

JAYASWAL NECO INDUSTRIES LTD

CIN : L28920MH1972PLC016154

(FORMERLY JAYASWALS NECO LIMITED)

REGD. OFFICE : F-8, MIDC INDUSTRIAL AREA, HINGNA ROAD, NAGPUR - 440 016 (INDIA)

PHONES : +91-7104-237276, 237471, 237472, 237461, 237462, 236253, 236254, 236256

FAX : +91-7104-237583, 236255 • E-mail : contact@necoindia.com • Website : www.necoindia.com



2nd September, 2023

To
National Stock Exchange of India Limited
Scrip Symbol: JAYNECOIND

BSE Limited
Scrip code: 522285

Through: NEAPS

Through: BSE Listing Centre

Dear Sirs,

Subject: Submission of Notice of 50th Annual General Meeting and Annual Report for the Financial Year 2022-23.

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), please find enclosed Annual Report of the Company for the Financial Year 2022-23 along with Notice of 50th Annual General Meeting ("AGM").

Kindly note that the 50th Annual General Meeting ("AGM") of the Company is scheduled to be held on **Tuesday, 26th September, 2023** at 12:30 P.M. (IST) through Video Conference("VC")/Other Audio Visual Means ("OAVM") **only**, in compliance with the applicable provisions of the Companies Act, 2013 and the rules made thereunder and Listing Regulations, read with General Circulars dated 8th April 2020, 13th April 2020, 5th May 2020 and 28th December, 2022 issued by the Ministry of Corporate Affairs ("MCA") (collectively referred to as 'MCA Circulars') and SEBI Circular dated 5th January, 2023 ('SEBI Circulars') which have permitted the holding of the AGM through VC/OAVM, without the physical presence of the Members at a common venue.

Notice along with Annual Report for the FY 2022-23 will be sent through e-mail only, to those Members/Beneficiaries whose name appears in the register of Members/record of Depositories as on the Cut-off Date i.e. Tuesday, 25th August, 2023 and whose e-mail addresses are registered with Company/Depository Participant(s)/Depositories/the Registrar& Transfer agents of the Company i.e. Link Intime India Private Limited.

The Company has appointed National Securities Depository Limited ("NSDL") for facilitating e-voting to enable Members to cast their votes electronically.

The remote e-Voting facility would be available during the following period:

Commencement of e-Voting	Saturday, 23 rd September, 2023 at 9:00 A.M.
End of e-Voting	Monday, 25 th September, 2023 at 5:00 P.M.

During this Period Members of the Company holding Equity Shares either in physical form or in dematerialized form, as on the Cut-off Date i.e. Tuesday, 19th September, 2023 may cast their votes electronically. E-voting shall not be allowed after 5:00 P.M. on Monday, 25th September, 2023. The e-voting module shall be disabled by NSDL for voting thereafter. The Results of the Postal Ballot/E-Voting will be declared within 2 (Two) working days from the conclusion of the Annual General Meeting. The results declared along with Scrutinizers Report shall be placed on the website of the Company at

BRANCH OFFICES :

"NECO HOUSE" D-307, Defence Colony,
NEW DELHI - 110 024. (INDIA)
PHONES : 0 11 - 4 9 0 7 0 5 4 8

301, TULSIANI CHAMBERS
NARIMAN POINT, MUMBAI 400 021 (INDIA)
P H . : (0 2 2) 4 2 1 3 - 4 8 1 3 ,
(022) : 22832381 FAX : (022) 22832367

TRUST HOUSE, 5th FLOOR,
32-A, CHITTARANJAN AVENUE,
KOLKATTA - 700012 INDIA FAX: 033-22122560
PHONES: 033-22122368. 22120502

THANOD ROAD, ANJORA-491001.
PHONES : 0788-2623410
FAX : 0788-2623410



www.necoindia.com and on the website of NSDL i.e. www.evoting.nsdl.com and communicated to BSE Ltd. at www.bseindia.com and National Stock Exchange of India Ltd. at www.nseindia.com.

The Notice along with the Annual Report of the Company is also available on the website of the Company at www.necoindia.com and the website of the NSDL i.e. www.evoting.nsdl.com.

We request you to take this on record.

