115 "Revenue from contracts with customer", the Company has elected to adopt the new revenue standard as per modified retrospective approach method. As per the modified retrospective approach method, the Company has recognized the cumulative effect of initially applying the Ind AS 115 as at April 1, 2018 in Retained Earnings. The comparative financial statements for year ended March 31, 2018 are not restated.

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 temporarily 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 require 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.

NOTE : 2
PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	(Rs.in lakhs)									
	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 1 st April, 2017	1928.54	3391.34	40766.14	730.09	460894.35	1468.59	236.64	152.12	299.62	509867.43
Additions	-	0.95	23.04	-	38581.47	-	62.54	17.44	0.14	38685.58
Disposals / Adjustments	-	-	-	-	-	-	-	-	201.22	201.22
Balance as at 31 st March, 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
ACCUMULATED DEPRECIATION										
Balance as at 1 st April, 2017	50.16	-	2292.65	50.44	30422.18	217.52	95.60	43.18	133.84	33305.57
Depreciation Expense for the year	21.84	-	1509.31	25.18	25269.45	108.61	45.33	19.40	40.64	27039.76
Disposals / Adjustments	-	-	-	-	-	-	-	-	136.13	136.13
Balance as at 31 st March, 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
NET CARRYING VALUE										
Balance as at 31 st March, 2018	1856.54	3392.29	36987.22	654.47	443784.19	1142.46	158.25	106.98	60.19	488142.59
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

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 31.03.2019	As at 31.03.2018
Building under Construction	27.69	10.78
Plant and Equipment under installation	23911.07	23933.83
Pre-operative Expenses (Refer Note No. 2.05)	23765.01	23765.01
TOTAL	47703.77	47709.62

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	31.03.2019	31.03.2018
Power and Fuel	-	26.93
Employee Benefits Expense	-	1.08
Repairs and Maintenance - Others	-	0.56
Travelling and Conveyance	-	0.05
Loading, Unloading and Freight	-	0.20
Insurance	-	13.87
Miscellaneous Expenses	-	13.61
Finance Costs	-	1698.57
	-	1754.87
Less : Interest Received	-	0.75
Pre-operative Expenses for the year	-	1754.12
Add : Pre-operative Expenses upto Previous Year	23805.18	22051.06
	23805.18	23805.18
Less : Charged to the Statement of Profit and Loss	9.50	-
TOTAL	23795.68	23805.18

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 has challenged the BG invocation before the Hon'ble Delhi High Court, wherein vide order dated 24th August, 2015 it granted interim relief to the Company, that no coercive steps will be taken subject to Company keeping the BG alive.

The matter is now listed for 9th August, 2019. 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 a 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 year, 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).

Further, during the year, the Company received another provisional attachment order from the Directorate of Enforcement for an amount of Rs. 10141.99 lakhs. The attached properties include certain Property, Plant and Equipment to the extent of Rs. 2092.08 lakhs situated at Dagori Project, Bilha, Bilaspur (Chhattisgarh) and Rs. 8049.91 lakhs situated at Steel Plant Division, Siltara, Raipur. The Order inter-alia alleging that the 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 15th March, 2019 hearing of first attachment, on Company's request, the ED Appellate Authority had clubbed the matter of first attachment with the matter of second attachment and now both the matters have been put up for hearing on 17th July, 2019. 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** During the year active development of project of DRI and Captive Power Plant at Bilaspur, Chhattisgarh remained suspended and accordingly the Company has not capitalised Borrowing Costs as per Ind AS - 23.
- 2.10** 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 Property, Plant and Equipment during the year ended 31st March, 2019.

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 1 st April, 2017	56.41	337.21	1.30	1995.31	2390.23
Additions	53.94	-	-	-	53.94
Disposals / Adjustments	-	-	-	-	-
Balance as at 31 st March, 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
ACCUMULATED AMORTISATION					
Balance as at 1 st April, 2017	47.78	56.39	0.40	300.15	404.72
Amortisation Expense for the year	17.28	28.15	0.20	214.14	259.77
Disposals / Adjustments	-	-	-	-	-
Balance as at 31 st March, 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
NET CARRYING VALUE					
Balance as at 31 st March, 2018	45.29	252.67	0.70	1481.02	1779.68
Balance as at 31st March, 2019	24.35	224.52	0.50	1324.50	1573.87

* 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 31.03.2019	As at 31.03.2018
Mining Rights	1568.36	1599.76
Pre-operative Expenses (Refer Note No. 2.05)	30.67	40.17
TOTAL	1599.03	1639.93

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, 2019.

NOTE : 4

OTHERS NON CURRENT FINANCIAL ASSETS	(Rs. in lakhs)	
PARTICULARS	As at 31.03.2019	As at 31.03.2018
Fixed Deposits with Banks held as Margin Money	2.38	105.89
TOTAL	2.38	105.89

NOTE : 5

NON-CURRENT TAX ASSETS (NET)	(Rs. in lakhs)	
PARTICULARS	As at 31.03.2019	As at 31.03.2018
Advance Payment of Income-Tax (Net)	233.63	113.13
TOTAL	233.63	113.13

NOTE : 6

OTHER NON CURRENT ASSETS

<i>(Unsecured, Considered Good)</i>	(Rs. in lakhs)	
PARTICULARS	As at 31.03.2019	As at 31.03.2018
Capital Advances	2.97	2.97
Security Deposits with Government and others		
Considered Good	3373.01	3412.21
Credit Impaired	5.54	-
	3378.55	3,412.21
Less : Provision for Credit Impaired	5.54	-
	3373.01	3,412.21
Prepaid Expenses	8.29	21.82
TOTAL	3384.27	3437.00

NOTE : 7

INVENTORIES

(Rs. in lakhs)

PARTICULARS	As at 31.03.2019	As at 31.03.2018
Raw Materials	14038.06	16063.07
Raw Materials-in-Transit	790.66	525.54
Work-in-Progress	6192.25	5738.10
Finished Goods	48489.45	24687.98
Finished Goods-in-Transit	3595.64	16.95
Stock in Trade	263.74	275.19
Stores, Spares and Consumables	10047.62	6977.24
TOTAL	83417.42	54284.07

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 31.03.2019	As at 31.03.2018
	Number of Shares / Units	Rs. Face Value
	31.03.2019	31.03.2018
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
		10
		0.00
		0.00
		0.10
		0.15
In Equity Shares - Fully Paid Up (Unquoted)		
Antarctica Graphics Limited	53000	53000
Essar Steel Limited	60	60
		1
		0.00
		0.00
Other Investments - (Unquoted)		
In Mutual Fund (In Units)		
Axis Long Term Equity Fund	-	149087
		10
		-
		60.12
TOTAL		0.10
		60.27

8.01 Aggregate Amount of Quoted Investments

0.10 0.15

8.02 Aggregate Market Value of Quoted Investments

0.10 0.15

8.03 Aggregate Amount of Unquoted Investments

0.00 60.12



NOTE : 9

TRADE RECEIVABLES

(Unsecured)

(Rs. in lakhs)

PARTICULARS	As at 31.03.2019	As at 31.03.2018
Trade Receivable		
Considered Good*	49030.94	56079.37
Credit Impaired	2925.54	2722.83
	51956.48	58802.20
Less : Provision for Credit Impaired	2925.54	2722.83
Less : Provision for Expected Credit Loss	478.02	-
	48552.92	56079.37
TOTAL	48552.92	56079.37

*Includes amounts of Rs. 31.60 lakhs (Previous Year : Nil) due from NSSL Private Limited (Refer Note No. 39).

NOTE : 10

CASH AND CASH EQUIVALENTS

(Rs. in lakhs)

PARTICULARS	As at 31.03.2019	As at 31.03.2018
Balances with Banks in Current Accounts	1103.12	7934.44
Cheques on hand	-	3.88
Cash on hand	19.90	46.42
TOTAL	1123.02	7984.74

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

(Rs. in lakhs)

PARTICULARS	As at 31.03.2019	As at 31.03.2018
Balances with Banks in Current Accounts	1103.12	7934.44
Cheques on hand	-	3.88
Cash on hand	19.90	46.42
Book Overdraft	(142.69)	(6.62)
TOTAL	980.33	7978.12

NOTE : 11

BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(Rs.in lakhs)

PARTICULARS	As at 31.03.2019	As at 31.03.2018
Fixed Deposits with Banks Pledged as Margin Money	2949.03	3337.54
Balances with Bank in Current Account (Refer Note No. 24.01)	5800.00	-
TOTAL	8749.03	3337.54

NOTE : 12

CURRENT LOANS

(Unsecured)

(Rs. in lakhs)

PARTICULARS	As at 31.03.2019	As at 31.03.2018
Financial Assets Measured at Amortised Cost		
Loans to Related Party (Refer Note No. 39)		
Considered Good	-	-
Considered Doubtful	738.30	738.30
	738.30	738.30
Less : Provision for Doubtful	738.30	738.30
	-	-
TOTAL	-	-

NOTE : 13

OTHERS CURRENT FINANCIAL ASSETS

(Unsecured, Considered Good unless stated otherwise)

(Rs.in lakhs)

PARTICULARS	As at 31.03.2019	As at 31.03.2018
Security Deposits		
Considered Good	94.35	91.08
Considered Doubtful	35.84	26.06
	130.19	117.14
Less : Provision for Doubtful	35.84	26.06
	94.35	91.08
Interest Receivables		
Considered Good	113.62	60.21
Considered Doubtful	157.92	157.92
	271.54	218.13
Less : Provision for Doubtful	157.92	157.92
	113.62	60.21
Others *		
Considered Good	4.93	1194.08
Considered Doubtful	29.09	29.09
	34.02	1223.17
Less : Provision for Doubtful	29.09	29.09
	4.93	1194.08
TOTAL	212.90	1345.37

* Mainly includes Insurance and other receivable.



NOTE : 14

CURRENT TAX ASSETS (NET)		(Rs. in lakhs)
PARTICULARS	As at 31.03.2019	As at 31.03.2018
Advance Payment of Income-Tax (Net)	1172.61	1178.84
TOTAL	1172.61	1178.84

NOTE : 15

OTHER CURRENT ASSETS		(Rs. in lakhs)
PARTICULARS	As at 31.03.2019	As at 31.03.2018
Advances to Suppliers		
Related Parties (Refer Note No. 39)	27.60	4.18
Others		
Unsecured Considered Good	9844.70	7782.38
Considered Doubtful	2363.72	1944.43
	12236.02	9730.99
Less : Provision for Doubtful	2363.72	1944.43
	9872.30	7786.56
Prepaid Expenses	324.72	256.58
Other Receivables*	1108.24	1287.09
TOTAL	11305.26	9330.23

* 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 31.03.2019	As at 31.03.2018
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 31.03.2019		As at 31.03.2018	
	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 31.03.2019		As at 31.03.2018	
	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 3,26,49,600 (Previous Year : 3,26,49,600) shares were allotted in the last five years pursuant to Scheme of Arrangement without payment being received in cash.

16.04 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 shareholder.

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

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

NOTE : 17

OTHER EQUITY

(Rs. in lakhs)

PARTICULARS	As at 31.03.2019	As at 31.03.2018
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	(76883.85)	(27747.41)
Less : Transitional Impact of Ind AS - 115 (Refer Note No. 48)	671.01	-
	(77554.86)	(27747.41)
Add : Loss for the year	(44387.25)	(49136.44)
	(121942.11)	(76883.85)
Revaluation Reserve		
Balance as per last Balance Sheet	21.47	21.47
Other Comprehensive Income (OCI)		
Balance as per last Balance Sheet	560.13	182.79
Add : Movement in OCI (Net) during the year	49.85	377.34
	609.98	560.13
TOTAL	6117.70	51126.11

**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 Share. 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 31.03.2019	As at 31.03.2018
Secured		
Term Loans #		
- From Banks	11032.04	254184.56
- From Assets Reconstruction Company (ARC) (Refer Note No. 18.01)	219641.78	-
Unsecured		
Sales Tax Deferral (Under Package Scheme of Incentives)	4843.21	4962.62
Inter Corporate Deposits from Related Parties (Refer Note No. 39)	763.47	662.11
Long Term Maturities of Finance Lease Obligations	440.12	435.84
TOTAL	236720.62	260245.13

Net off of processing fees amounting to Rs. 281.96 lakhs (Previous Year : Rs. 356.41 lakhs).

18.01 During the 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 have assigned their fund based debt along with underlying financial documents together with their rights, benefits and obligations to Assets Care & Reconstruction Enterprise Limited (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 94.20% of the Principal Fund Based Outstanding have assigned their debt in favour of Assets Care & Reconstruction Enterprise Limited (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. 230954.89 lakhs and Rs. 70044.37 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. 10387.64 lakhs and Rs. 3343.08 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. 230954.89 lakhs and Rs. 70044.37 lakhs included in Current Maturities of Long Term Debts in Note No. 24 are secured by way of :

- a. First Charge on the moveable and immoveable Property, Plant and Equipment of the Company, both present and future on pari-passu basis.
- b. First Ranking Charge on all titles and interest of the borrower in respect of all project documents / contracts / licenses including insurance contracts and rights except mining rights pertaining to the assets of the borrower on pari-passu basis.
- c. Charge on all the current assets of the Company including Raw Materials, Finished Goods, Stock-in-process, Trade Receivable, both present and future on pari-passu basis amongst them ranking next to the charge in favour of bankers and ARC to secure their working capital loans.

18.04 Term Loans of Rs. 0.89 lakhs and Rs. 10.13 lakhs included in Current Maturities of Long Term Debts are secured by way of hypothecation of the specific Equipments / Vehicles financed.

18.05 Term Loans from Banks and ARC referred to above and Rs. 23576.04 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. 204864.34 lakhs is repayable in 156 structured monthly installments, ending in March, 2032.

Rs. 396.88 lakhs is repayable in 3 equal monthly installments of Rs. 132.29 lakhs each, ending in June, 2019.

Rs. 26248.29 lakhs is repayable in 47 equal monthly installments of Rs. 558.47 lakhs each, ending in February, 2023.

Rs. 2304.00 lakhs is repayable in 11 structured monthly installments, ending in February, 2020.

Rs. 9236.11 lakhs is repayable in 50 equal monthly installments of Rs. 184.72 lakhs each, ending in May, 2023.

Rs. 7915.38 lakhs is repayable in 68 structured monthly installments, ending in November, 2024.

Rs. 3565.93 lakhs is repayable in 81 equal monthly installments of Rs. 44.02 lakhs each, ending in December, 2025.

Vehicle Loans amounting to Rs. 11.02 lakhs are repayable in 36 to 60 monthly installments as per repayment schedule.

Maturity Profile of Term Loans is as under :

(Rs.in lakhs)

	Financial Year	Amount	Financial Year	Amount
Term Loans from Banks and ARC	2019-2020	70054.50	2027-2028	16838.46
	2020-2021	23244.06	2028-2029	16838.46
	2021-2022	24600.56	2029-2030	16838.46
	2022-2023	27301.63	2030-2031	16623.83
	2023-2024	19311.19	2031-2032	16869.24
	2024-2025	18416.75		
	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, 2019 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. 5470.52 lakhs (Previous Year : Rs. 5497.00 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, 2019 are as follows:

	31.03.2019 (Rs. in lakhs)	31.03.2018 (Rs. in lakhs)
Minimum Lease Payments		
(i) Payable not later than 1 year	73.03	378.44
(ii) Payable later than 1 year and not later than 5 years	174.21	174.21
(iii) Payable later than 5 years	3984.16	4027.71
Total Minimum Lease Payments	4231.40	4580.36
Less : Future Finance Charges	3720.83	3780.03
Present Value of Minimum Lease Payments	510.57	800.33
Present Value of Minimum Lease Payments		
(i) Payable not later than 1 year	70.45	364.49
(ii) Payable later than 1 year and not later than 5 years	128.78	128.78
(iii) Payable later than 5 years	311.34	307.06
Total Present Value of Minimum Lease Payments	510.57	800.33

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, 2019, the Company has overdue of principal of Rs. 46468.33 lakhs (Previous Year : Rs. 30372.95 lakhs) and Interest of Rs. 142499.55 lakhs (Previous Year : Rs. 100329.17 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. 41246.95 lakhs and Rs. 5221.38 lakhs outstanding for a period of more than 3 months and less than 3 months respectively and overdue of Interest comprises of Rs. 133732.90 lakhs and Rs. 8766.65 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. 20875.87 lakhs (Previous Year : Rs. 366315.45 lakhs) as at 31st March, 2019 as Non Performing Asset (NPA) in their books of account.

As on 31st March, 2019, the Company has overdue of Lease Obligations of Rs. 29.48 lakhs (Previous Year : Rs. 109.88 lakhs) and Interest of Rs. 0.52 lakhs (Previous Year : Rs. 10.11 lakhs) included in Current Maturities of Lease Obligations and Interest Accrued and Due respectively in Note No. 24.