Thanking You,

Yours Faithfully,

For Jayaswal Neco Industries Limited

Ashish

Ashish Srivastava
Company Secretary and Compliance Officer
Membership No. A20141

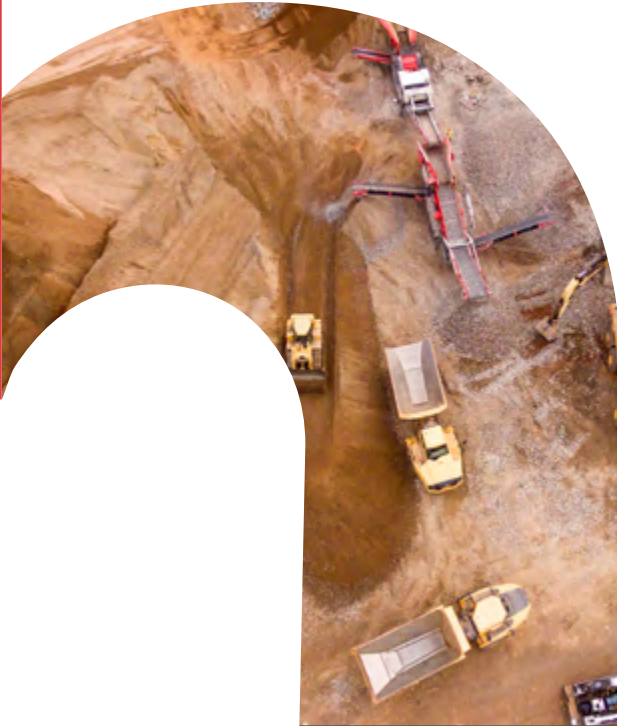


Encl.: A/a



Jayaswal Neco Industries Limited

Annual Report 2022-23



**50 Years of Building
A Legacy of Trust**



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Shri. Basant Lall Shaw
Chairman

"In our Company, we remain committed to contributing to the growth and progress of the nation. As we continue to be an integral part of India's steel industry, we embrace the opportunities and challenges ahead, driving innovation and excellence in our quest to support the nation's remarkable journey of growth."

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Key Highlights

1 MnTPA

Iron and
Steel Capacity

0.075 MnTPA

Castings
Capacity

₹ 6,343 Crores

Revenue from
operations in FY 22-23

8405 nos.

Total
Workforce

MnTPA - Million Tonnes Per Annum

50 Years of Building A Legacy of Trust

With more than half a century of dedication and hard work, we have established a legacy of trust by excelling in our endeavours. This commitment to excellence has earned us the valuable trust of our stakeholders.

We have forged a path to 100% self-sufficiency in iron ore from our captive mines, a milestone that cements our status as one of the India's leading alloy steel manufacturers.

Our state-of-the-art information technology platforms empower us to excel in operational efficiency and overall performance, fuelling our success in the industry. This achievement not only strengthens the trust of our stakeholders but also inspires us to keep delivering exceptional value in all our endeavours. As we forge ahead, our commitment remains steadfast, driving innovation and progress to shape a brighter future.



Milestones

1972

Incorporated as a private limited Company as '**Nagpur Engineering Company Private Limited**'.

1976

Started a foundry with **Centricast Division in Nagpur, Maharashtra** as '**Nagpur Engineering Company Limited (NECO)**' and shifted existing foundry businesses from Kolkata

1986

Established **Construction Castings Division** in Bhilai, Chhattisgarh

1985

- Started **Engineering Castings Division in Nagpur**
- The status of the Company changed from Nagpur Engineering Company Private Limited to **Nagpur Engineering Company Limited**

1991

Commenced **Construction Castings Division** in Anjora, Chhattisgarh and started **Automotive Castings Division-I** in Butibori Nagpur, Maharashtra

1995

Got listed with BSE and NSE



1996

Established **Blast Furnace Facility including Pig Casting Machine, Wagon Tippler, 15.5 MW BF Gas based Power Plant** at Siltara Raipur, Chhattisgarh

1998

- Established **Automotive Castings Division-II** in Butibori Nagpur, Maharashtra
- The name of the Company changed from Nagpur Engineering Company Limited to **Jayaswals Neco Limited**

2008

Expanded Sinter capacity by **0.4 MnTPA**, installed bar mill of **0.13 MnTPA**

2007

- The name of Company changed from Jayaswals Neco Limited to **Jayaswal Neco Industries Limited (JNIL)**
- Expanded DRI unit with **500 TPD kiln with 12 MW DRI captive power plant**