18.10 The agreements in respect of Non-Current Borrowings as at 31st March, 2019 of Rs. 230954.89 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. In the current year, the Company has not complied with the terms of these covenants. The Company has not classified the said Non-Current Borrowings to Current Liabilities as required by Ind AS 1 – “Presentation of Financial Statements”.

NOTE : 19

OTHER NON-CURRENT FINANCIAL LIABILITIES

(Rs. in lakhs)		
PARTICULARS	As at 31.03.2019	As at 31.03.2018
Security Deposits	16.35	26.25
TOTAL	16.35	26.25

NOTE : 20

NON CURRENT PROVISIONS

(Rs. in lakhs)		
PARTICULARS	As at 31.03.2019	As at 31.03.2018
Provision for Assets Retirement Obligations	21.32	19.32
TOTAL	21.32	19.32

NOTE : 21

INCOME TAX

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

(Rs. in lakhs)		
PARTICULARS	For the year ended 31.03.2019	For the year ended 31.03.2018
Recognised in the Statement of Profit and Loss		
Deferred Tax - Relating to Origination and Reversal of Temporary Differences	(26.77)	(10088.32)
Income Tax for Earlier Years	10.73	20.18
Total Tax Expenses / (Income)	(16.04)	(10068.14)

21.02 Reconciliation between Tax Expenses / (Incomes) and Accounting Loss multiplied by Tax Rate for the year ended 31st March, 2019 and 31st March, 2018:

(Rs. in lakhs)		
PARTICULARS	For the year ended 31.03.2019	For the year ended 31.03.2018
Accounting Loss before Tax	(44403.29)	(59204.58)
Applicable tax rate (in %)	34.94	34.61
Computed Tax Expenses / (Income)	(15516.28)	(20489.52)
Tax effect on account of :		
Property, Plant and Equipment and Intangible Assets	719.60	(115.18)
Expenses / Income not allowed	(2245.17)	(16675.79)
Unused Tax Assets (MAT Credit entitlement)	(24.98)	-
Unabsorbed Depreciation	3763.61	(53.98)
Sales Tax Deferral / Lease obligation	18.53	19.57
Income tax for Earlier Years	10.73	20.18
Deferred Tax Assets not recognised	13257.92	27226.58
Income Tax Expenses / (Incomes) recognised in the Statement of Profit and Loss	(16.04)	(10068.14)



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

(Rs. in lakhs)

PARTICULARS	Balance Sheet		Statement of Profit and Loss including OCI	
	As at 31.03.2019	As at 31.03.2018	For the year ended 31.03.2019	For the year ended 31.03.2018
Property, Plant and Equipment and Intangible Assets	78927.80	72307.86	6619.94	7108.33
Financial Instruments - Liabilities	714.84	803.40	(88.56)	107.51
Financial Instruments - Assets	(1.56)	3.36	(4.92)	(0.83)
Items disallowed under the Income Tax Act, 1961	(53366.63)	(36320.90)	(17045.73)	(34365.09)
Provision for Doubtful Trade Receivables and Advances	(2353.10)	(1944.50)	(408.60)	(472.98)
Provision for Non-moving Inventories	(226.28)	-	(226.28)	-
Unabsorbed Depreciation	(61897.82)	(59793.03)	(2104.79)	(9691.21)
Unused Tax Assets (MAT Credit entitlement)	(2597.50)	(2572.52)	(24.98)	-
Assets Retirement Obligations	(7.45)	(6.68)	(0.77)	(0.63)
Deferred Tax Assets not recognised	40484.50	27226.58	13257.92	27226.58
	(323.20)	(296.43)	(26.77)	(10088.32)
Related to Other Comprehensive Income	323.20	296.43	26.77	199.69
TOTAL	-	-	-	(9888.63)

The Company has Net Deferred Tax Assets (DTA) as at 31st March, 2019 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 31.03.2019	As at 31.03.2018
Opening Balance at the beginning of the year	-	9888.63
Deferred Tax Expense / (Income) recognised in the Statement of Profit and Loss	(26.77)	(10088.32)
Deferred Tax Expense / (Income) recognised in OCI	26.77	199.69
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	10764.36	2024-25
2017-18	14233.76	2025-26
Total	24998.12	

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 31.03.2019	As at 31.03.2018
Secured		
Working Capital Rupee Loans		
- From Banks	5264.14	60922.28
- From Assets Reconstruction Company (ARC)	53965.96	-
Unsecured		
Inter Corporate Deposits taken from :		
i) Related Parties (Refer Note No. 39)	2237.91	2237.91
ii) Others (Refer Note No. 22.04)	10443.67	10443.67
	12681.58	12681.58
Suppliers Credits	14792.47	18368.96
TOTAL	86704.15	91972.82

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 As on 31st March, 2019, the Company has overdue Working Capital Interest Rs. 5196.52 lakhs (Previous Year : Rs. 3500.68 lakhs) included in Interest Accrued and Due in Note No. 24 for a period of less than 3 year.

22.04 Inter Corporate Deposits from other 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 as per the Company 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

(Rs. in lakhs)		
PARTICULARS	As at 31.03.2019	As at 31.03.2018
Micro, Small and Medium Enterprises	4313.94	1610.50
Others	28973.87	26379.44
TOTAL	33287.81	27989.94



23.01 Disclosures of the Micro, Small And Medium Enterprises Development Act, 2006

Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information as available with the Company and the required disclosures are given below :

(Rs. in lakhs)

PARTICULARS	As at 31.03.2019	As at 31.03.2018
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	4313.94	1610.50
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	53.32	76.34
(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	53.32	76.34
(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

(Rs. in lakhs)

PARTICULARS	As at 31.03.2019	As at 31.03.2018
Current Maturities of Long Term Debts	70054.50	50875.52
Current Maturities of Sales Tax Deferral	627.31	534.38
Current Maturities of Finance Lease Obligations	70.45	364.49
Interest Accrued but not due on Borrowings	204.72	268.48
Interest Accrued and due	147749.91	104464.42
Advance against Share Application Money (Refer Note No. 24.01)	5800.00	5800.00
Creditors for Capital Goods	-	111.67
Book Overdraft	142.69	6.62
Bonus Payable	510.10	448.20
Other Payables*	5548.89	6965.37
TOTAL	230708.57	169839.15

* 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 31.03.2019	As at 31.03.2018
Advances from Customers	2141.60	2059.49
Statutory Liabilities	5130.46	2933.43
TOTAL	7272.06	4992.92

NOTE : 26

CURRENT PROVISIONS

(Rs.in lakhs)

PARTICULARS	As at 31.03.2019	As at 31.03.2018
Provision for Employee Benefits	2052.14	2048.95
Provision for Energy Development Cess (Refer Note No. 26.01)	4395.97	4008.35
Other Provisions*	396.75	396.75
TOTAL	6844.86	6454.05

* 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 2nd November, 2007 permitted the department to raise the bill, however it directed that no coercive steps shall be taken by the state to recover the dues till further orders. The legislative competence of the Government of Chhattisgarh is not under challenge. The Company had been legally advised in the past that it is highly unlikely that the provision by which the State Government has imposed Energy Development Cess will be struck down by the Hon'ble Supreme Court of India. In view of the above and as a matter of prudence, the Company has made a provision of Energy Development Cess aggregating amounts to Rs. 4395.97 lakhs till 31st March, 2019.

NOTE : 27

REVENUE FROM OPERATIONS

(Rs. in lakhs)

PARTICULARS	For the Year ended 31.03.2019	For the Year ended 31.03.2018
Sale of Products	422557.62	357712.82
Sale of Services / Job Work Income	94.98	35.65
Other Operating Revenues - Export Incentives	-	18.20
TOTAL	422652.60	357766.67

27.01 Sale of products up to 30th June 2017 includes Excise Duty, which is discontinued with effect from 1st July, 2017 upon implementation of Goods and Service Tax (GST). GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations for the year is not comparable with the previous year.

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

(Rs. in lakhs)

PARTICULARS	For the Year ended 31.03.2019	For the Year ended 31.03.2018
Iron and Steel Castings	50782.84	40073.39
Pig Iron / Skull	10037.25	21295.08
Billets / Rolled Products	258730.75	218145.14
Sponge Iron	43738.00	31051.55
Pellet	55167.46	41261.15
Job Work / Commission	94.98	35.65
Others	4101.32	5886.51
TOTAL	422652.60	357748.47



27.03 Revenue disaggregation by geography is as follows:

(Rs. in lakhs)		
PARTICULARS	For the Year ended 31.03.2019	For the Year ended 31.03.2018
India	421085.68	356783.47
Outside India	1566.92	965.00
TOTAL	422652.60	357748.47

27.04 Reconciliation of Revenue from Operations with Contract Price:

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

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

**NOTE : 28
OTHER INCOME**

(Rs. in lakhs)		
PARTICULARS	For the Year ended 31.03.2019	For the Year ended 31.03.2018
Interest Income from Financial Assets measured at Amortised Cost		
Fixed Deposits with Banks	199.02	249.76
Others	609.38	334.61
Profit on Sale of Investment	0.84	2.05
Gain on Financial Instruments measured at Fair Value through Profit and Loss (Net)	-	8.49
Gain on Foreign Currency Fluctuations (Net)	-	470.22
Other Miscellaneous Receipts	28.16	204.62
Account Written Back	874.51	1184.86
Export Incentives	28.95	-
TOTAL	1740.86	2454.61

NOTE : 29

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

(Rs. in lakhs)

PARTICULARS	For the Year ended 31.03.2019	For the Year ended 31.03.2018
Closing Inventories		
Finished Goods	48489.45	24687.98
Finished Goods in Transit	3595.64	16.95
Work-in-Progress	6192.25	5738.10
Stock in Trade	263.74	275.19
	<u>58541.08</u>	<u>30718.22</u>
Opening Inventories		
Finished Goods	24687.98	32657.60
Finished Goods in Transit	16.95	-
Add : Transitional Impact of Ind AS 115 (Refer Note No. 48)	4698.37	-
Work-in-Progress	5738.10	4771.47
Stock in Trade	275.19	285.49
	<u>35416.59</u>	<u>37714.56</u>
(Increase) / Decrease in Inventories	TOTAL	
	<u><u>(23124.49)</u></u>	<u><u>6996.34</u></u>

NOTE : 30

EMPLOYEE BENEFITS EXPENSE

(Rs. in lakhs)

PARTICULARS	For the Year ended 31.03.2019	For the Year ended 31.03.2018
Salaries, Wages and Allowances	18776.21	16744.33
Contribution to Provident and Other Funds	1610.20	1715.11
Welfare and Other Amenities	1543.23	1370.32
TOTAL	<u><u>21929.64</u></u>	<u><u>19829.76</u></u>

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

(Rs. in lakhs)

Particulars	2018-19	2017-18
(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	1203.72	1160.66

(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 31.03.2019	As at 31.03.2018
Actuarial Assumptions		
Mortality Table (LIC)	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Salary growth	7% & 8%	7% & 8%
Discount rate	7.69% & 7.76%	7.73% & 7.58%
Attrition age	2.50%	2.50%
(Rs. in lakhs)		
Particulars	Gratuity (Funded)	
	As at 31.03.2019	As at 31.03.2018
Movement in Present Value of Defined Benefit Obligations		
Defined Benefit Obligations at the beginning of the year	3906.30	3605.83
Current Service Cost	378.11	371.04
Past Service Cost	-	152.84
Interest Cost	289.21	253.47
Benefit Paid	(203.17)	(219.30)
Transfer In / (Out)	-	147.08
Actuarial Loss / (Gain)	(110.95)	(404.66)
Defined Benefit Obligations at the end of the year	4259.50	3906.30
Movement in Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	3204.52	3012.15
Interest Income	260.84	225.35
Employer Contribution	431.19	206.31
Benefit Paid	(203.17)	(219.30)
Remeasurement Loss arising from return on Plan Assets	(34.33)	(19.99)
Fair Value of Plan Assets at the end of the year	3659.05	3204.52
Expense recognised in the Statement of Profit and Loss		
Current Service Cost	378.11	371.04
Past Service Cost	-	152.84
Interest on Defined Benefit Obligations	289.21	253.47
Interest Income	(260.84)	(225.35)
Total included in "Remuneration and Benefits to Employees"	406.48	552.00
Remeasurements (recognised in Other Comprehensive Income)		
Effect of changes in financial assumptions	(110.95)	(161.92)
Effect of experience adjustments	-	(242.74)
Loss on Plan Assets (excluding Interest Income)	(34.33)	(19.99)
Total remeasurements included in OCI	(76.62)	(384.67)

(c) Fair Value of Plan Assets

Life Insurance Corporation of India (LIC)	3659.05	3204.52
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(d) Net Defined Benefit Obligations / (Assets) reconciliation

Present Value of Obligations at the end of the year	4259.50	3906.30
Less : Fair Value of Plan Assets at the end of the year	3659.05	3204.52
Net Obligations recognised at the end of the year	600.45	701.78

- (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 31.03.2019	As at 31.03.2018
		Effect on Gratuity Increase / (Decrease)	
Discount Rate	+1%	(359.77)	(348.54)
Discount Rate	-1%	415.23	404.64
Salary Increase Rate	+1%	379.24	370.29
Salary Decrease Rate	-1%	(336.52)	(326.22)
Attrition Rate	+1%	(1.80)	(6.68)
Attrition Rate	-1%	1.69	7.11

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 :

Year Ended	(Rs.in lakhs)
	Expected Payment
31 st March, 2020	331.45
31 st March, 2021	215.86
31 st March, 2022	238.35
31 st March, 2023	303.05
31 st March, 2024	307.11
31 st March, 2025 to 31 st March, 2029	1644.55

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 31.03.2019	For the Year ended 31.03.2018
Interest Expenses on Financial Liabilities measured at Amortised Cost	69830.08	63210.36
Lease Finance Charges	11.35	96.92
Other Financial Charges	1305.40	2510.76
TOTAL	71146.83	65818.04

NOTE : 32

DEPRECIATION AND AMORTISATION EXPENSE

	(Rs. in lakhs)	
PARTICULARS	For the Year ended 31.03.2019	For the Year ended 31.03.2018
Depreciation of Property, Plant and Equipment (Refer Note No. 2)	27002.67	27039.76
Amortisation of Intangible Assets (Refer Note No. 3)	265.69	259.77
TOTAL	27268.36	27299.53

NOTE : 33

OTHER EXPENSES

	(Rs.in lakhs)	
PARTICULARS	For the Year ended 31.03.2019	For the Year ended 31.03.2018
MANUFACTURING EXPENSES		
Consumables, Stores and Spares Consumed	53698.41	51253.84
Power and Fuel	25493.03	20035.36
Excise Duty	-	(4805.70)
Repairs and Maintenance -		
Buildings	48.97	67.27
Plant and Equipments	18721.17	12303.81
Others	1.38	0.65
Royalty and Cess	4176.59	2383.95
Internal Material Movement	6110.04	5732.63
Lease Rent	840.00	840.00
Other Manufacturing Expenses	2480.79	2077.64
	111570.38	89889.45

SELLING AND DISTRIBUTION EXPENSES

Advertisement and Publicity	37.57	40.17
Commission	144.64	462.87
Sales Promotion Expenses	72.53	91.67
Freight and Forwarding	13062.53	12407.68
Sales Tax	86.18	1.00
	13403.45	13003.39

ADMINISTRATIVE EXPENSES

Rent	227.88	215.14
Rates and Taxes	253.07	133.24
Insurance	351.50	351.96
Loss on Foreign Currency Fluctuation (Net)	74.26	-
Printing and Stationery	47.52	37.70
Communication	90.12	86.06
Travelling and Conveyance	1011.54	965.76
Vehicle Maintenance	192.35	188.71
Legal and Professional Charges	1296.47	1580.78
Payment to Auditors (Refer Note No. 33.01)	69.81	69.52
Security Expenses	544.23	507.79
Miscellaneous	725.11	717.02
	4883.86	4853.68

OTHER EXPENSES

Bank Charges and Commission	56.26	62.91
Bad Debts / Advances written off	160.85	51.19
Less : Provision written back	170.25	13.60
	(9.40)	37.59
Cash Discount	2693.98	1140.12
Provision for Credit Impaired Trade Receivable / Advances	807.57	1380.27
Provision for Expected Credit Loss on Trade Receivable	478.02	-
Loss on Financial Instruments measured at Fair Value through Profit or Loss (Net)	0.05	-
Loss on Sale / Discard of Property, Plant and Equipment (Net)	35.13	16.85
Donations	6.98	12.15
	4068.59	2649.89
TOTAL	133926.28	110396.41