2006

Established **350 TPD kiln of DRI unit along with 15 MW** captive power plant and first coke oven plant

2005

Crossed **₹1,000 Crores** revenue mark



2004

Established **0.4 MnTPA** Sinter plant and Steel Melt Shop (I) of **0.33 MnTPA** capacity

2009

- Established wire rod mill of **0.27 MnTPA**
- Merger of Inertia Iron and Steel Industries Private Limited (IISIPL), **350 TPD Sponge Iron Plant** & captive Power Plant of Abhijeet Infrastructures Limited (AIL) and **500 TPD Sponge Iron Plant** & captive Power Plant of Corporate Ispat Alloys Limited (CIAL) into JNIL

2012

Installed **wire rod block and expanded coke oven capacity** along with coke oven's Waste Heat Recovery based Power Plants

2013

Flat product - **Steel Plant Division of CIAL** merged into JNIL

2015

Expanded Steel Melt Shop capacity by **0.65 MnTPA** and installed oxygen plant, **1.5 MnTPA** Pellets Plant and new rolling mill of **0.55 MnTPA**

2023

Achieved full self-sufficiency in iron ore requirement through captive mines

2021

Captive **Iron ore mining production** started from our Chhotdongar Mine



2016

- Installed bright bar making facility of **0.04 MnTPA**
- Captive **Iron ore mining** production started from our Metabobeli Mine

50+ years of fuelling growth across industries



Ground breaking ceremony of Steel Plant Division

MnTPA: Million Tonnes Per Annum
TPD - Tonnes Per Day

About NECO group

A legacy of trust

The NECO Group is an Indian conglomerate known for its wide range of manufacturing capabilities, including large-scale iron and steel castings, specialty steel products and mining.

The Company's Steel Plant Division is one of the largest in India and produces long steel products for various industries, such as construction, infrastructure and automotive. Our mining division is engaged in the exploration, development and extraction of Iron Ore and Limestone.

In addition to steel and mining, NECO Group has diversified into power generation sector with thermal and gas/waste heat recovery-based power plants at Siltara, Raipur. We also have a foundry division that produces castings for industries such as automotive, railway and construction. Group has the strong reputation for quality and sustainability initiatives along with a wide range of offerings in various sectors and is committed to making a positive impact in the communities they serve.



Our Vision

To be an organisation that continuously achieves economic value by optimizing resources through operational excellence, powered by technology, driven by innovation, creating delight, producing value added quality products that enhances customers satisfaction and to be a globally admired organisation that enhances sustainable industrial and business development and be the global benchmark in the field of:

- Metallics and Alloy Steel Products
- Ferrous Valves and Services
- Iron & Steel Castings (Construction & Automotive)
- Defence Equipment



Our Mission

Sustainable Growth and Return on Investment by continuous improvement of Human Resources, Environment, Technology and Products with constant engagement with all the stakeholders. We intend to achieve this through:

Our People

Being a responsible corporate citizen:

- Adopting cleaner and greener technologies
- Providing a safe and healthy work environment
- Caring for the communities in which we work
- Demonstrating high ethical standards
- Enhancing the capabilities of the workforce by imparting trainings for skill upgradation in technical and managerial areas

Our Customers

- By helping them stay ahead of the curve by delivering innovative and quality products and services
- By helping them grasp every opportunity by delivering on-time
- By ensuring transparency in our dealings and addressing their grievances in proactive manner

Our Lenders

- By prompt servicing of debt ensuring timely return on investments
- Ensuring timely submission of reporting compliances

Our Society

Being a responsible corporate citizen:

- Giving back to the environment what we take
- Adopting cleaner and greener technologies, promoting circular economy
- Providing a safe and healthy work environment
- Caring for the communities in which we work
- Demonstrating high ethical standards

Our Suppliers

- Quality starts from sourcing of material: We believe in developing supply chain to our level of competence, requirements and quality assurance
- Ensuring fairness and equitable transactions with all our suppliers in accordance with internally established procedures
- Ensuring our procurement activities comply with all relevant laws, social norms, standards and treaties worldwide
- Building a relationship of trust with all our suppliers

Our Equity Shareholders

- By providing transparent and regular updates through constant engagement with the shareholders
- Through good governance we ensure return on equity




Our Core Values


Our values define who we are. They guide our daily actions and behaviour. They influence the way we work with each other and how we serve our customers and engage with our communities.