33.01 Break-up of Payment to Auditors :

(Rs. in lakhs)

PARTICULARS	For the Year ended 31.03.2019	For the Year ended 31.03.2018
Audit Fees	57.30	53.50
Certification Charges	9.00	9.00
Out of Pocket Expenses	3.51	7.02
TOTAL	69.81	69.52
Cost Audit Fees	1.25	1.25
Tax Audit Fees	7.50	5.50



NOTE : 34

EARNINGS PER SHARE

(Rs. in lakhs except per equity share data)

PARTICULARS		For the Year ended 31.03.2019	For the Year ended 31.03.2018
Basic Earnings Per Share			
Loss for the year	(A)	(44387.25)	(49136.44)
Weighted average number of Equity Shares (Nos.)	(B)	638633063	638633063
Basic Earnings Per Share of Rs.10/- each	Rs. (A) / (B)	(6.95)	(7.69)
Diluted Earnings Per Share			
Amount available for calculation of Diluted EPS	(A)	(44387.25)	(49136.44)
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)	(6.95)	(7.69)

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

		(Rs. in lakhs)	
NOTE : 35	CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)	31.03.2019	31.03.2018
A	I GUARANTEES		
	a. Guarantees given by the Company's Bankers (Bank guarantees are provided under contractual / legal obligation)	3199.57	2953.25
	b. Corporate Guarantee (Given to Banks against the borrowings taken by one of the Associate Company)	1181.00	1181.00
	TOTAL	4380.57	4134.25
	II LETTER OF CREDIT OUTSTANDING		
	a. Letters of Credit opened in favour of Suppliers (Cash flow is expected on receipt of material from suppliers)	12969.59	9535.31
	b. Liability in respect of Bills Discounted	525.36	7258.13
	TOTAL	13494.95	16793.44
	III OTHER CONTINGENT LIABILITIES		
	Claims against the Company not acknowledged as debts		
	a. Disputed Excise Duty and Service Tax	541.40	586.49
	b. Disputed Sales Tax	1579.52	1235.02
	c. Disputed Customs Duty	184.79	184.79
	d. Other Disputed Demands (Mainly related to demand of Electricity Duty and Stamp Duty)	8295.45	7749.28
	e. Third Party Claims # (Matters are pending before various forums)	2286.53	2256.53
	TOTAL	12887.69	12012.11

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 4th August, 2017 and corrected vide its order dated on 15th September, 2017, the Sole Arbitrator passed an Arbitral Award against the Company. As per the Arbitral Award, the claims of the Company were not entertained and the counter claims were allowed. The Company had challenged the Arbitral Award before the Hon'ble Delhi High Court under the Arbitration and Conciliation Act 1996. The Hon'ble High Court dismissed the appeals filed by the Company vide its judgment dated 21st December, 2017 and judgement dated 5th April, 2018.

According to the Management of the Company, 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 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 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, differential duty on sale to related parties and denial of credit on structural steel, new plants, railway receipt, bank expenses and outward freight etc. 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)	23897.47	23897.47
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NOTE :36 The Company underwent significant financial stress in the last five 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 and various other reasons which have resulted in financial constraints to the Company, losses in the operations, erosion of net worth and calling back of loans by few of the secured lenders. The Company had approached its secured lenders for an appropriate Debt Restructured Plan, which was approved by the super majority of the secured lenders. 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. 51383.41 lakhs as default as on 30th November, 2017.

The matter has now been listed for hearing on 12th June, 2019 before the National Company Law Tribunal (NCLT), Mumbai. In view of the Status Quo order issued by the Hon'ble Supreme Court, the matter is still at pre admission stage in NCLT.

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.

During the year the steel sector in India has performed well, the Company's revenue has increased, further all the lenders of the Company are continuously supporting the operations of the Company. As mentioned in Note No. 18.01 above bankers with Rs. 339353.50 lakhs representing around 94.20% of the Principal Fund Based Outstanding have assigned their debt in favour of Assets Care & Reconstruction Enterprise Limited. Accordingly the Management is of the view that the above circumstances will not affect the operations of the Company and it continues to prepare the books of account on Going Concern basis.

NOTE : 37 Derivative Contracts and Unhedged Foreign Currency Exposures: **31.03.2019** **31.03.2018**

i) Foreign Currency exposures that are not hedged by Derivatives

Instruments are as under :

a) Receivable :	255.28	103.53
b) Payable :	263.63	207.65

NOTE : 38 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, 2019 and in respect of Assets / Liabilities as at 31st March, 2019.

Information about Primary (Product wise) segments :

(Rs. in lakhs)

Particulars	Steel	Iron & Steel Castings	Others	Unallocated	Eliminations	Total
1. REVENUE						
External Sales	371797.40 (317480.92)	50839.09 (40049.21)	16.11 (236.54)	- (-)		422652.60 (357766.67)
Inter-segment Sales	3888.30 (1772.46)	16.72 (76.69)	- (-)	- (-)	(3905.02) (-1849.15)	- (-)
Total Revenue	375685.70 (319253.38)	50855.81 (40125.90)	16.11 (236.54)	- (-)	(3905.02) (-1849.15)	422652.60 (357766.67)
2. RESULTS						
Segment Results	25297.71 (7124.85)	1115.14 (-1345.53)	3.61 (4.68)	- (-)		26416.46 (5784.00)
Unallocated Corporate Expenses	- (-)	- (-)	- (-)	478.35 (467.53)		478.35 (467.53)
Unallocated Depreciation	- (-)	- (-)	- (-)	4.70 (4.70)		4.70 (4.70)
Operating Profit / (-) Loss	25297.71 (7124.85)	1115.14 (-1345.53)	3.61 (4.68)	(483.05) (-472.23)		25933.41 (5311.77)

Particulars	Steel	Iron & Steel Castings	Others	Unallocated	Eliminations	Total
Less : Finance Cost	- (-)	- (-)	- (-)	71146.83 (65818.04)		71146.83 (65818.04)
Add : Unallocated Interest Income	- (-)	- (-)	- (-)	808.40 (584.37)		808.40 (584.37)
Add : Unallocated Income	- (-)	- (-)	- (-)	1.73 (11.51)		1.73 (11.51)
Less : Exceptional Items	(705.81) -	- -	- -	- (16.04)		(705.81) (16.04)
Less : Tax Expenses (Including Deferred Tax)	- (-)	- (-)	- (-)	(16.04) (-10068.14)		(16.04) (-10068.14)
Net Profit / (-) Loss	25297.71 (7830.66)	1115.14 (-1345.53)	3.61 (4.68)	(70803.71) (-55626.25)		(44387.25) (-49136.44)
3. OTHER INFORMATION						
Segment Assets	628530.47 (637667.83)	31924.73 (33100.05)	283.48 (283.81)	- (-)		660738.68 (671051.69)
Unallocated Corporate Assets	- (-)	- (-)	- (-)	10817.34 (5476.58)		10817.34 (5476.58)
Total Assets	628530.47 (637667.83)	31924.73 (33100.05)	283.48 (283.81)	10817.34 (5476.58)		671556.02 (676528.27)
Segment Liabilities	48290.81 (40255.35)	5053.10 (5994.33)	- (0.12)	- (-)		53343.91 (46249.80)
Unallocated Corporate Liabilities	- (-)	- (-)	- (-)	548231.83 (515289.78)		548231.83 (515289.78)
Total Liabilities	48290.81 (40255.35)	5053.10 (5994.33)	0.00 (0.12)	548231.83 (515289.78)		601575.74 (561539.58)
Capital Expenditure	1184.28 (781.39)	305.11 (1494.41)	- (-)	- (-)		1489.39 (2275.80)
Depreciation	26115.03 (26133.36)	1148.63 (1161.47)	- (-)	4.70 (4.70)		27268.36 (27299.53)
Non-cash Expenses other than Depreciation	1141.84 (44.95)	143.75 (1335.32)	- (-)	- (-)		1285.59 (1380.27)

Note : Figures in brackets represent previous year's 2017-18 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 organizational 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.

- c) No Non-Current Assets of the Company is located outside India as on 31st March, 2019 and 31st March 2018.
- d) No single customer has accounted for more than 10% of the Company revenue for the year ended 31st March, 2019 and 31st March 2018.

iii. Segment Composition :

- a) Steel Segment is engaged in manufacture and sale of Pig Iron, Billets, Rolled Products, Sponge Iron and includes its captive Power Plants at its unit located at Siltara, Raipur and Mining activities in the state of Chhattisgarh and Maharashtra.
- b) Iron and Steel Castings Segment comprises of manufacture and sale of Engineering and Automotive Castings with production facilities at Nagpur, Bhilai and Anjora.
- c) Other Segment comprises of trading of Coal, Coke and PVC pipes.