We demonstrate integrity and respect for our stakeholders and continually strive for improvements in the way we carry out our activities. We strive to contribute to the core values with dedicated, sincere and committed workforce. We exhibit great energy and enthusiasm and have the courage to be the leader in our sphere of activities. We take pride in doing the right thing, even in the face of adversity.

Our values, formed over the course of our fifty plus year history, make up the character of NECO. It helps to instil in our workforce the outlook and approach that we need to achieve our Mission.

Our Businesses

 Metallics and Alloy Steel Products

 Ferrous Valves and Services

 Iron & Steel Castings (Construction & Automotive)

 Defence Equipment

A Multinational Group with its heart in Orange City

www.necoindia.com

- One of the Largest Foundry Group in India with casting production capacity of 1,75,000 tonnes
- Integrated Steel Plant of 1 Million tonne capacity
- NSSI- Leading Valve manufacturers of India






Castings | Steel | Mining | Valves | Auto components | Power | Infra | Defence Equipments




Company Overview

Small beginnings to industry titans

As the flagship company of the NECO Group, we have established ourselves as the premier producer of Iron and Steel Castings, Pipes and Fittings. From our humble beginnings as a small-scale Iron Foundry Unit at Nagpur in 1976, we have grown significantly to become industry leaders in Steel Production. We have contributed significantly to the future of our nation through various projects across different industries.