NOTE : 39 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 periods, are as detail below:

A. List of Related Parties :

(As certified by the Management)

I. Associate Company

Maa Usha Urja Limited

II. Key Management Personnel and their Relatives

Shri B. L. Shaw	Shri Avneesh Jayaswal
Shri Arbind Jayaswal	Shri Archit Jayaswal
Shri Ramesh Jayaswal	Shri M. P. Singh
Shri P. K. Bhardwaj	Shri Ashutosh Mishra (upto 10.10.2018)
Shri Vikash Kumar Agarwal (w.e.f. 01.02.2019)	Shri Vallabh Ghate (w.e.f. 30.10.2018 to 31.01.2019)
Shri Anshul Bhardwaj	

III. Enterprises in which key managerial personnel and their relatives are able to exercise significant influence with whom transactions have taken place during the year :

Other Related Parties

Apex Spinning Mills Private Limited	AMR Iron and Steel Private Limited
Jayaswal Neco Infrastructures Private Limited	Jayaswal Neco Energy Private Limited
Jayaswal Neco Metallics Private Limited	Jayaswal Neco Urja 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

B. Transactions and Balances with Related Parties :

(Rs. in lakhs)

Nature of Transactions	Name of the Related Parties	2018-19	2017-18
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
Other Manufacturing Expenses	Maa Usha Urja Limited	-	31.48
Reimbursement of Expenses to the Company	Maa Usha Urja Limited	12.81	122.71
Reimbursement of Expenses by the Company	Maa Usha Urja Limited	-	0.79
Transactions with Other Related Parties:			
Purchase of Property, Plant and Equipment	Neco Heavy Engineering and Castings Limited	18.41	177.01
	NSSL Private Limited	-	664.67
Sale of Goods and Services	NSSL Private Limited	8890.12	4001.82
	Neco Heavy Engineering and Castings Limited	989.30	279.89
	Neco Ceramics Limited	126.54	131.86
Advance against Share Application Money	Apex Spinning Mills Private Limited	-	700.00
	Nine Star Plastic Packaging Services Private Limited	-	850.00
	Jayaswal Neco Infrastructures Private Limited	-	1000.00
	Jayaswal Neco Power Private Limited	-	300.00
	Jayaswal Neco Energy Private Limited	-	950.00
	Jayaswal Neco Metallics Private Limited	-	650.00
	Jayaswal Neco Steel and Mining Limited	-	1350.00
Rent Received	Neco Heavy Engineering and Castings Limited	0.90	0.90
Purchase of Goods and Services	NSSL Private Limited	9898.77	5603.08
	Neco Heavy Engineering and Castings Limited	574.97	715.37
	Neco Ceramics Limited	-	35.98
Other Manufacturing Expenses	NSSL Private Limited	30.87	243.01
	Neco Ceramics Limited	-	290.73
	Neco Heavy Engineering and Castings Limited	219.98	57.67
	AMR Iron & Steel Private Limited	10.62	-
Sale of Services / Job Work Income	NSSL Private Limited	76.18	-



Rent / Lease Rent Paid	The Jayaswal Basant Lall Shaw Family Trust	84.00	90.75
	Arbind Jayaswal	9.60	9.60
	Ramesh Jayaswal	9.60	9.60
Interest Expense	AMR Iron and Steel Private Limited	-	12.48
	Apex Spinning Mills Private Limited	5.07	4.39
	Nine Star Plastic Packaging Services Private Limited	10.14	8.79
	Jayaswal Neco Infrastructures Private Limited	20.27	17.58
	Jayaswal Neco Energy Private Limited	20.27	17.58
	Jayaswal Neco Metalics Private Limited	25.34	21.97
	Jayaswal Neco Steel and Mining Limited	20.27	17.58
Sitting Fees	Shri B.L. Shaw	0.75	1.25
Managerial Remuneration	Arbind Jayaswal	127.11	127.11
	Ramesh Jayaswal	127.11	127.11
	P.K.Bhardwaj	44.73	46.19
	M.P. Singh	65.85	65.85
	Avneesh Jayaswal	53.09	53.09
	Archit Jayaswal	-	2.95
	Ashutosh Mishra	13.63	20.76
	Vallabh Ghate	1.51	-
	Vikash Kumar Agarwal	4.00	-
	Anshul Bhardwaj	1.75	-
Reimbursement of Expenses to the Company	NSSL Private Limited	5.18	5.91
	Neco Heavy Engineering and Castings Limited	0.18	0.04
	The Jayaswal Basant Lall Shaw Family Trust	-	0.66
Reimbursement of Expenses by the Company	NSSL Private Limited	0.10	13.79
	Neco Heavy Engineering and Castings Limited	1.80	0.62
Current Borrowings - Inter Corporate Deposits repaid	AMR Iron and Steel Private Limited	-	149.92

(Rs.in lakhs)

Nature of Transactions	Name of the Related Parties	As at 31.03.2019	As at 31.03.2018
Balances with Associate :			
Corporate Guarantee Given	Maa Usha Urja Limited	1181.00	1181.00
Current Borrowings -Inter Corporate Deposits	Maa Usha Urja Limited	2237.91	2237.91
Trade payables	Maa Usha Urja Limited	412.98	389.89

Balance with Other Related Parties :			
Non Current Borrowings - Inter Corporate Deposits	Apex Spinning Mills Private Limited	38.18	33.11
	Nine Star Plastic Packaging Services Private Limited	76.35	66.21
	Jayaswal Neco Infrastructures Private Limited	152.69	132.42
	Jayaswal Neco Energy Private Limited	152.69	132.42
	Jayaswal Neco Metallica Private Limited	190.87	165.53
	Jayaswal Neco Steel and Mining Limited	152.69	132.42
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	Neco Ceramics Limited	-	8.67
	NSSL Private Limited	-	211.01
	Neco Heavy Engineering and Castings Limited	26.33	127.99
	AMR Iron and Steel Private Limited	10.62	-
Deposit Given	The Jayaswal Basant Lal Shaw Family Trust	21.00	21.00
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	23.42	-
	Neco Defence Systems Limited	4.18	4.18
Trade Receivables	NSSL Private Limited	31.60	-
	Neco Heavy Engineering and Castings Limited	315.12	25.62

C. Compensation to Key Managerial Personnel of the Company

			(Rs.in lakhs)
Nature of Transaction	2018-19	2017-18	
Short Term Employee Benefits	384.52	387.41	
Post-employment Benefits	3.74	31.85	
TOTAL	388.26	419.26	

- 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 : 40 DIVIDEND ACCRUED ON REDEEMABLE PREFERENCE SHARES NOT PROVIDED FOR:****(Rs.in lakhs)**

PARTICULARS	For the Year ended 31.03.2019	For the Year ended 31.03.2018
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 : 41**THE EXCEPTIONAL ITEMS :**

Exceptional Items for the previous year represent the amount realised (Net of written off) in respect of Company's Coal Mines at Moitra Coal Block which was cancelled by the Hon'ble Supreme Court of India during the year 2014.

NOTE : 42**EXPENDITURE RELATED TO CORPORATE SOCIAL RESPONSIBILITY (CSR) AS PER SECTION 135 OF THE COMPANIES ACT, 2013 READ WITH SCHEDULE VII.**

- CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company during the year is Rs. Nil (Previous Year : Rs. Nil)
- Expenditure incurred related to Corporate Social Responsibility is Rs. 220.73 lakhs (Previous Year : Rs. 209.24 lakhs).

Details of Expenditure incurred towards CSR given below:**(Rs. in lakhs)**

PARTICULARS	For the Year ended 31.03.2019	For the Year ended 31.03.2018
Rural Development Projects	116.27	100.80
Environmental Sustainability	32.72	10.96
Education and Training	13.06	7.31
Health Care, Sanitation and providing Drinking Water	36.57	69.07
Promotion and Development of Traditional Art and Culture, Community Welfare	16.08	15.41
Others	6.03	5.69
TOTAL	220.73	209.24

NOTE : 43 PROVISIONS

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

PARTICULARS	(Rs. in lakhs)					
	Assets Retirement Obligations	Provision for Credit Impaired / Doubtful on Trade Receivables / Advances	Provision for Expected Credit Loss on Trade Receivables	Provision for Excise Duty	Provision for Energy Development Cess	Provision for Entry Tax and Cess
As at 1 st April, 2017	17.50	4251.96	-	4779.77	3635.07	396.75
Provision during the year	1.82	1380.27	-	-	373.28	-
Payment during the year	-	-	-	(4779.77)	-	-
Provision reversed during the year	-	(13.60)	-	-	-	-
As at 31 st March, 2018	19.32	5618.63	-	-	4008.35	396.75
Provision during the year	2.00	807.57	478.02	-	387.62	-
Payment during the year	-	-	-	-	-	-
Provision reversed during the year	-	(170.25)	-	-	-	-
As at 31 st March, 2019	21.32	6255.95	478.02	-	4395.97	396.75

NOTE : 44 FAIR VALUES

44.01 Financial Instruments by category:

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial assets and liabilities that are recognised in the financial statements.

a) Financial Assets / Liabilities measured at Fair Value

Particulars	(Rs. in lakhs)	
	As at 31.03.2019	As at 31.03.2018
Financial Assets designated at Fair Value through Profit and Loss :		
- Investments	0.10	60.27
TOTAL	0.10	60.27

b) Financial Assets / Liabilities designated at Amortised Cost:

Particulars	(Rs. in lakhs)			
	As at 31.03.2019		As at 31.03.2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets :				
Financial Assets designated at Amortised Cost :				
- Trade Receivables	48552.92	48552.92	56079.37	56079.37
- Cash and Cash Equivalents	1123.02	1123.02	7984.74	7984.74
- Bank Balances other than Cash and Cash Equivalents	8749.03	8749.03	3337.54	3337.54
- Loans	-	-	-	-
- Others	215.28	215.28	1451.26	1451.26
TOTAL	58640.25	58640.25	68852.91	68852.91

Financial Liabilities :
Financial Liabilities designated at Amortised Cost :

- Borrowings	323424.77	323424.77	352217.95	352217.95
- Trade Payables	33287.81	33287.81	27989.94	27989.94
- Other Financial Liabilities	230724.92	230724.92	169865.40	169865.40
TOTAL	587437.50	587437.50	550073.29	550073.29

44.02 Fair Valuation techniques used to determine Fair Value

The Company maintains procedures to value its financial assets or financial liabilities using the best and most relevant data available. The Fair Values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the Fair Values:

- Fair Value of Cash and Cash Equivalents, Other Bank Balances, Trade Receivable, Trade Payables, Current Loans, Current Borrowings, Deposits and other Current Financial Assets and Liabilities are approximate at their carrying amounts largely due to the short-term maturities of these instruments.
- The Fair Values of Unsecured Non-current Borrowings is calculated based on discounted cash flows using a lending rate. They are classified as level 2 fair values in the fair value hierarchy due to the inclusion of observable inputs. The Fair Values of Secured Non-current Borrowings and Security Deposits are approximate at their carrying amount due to interest bearing features of these instruments.
- Fair values of Investment in equity are derived from quoted market prices in active markets and Fair values of Mutual Fund are derived from published NAV at reporting date.
- The Fair Value of the remaining financial instruments is determined using discounted cash flow analysis.
- The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

44.03 Fair Value Hierarchy

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

- Level 1 :-** Quoted prices / published Net Assets Value (unadjusted) in active markets for identical assets or liabilities. It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the Balance Sheet date and financial instruments like mutual funds for which Net Assets Value is published by mutual fund operators at the Balance Sheet date.
- 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.
- 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 31.03.2019		
	Level 1	Level 2	Level 3
Financial Assets			
Financial Assets designated at Fair Value through Profit and Loss :			
Investments	0.10	-	0#
(Rs. in lakhs)			
Particulars	As at 31.03.2018		
	Level 1	Level 2	Level 3
Financial Assets			
Financial Assets designated at Fair Value through Profit and Loss :			
Investments	60.27	-	0#

since the Investments under level 3 category are not material and its fair value is zero, so the disclosure for the same is not given.

Note 45 : Financial Risk Management - Objective and Policies

The Company is exposed to Market Risk, Credit Risk and Liquidity Risk. Risk management is carried out by the company under the 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.

45.01 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 2019 and 31st March 2018.

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, 2019 and 31st March, 2018.

(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 and Euro. The Company has foreign currency trade payables and 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 31st 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)
Unhedged Foreign currency exposure as at 31st March, 2018	Currency	Amount in FC	(Rs. in lakhs)
Trade Receivable	USD	12803	8.33
Trade Receivable	EURO	118081	95.20
Trade Payable	USD	(236889)	(154.08)
Trade Payable	SEK	(677261)	(53.57)

Foreign Currency sensitivity

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

(Rs. in lakhs)

Particulars	2018-19		2017-18	
	2% Increase - Profit / (Loss)	2% Decrease - Profit / (Loss)	2% Increase - Profit / (Loss)	2% Decrease - Profit / (Loss)
USD	(0.90)	0.90	11.75	(11.75)
EURO	2.69	(2.69)	4.06	(4.06)
SEK	(0.98)	0.98	(1.07)	1.07
CAD	(0.98)	0.98	3.82	(3.82)
(Increase) / Decrease in Loss Before Tax	(0.17)	0.17	18.56	(18.56)

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 and interest in respect of those specified banks are 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. 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 current year, the Hon'ble Supreme Court was pleased to issue notice and directed parties to maintain status quo. Further during the year total eight out of twelve bankers of the Company with around 94.20% of the Principal Fund Based Outstanding have 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	2018-19		2017-18	
	2% Increase	2% Decrease	2% Increase	2% Decrease
	- Increase in LBT	- Decrease in LBT	- Increase in LBT	- Decrease in LBT
Working Capital Facility	(1184.60)	1184.60	(1218.45)	1218.45
Term Loan from Banks	(6019.99)	6019.99	(6107.86)	6107.86
(Increase) / Decrease in Loss Before Tax	(7204.59)	7204.59	(7326.31)	7326.31

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

c) Commodity Price Risk :

The Company's revenue is exposed to the market risk of price fluctuations related to the sale of its iron, steel and castings products. Market forces generally determine prices for the products sold by the Company. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Company earns from the sale of its products.

The Company 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, 2019.

The Company aims to sell its product 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	2018-19		2017-18	
	5% Increase	5% Decrease	5% Increase	5% Decrease
	- Increase in LBT	- Decrease in LBT	- Increase in LBT	- Decrease in LBT
Iron Ore / Fines	(3653.79)	3653.79	(2873.56)	2873.56
Coal / Coke	(6167.87)	6167.87	(4783.04)	4783.04
(Increase) / Decrease in Loss Before Tax	(9821.66)	9821.66	(7656.60)	7656.60

45.02 Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

a) Trade Receivables :

The Company measures the expected credit loss of trade receivables, which are subject to credit risk, based on historical trend, industry practices and the business environment in which the entity operates and adjusted for forward looking information. Loss rates are based on actual credit loss experience and past trends.

The Company has used practical process by computing the expected credit loss allowance for trade receivables based on provision matrix has taken into account. The provision matrix taken into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on ageing of the days the receivables are due.

The following table summarizes the Gross carrying amount of the trade receivable and provision made:
(Rs. in lakhs)

Particulars	31 st March 2019		31 st March 2018	
	Gross Carrying Amount	Loss Allowance	Gross Carrying Amount	Loss Allowance
Trade Receivables	51956.48	3403.56	58,802.20	2722.83
Total	51956.48	3403.56	58802.20	2722.83

The following table summarizes the changes in the Provisions made for the receivables:
(Rs. in lakhs)

PARTICULARS	31 st March 2019	31 st March 2018
Opening Balance	2722.83	1544.73
Add : Provided during the year	680.73	1178.10
Closing Balance	3403.56	2722.83

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.

45.03 Liquidity Risk :

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. It will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. The Company's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies on short term borrowings and operating cash flows in the form of suppliers credit and working capital to meet its need for fund.