5 Manufacturing Units

13 Offices

2 Major Iron Ore Mines

Domestic presence

28 States **8** UT*

Export presence

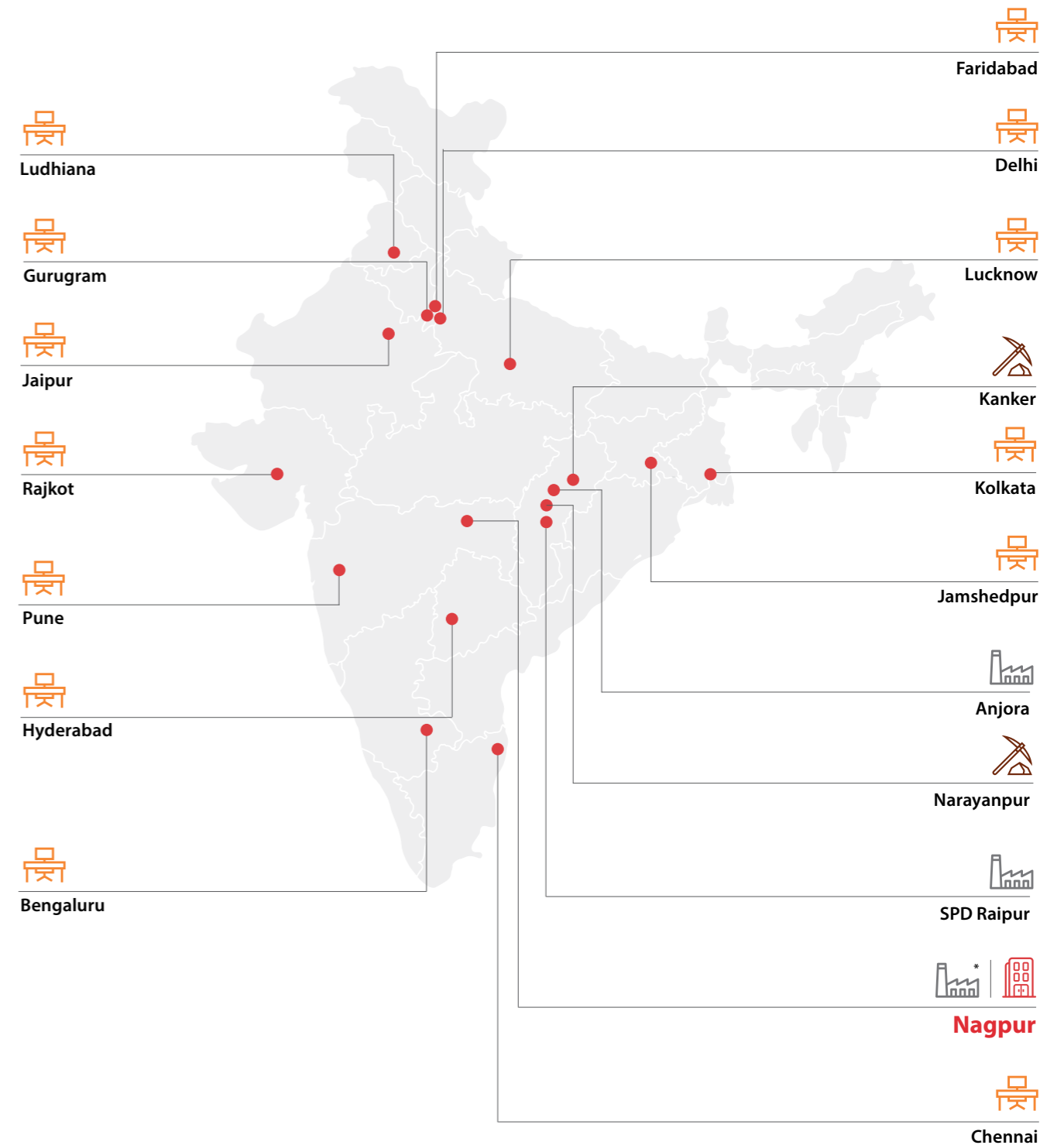
8 Countries

* Union Territories



Our Pan-India reach

With our strategically located facilities, we maintain proximity to our required raw material sources, enabling efficient and timely supply to our customers. Our well-placed locations contribute to our ability to meet the demands of our customers and ensure prompt delivery of products and services.



Manufacturing Units



Offices



Head Office



Iron Ore Mines

* Three Manufacturing Units are located in Nagpur

Segments and Key Products

Diverse portfolio across business segments

Since our inception over five decades ago, we have grown incredibly and expanded our product portfolio by introducing new offerings. We have honed and refined our business segments to fulfill market demands while simultaneously positioning ourself at the forefront of our industry through strategic investments and well-established state-of-the-art-facilities.

Steel Plant Division

FY 2022-23


₹ 5,746

crores

Revenue from Operations

5.46%

y-o-y growth



Foundry Division

FY 2022-23


₹ 596.52

crores

Revenue from Operations

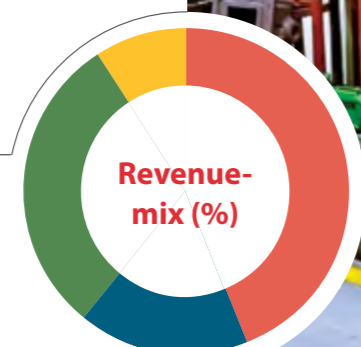
16.97%

y-o-y growth



FY 2022-23

Automotive Castings	44
Engineering Castings	17
Centricast	30
Construction Castings	9



Segment

Integrated Steel Plant (Steel Plant Division)

Industries catered to:

Auto Component, Infrastructure, Defence, Oil & Gas etc.

Key Products

- Alloy Steel bars and wire rods (long products) of 200+ grades
- Pellets
- Billets
- Pig Iron
- Sponge Iron

Key KPIs

- 92% contribution to the overall revenue

Backward Integrated Facilities

- 54.5 MW Captive Power Plants
- 1.5 MnTPA Pellet Plant
- 410 TPD Oxygen Plants
- 0.8 MnTPA Sinter Plant
- 0.2 MnTPA Coke Oven Plant

Iron Making Facilities

- 0.75 MnTPA Blast Furnace
- 0.255 MnTPA Sponge Iron

Forward Integration Steel Facilities

- 0.983 MnTPA Steel Melt Shop
- 0.954 MnTPA Rolling Mill

Key achievements in FY 2022-23

Highest-ever

Annual production achieved in DRI (Sponge Iron)

Highest-ever

Annual Production achieved in Heavy Bar Mill

16

Gold Level awards bagged in the chapter convention of Quality Circle Forum of India (QCFI - 2022)

5 stars

Rating to captive mines for 4 consecutive years from FY 2018-19 to FY 2021-22 by Ministry of Mines

7

Par-Excellence awards bagged in the 36th National Convention on Quality Concept (NCQC - 2022)

Segment

Automotive Castings Division

Key Products

- Brake Drums
- Clutch housing
- Dead Axle
- Cylinder Heads
- Block
- Gear Box Housing
- Transmission Case
- Cast Pipes
- Inserts etc.

Key KPIs

- 20,000 MTPA installed capacity

Engineering Castings Division

- Valves
- Inserts
- Carrier Housing
- Axle End Cap and Backing Ring

- 20,000 MTPA installed capacity

Construction Castings Division

- Manhole Covers
- Sand Cast Pipes
- Centrifugal Cast Pipes

- 15,000 MTPA installed capacity

Centricast Division

- Sleepers
- Brake Blocks
- Bearing Plates
- Sockets
- Other castings for the P&T Department
- Soil/Rain Water Pipes Fittings
- Manhole Covers

- 20,000 MTPA installed capacity

Key achievements in FY 2022-23

First

Indian brand to get certification for SS Couplings as per ASTM C1277

New Parliament House

supplied hubs and hubless pipes and fittings

IS-3989 & IS-15905

product specifications drafted and revised by our Centricast Division*

*Product specification are as per the guidelines of the Bureau of Indian Standards | MTPA: Metric Tonne Per Annum

Business model

Our blueprint for success

Inputs



Our sound financials

By efficiently managing our finances, we strive to deliver exceptional products to our customers to generate sustainable growth on an annual basis.



Our exceptional manufacturing facilities

Through continuous enhancements of our manufacturing capabilities, we aim to optimise our output while concurrently minimising costs.



Leveraging our innovations

By leveraging our outstanding research and development efforts, we strive to expand our product portfolio, enhance our brand reputation and effectively meet the ever-growing demands of our customers.



Our focus on workforce

Recognising the significance of our workforce, we are committed to fostering and cultivating top talent while fostering a motivating work environment that promotes their professional growth and well-being.



Optimizing our natural resources

Through our dedicated initiatives and activities, we are resolute in our commitment to minimise our ecological footprints and preserve natural resources.



Our holistic impact

We are dedicated to enhancing the quality of life for communities surrounding our facilities and units by actively engaging in initiatives that contribute to their well-being and prosperity.

Value creation approach



Our Vision

To be an organisation that continuously achieves economic value by optimizing resources through operational excellence, powered by technology, driven by innovation, creating delight, producing value added quality products that enhances customers satisfaction and to be a globally admired organisation that enhances sustainable industrial and business development and be the global benchmark in the fields of:-

Key product lines



Metallics and Alloy Steel Products



Iron & Steel Castings (Construction & Automotive)



Industries catered to



Auto Components



Automotive



Construction



Infrastructure



Defence



Oil and Gas

Outcomes

- 6.45% y-o-y growth in revenue
- 12.58% y-o-y growth in tangible net worth
- 17.71% y-o-y reduction in debt
- 2,69,997 MT of production achieved in our DRI plants in FY23
- 5,59,604 MT of production achieved in our Steel Melt Shops in FY23
- 11,96,710 MT of production achieved in our Pellet Plant in FY23

- 6,35,027 MT of hot metal produced in FY23
- 5,34,657 MT of rolled products produced in FY23
- 46,250 MT of ferrous castings produced in FY23

- Enhancing **process efficiency**
- Risk** reduction
- Increasing **customer satisfaction** and convenience
- Elevating the **brand value**

- 91.53% Employee retention rate
- 126 Training programmes held in FY23

- 8% y-o-y reduction in CO₂ emissions
- 2% y-o-y decrease in energy consumption
- ₹55.38 lakhs spent on environment in FY23

- ₹3.78 crores CSR expenditure in FY23 is mainly in the areas of Healthcare, Environmental Sustainability and Rural Development
- Installation of **five Solar overhead tanks**
- Setup of **15 iron removal** water plants

MT: Metric Tonne

Chairman's and Key Managements' Messages

Shaping India's steel journey for half a century



Shri. Basant Lall Shaw
Chairman



Shri. Arvind Jayaswal
Managing Director



Shri. Ramesh Jayaswal
Joint Managing Director



Shri. Avneesh Jayaswal
Group Director

Dear Shareholders,

Over the past five decades, the Indian economy has witnessed a remarkable growth, we take immense pride in being part of this journey. India has transformed into a global powerhouse and now boasts the distinction of being amongst the major economies. In this dynamic landscape, steel has always held a prominent position among metals as a core sector industry. Its production and consumption are indicative of a country's economic development, as it serves both as a raw material and an intermediate product.