The Company underwent significant liquidity issues in the last five years including the current year, due to cancellation of its three captive coal mines which resulted in significant viability issues of the end use Iron and Steel making facilities, payment of additional levy on mined coal as per the Hon'ble Supreme Court order, huge dumping of steel in the country which resulted in the low capacity utilisation of its new steel making facilities and unavailability of incremental working capital support due to Reserve Bank of India's (RBI's) Asset Quality review classifying the Company's accounts as technical Non-performing Asset from back date effect. All these have resulted in financial constraints to the Company, losses in the operations, erosion of net worth and calling back of loans by two of the secured lenders. The Company had approached its secured lenders for an appropriate debt restructured plan with the objective to make the operations of the Company viable and sustainable, which was approved by the super majority of the secured lenders. 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 which was not agreed to by the Reserve Bank of India which directed State Bank of India (SBI), the erstwhile lead secured lender to file application under the Insolvency and Bankruptcy Code, 2016 (IBC) against the Company. However the Company has contested the same and currently the matter is subjudice in the Supreme Court which has granted status quo on the IBC proceedings. Meanwhile during the year total eight out of twelve bankers of the Company with around 94.20% of the Principal Fund Based Outstanding have assigned their fund based debt along with underlying financial documents together with their rights, benefits and obligation in favour of Assets Care & Reconstruction Enterprise Limited (ACRE) acting in its capacity as trustee of various trusts. During the recent past the steel sector in India has performed well, the Company's revenue has increased, further all the lenders of the Company including various trusts of ACRE are continually supporting the operations of the Company.

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

(Rs. in lakhs)					
Particulars	Maturity				Total
	On Demand	Less than 1 Year	1 to 5 Years	More than 5 years	
As at 31 st 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
As at 31 st March, 2018					
Non Current Borrowings #	-	-	101598.16	159003.38	260601.54
Other Financial Liabilities (Non Current)	-	-	26.25	-	26.25
Short term borrowings	73603.86	18368.96	-	-	91972.82
Trade Payables	-	27989.94	-	-	27989.94
Other Financial Liabilities	-	169839.15	-	-	169839.15
Total	73603.86	216198.05	101624.41	159003.38	550429.70

Processing fees has not been considered.

**45.04 Competition and Price Risk :**

The Company faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage as it sells high quality products and by continuously upgrading its expertise and range of products and strictly adheres to the delivery schedules to meet the needs of its customers.

Note : 46 CAPITAL RISK MANAGEMENT

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

(Rs. in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Total Debt	394177.03	403992.34
Less : Cash and cash equivalent	1123.02	7984.74
Less : Other Bank Balances	8749.03	3337.54
Less : Non current Bank Deposits	2.38	105.89
Less : Current Investments	0.10	60.27
Net Debt	384302.50	392503.90
Equity	69980.28	114988.69
Total Capital Employed (Equity plus Net Debts)	454282.78	507492.59
Gearing ratio	84.60%	77.34%

Note : 47 Details of Loan given, Investment made and Corporate Guarantee given covered u/s 186(4) of the Companies Act, 2013.**(Rs. in lakhs)**

Sr. No.	PARTICULARS	As at 31.03.2019	As at 31.03.2018
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 : 48 Disclosure requirement as per Ind AS 115 “Revenue from Contract with Customers” are given below:

The impact on account of applying the erstwhile Ind AS 18 - “Revenue” instead of Ind AS 115 - “Revenue from Contract with Customers” on the Financial Statements is as below :

Impact on Retained Earning - Increase / (Decrease) as on 1st April, 2018

(Rs.in lakhs)

PARTICULARS	As at 31.03.2018
Trade Receivables	(5369.38)
Inventory	4698.37
Net Impact on Retained Earning :	(671.01)

NOTE :49 STANDARDS ISSUED BUT NOT EFFECTIVE :

On 30th March, 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 - “Leases” and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from 1st April, 2019.

49.01 Issue of Ind AS 116 - “Leases”

Ind AS 116 will replace the existing leases Standard, Ind AS 17 - “Leases”, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS.

49.02 Amendment to Existing issued Ind AS

The MCA has also notified certain amendments to the following Indian Accounting Standards:

- i. Ind AS 12 - Income Taxes
- ii. Ind AS 19 - Employee Benefits

Applications of the above standards are not expected to have any significant impact on the Company’s Financial Statements.

NOTE :50 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 :51 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
Chartered Accountants
(Registration No. : 107783W)

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, 22nd May, 2019



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JAYASWAL NECO INDUSTRIES LIMITED

CIN – L28920MH1972PLC016154

Registered Office : F-8, MIDC Industrial Area, Hingna Road, Nagpur – 440 016.

Tel No.: 07104-237276, 237471, 237472 • Fax: 07104-237583, 236255

Website: www.necoindia.com • Email: contact@necoindia.com



Form No. MGT-11

Proxy form

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

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

I/We, being the member(s) of shares of the above named Company, hereby appoint

1. Name : _____
Address : _____
E-mail Id : _____
Signature : _____, or failing him
2. Name : _____
Address : _____
E-mail Id : _____
Signature : _____, or failing him
3. Name : _____
Address : _____
E-mail Id : _____
Signature : _____

as my/our proxy to attend and vote (on a poll) for me/us and on my / our behalf at the 46th Annual General Meeting of the Company, to be held on Friday, the 27th day of September, 2019 at 12.30 P.M. at the Registered Office of the Company at F-8, MIDC Industrial Area, Hingna Road, Nagpur – 440 016 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Brief details of the Resolutions	Optional (Refer Note No. 2)	
		For	Against
1.	Adoption of the Audited Financial Statement of the Company for the financial year ended 31 st March, 2019 and the reports of Board of Directors and Auditors thereon.		
2.	Appointment of Shri Basant Lall Shaw, who retires by rotation and being eligible, offers himself for re- appointment.		
3.	Re- appointment of Shri B.K. Agrawal as an Independent Director w.e.f 22 nd September, 2019 to hold office for 5 (Five) consecutive years for a term upto 21 st September, 2024.		
4.	To approve the Related Party Transactions.		
5.	Ratification of the Cost Auditor's remuneration.		



Signed thisday of2019.

Signature of shareholder _____

Signature of Proxy holder(s) _____

Note :

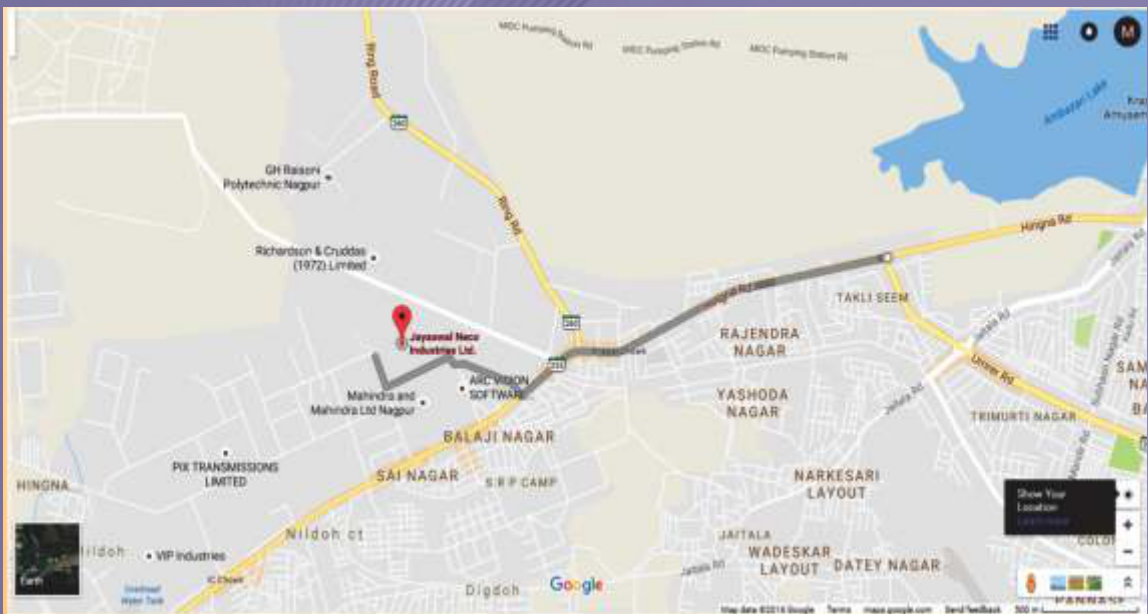
1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. Optional. Please put a '√' in the appropriate column against the resolutions indicated in the box.



BE NECO FRIENDLY



E-mail : contact@necoindia.com
Web Site : www.necoindia.com



Route Map to Jayaswal Neco Industries Limited (AGM Venue)

To



If undelivered please return to :

Jayaswal Neco Industries Limited

CIN - L28920MH1972PLC016154

F-8, MIDC Industrial Area, Hingna Road, Nagpur - 440 016.

Tel. No. : (07104) 237276, 237471, 237472,

Fax No. : (07104) 237583, 236255

E-mail : contact@necoindia.com, **Website :** www.necoindia.com