The Indian steel industry plays a crucial role in the nation's progress. As India aims to become a manufacturing hub through initiatives like Make in India, the steel sector has taken centre stage, accounting for approximately 2% of the country's GDP, India stands as the world's second-largest steel producer and is on track to become the second-largest consumer of steel. The industry's impact extends beyond the domestic market; it holds the potential to bolster the country's favourable steel trade balance and bolster the nation's export manufacturing capacity. The country has the world's fifth-largest iron ore reserves, this has benefitted the sector's growth and has led to substantial investments.

While the COVID-19 pandemic posed challenges, the Indian economy is bouncing back with resolute determination. In our Company, we remain committed to contributing to the growth and progress of the nation. As we continue to be an integral part of India's steel industry, we embrace the opportunities and challenges ahead, driving innovation and excellence in our quest to support the nation's remarkable journey of growth.

Dear Shareholders,

Throughout our remarkable journey, we have ardently pursued excellence and fostered innovation, forging a path to success in the dynamic Automotive and Construction Castings and Steel segment. Today, we stand tall as industry leaders and trailblazers, fortified by a diverse product portfolio and unrivalled manufacturing processes. Our commitment to quality and unparalleled customer satisfaction drives us to undertake and excel in large-scale projects, which serve as glowing testaments to our capabilities. These achievements embolden us to continuously seek improvement and outdo ourself.

At the heart of our achievements lies an unyielding dedication to our cherished customers. Their satisfaction and seamless experience always take precedence. With precision in our manufacturing processes, every product we deliver upholds the highest standards, precisely tailored to fulfil the distinct needs of our esteemed customers. As a pioneering company, we set the industry standard, inspiring others to emulate our excellence. Innovation flows through our veins, shaping our every step and kindling progress across our segments.

Our focus on customer experience sets us apart as we eagerly embrace the horizon of opportunities, aspiring to scale new heights and cement our position as a trusted and esteemed name in the industry. As we move into the future, we will continue to shape the future of the Automotive and Construction Castings segment.

Dear Shareholders,

At our core, we believe in creating value that goes beyond financial success. We recognise that true accomplishments as a company encompass our commitment to Environmental, Social and Governance (ESG) goals. Sustainability is not just an afterthought but a fundamental part of our approach to value creation.

This year, we achieved a remarkable milestone that exemplifies our capabilities, achieving complete self-sufficiency in captive iron ore mining. Our state-of-the-art manufacturing capabilities have been instrumental in making this achievement possible. We aspire to become one of the most cost-effective producers of Alloy Steel, offering various grades and types of steel tailored predominantly for auto sector applications.

Our journey towards ESG excellence involves multiple initiatives. We prioritise sustainable steel manufacturing processes, mindful of our environmental impact. Contributing to social goals is yet another integral part of our responsibility as we strive to create a positive impact on the communities we serve. In our operations, we uphold the highest standards of responsible and ethical practices.

As a responsible corporate, we understand the importance of embedding sustainability in every facet of our organisation. By following best practices in Corporate Governance, we ensure transparency, accountability and a long-term approach to value creation. Our commitment to ESG goes hand in hand with our mission to excel in the industry. We firmly believe that true success is achieved when our actions benefit the environment, society and all our stakeholders, we look forward to continuously setting new benchmarks and contributing to a better world.

Dear Shareholders,

At our core, we recognise that our employees are the backbone of our success, we spare no effort to enhance their well-being and foster a positive work environment. Our dedication to providing the best HR practices in the industry has earned us the honour of being recognised as a 'Great Place to Work' for two consecutive years.

The power of digitisation has driven our progress, and we take pride in successfully implementing SAP S/4 HANA and SAP Ariba. These cutting-edge IT platforms have revolutionised our operations, allowing us to seamlessly integrate solutions across all aspects of our business, leading to unparalleled efficiency and operational excellence.

Safety is not a mere compliance for us, it's a fundamental value we uphold in every facet of our operations. Our commitment to industrial safety and the diligent practice of Total Productive Maintenance (TPM) has been the driving force behind our pursuit of excellence. The 16 awards from the Quality Circle Forum of India (QCFI) and 14 awards from the National Convention on Quality Concept (NCQC) in 2022 bear testimony to our relentless focus on continuous improvement and quality excellence.

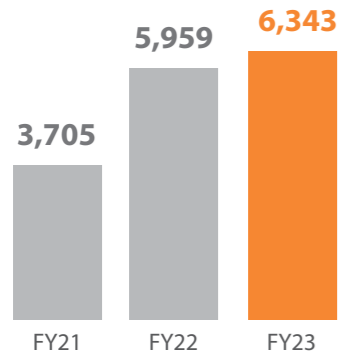
As we stride towards a promising future, we remain focused in prioritising our employees' welfare and embracing new technologies that will catapult us to even greater heights. Our commitment to internal growth and the cultivation of a positive work environment will undoubtedly fuel our journey towards even greater success.

Key Performance Indicators

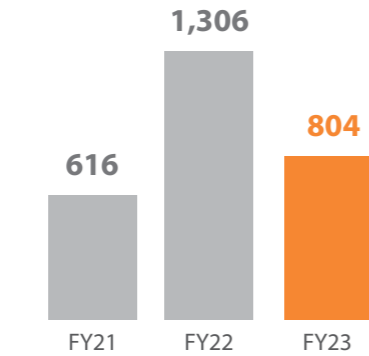
Steady growth across indicators

Financial indicators

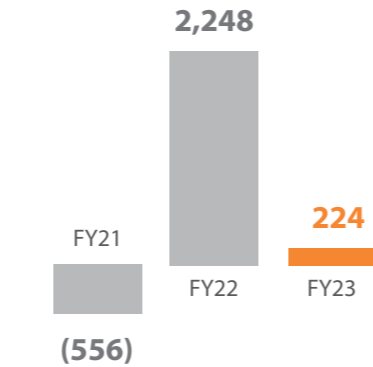
Revenue from Operations
(in ₹ Crores)



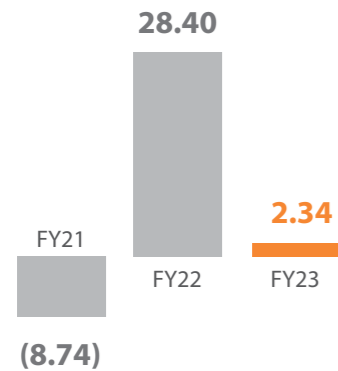
EBIDTA
(in ₹ Crores)



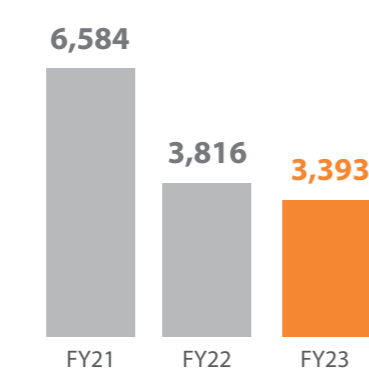
Profit after tax
(in ₹ Crores)



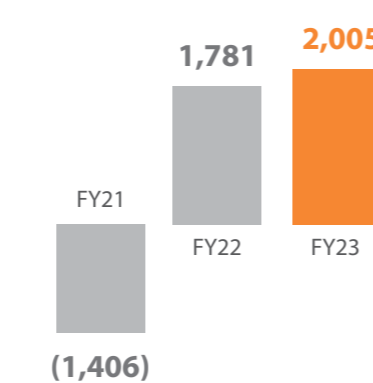
Earnings per share
(in ₹)



Secured debt outstanding
(in ₹ Crores)

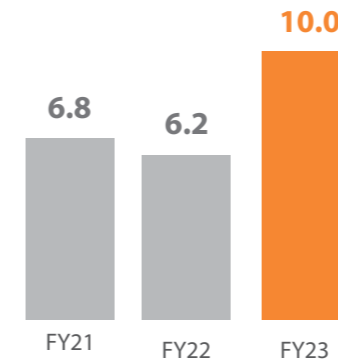


Tangible net worth
(in ₹ Crores)

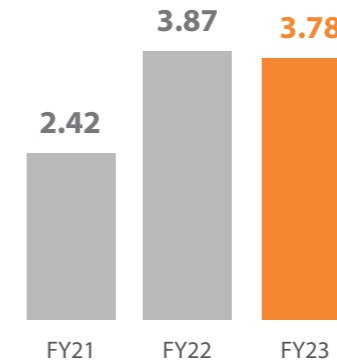


Non-financial indicators

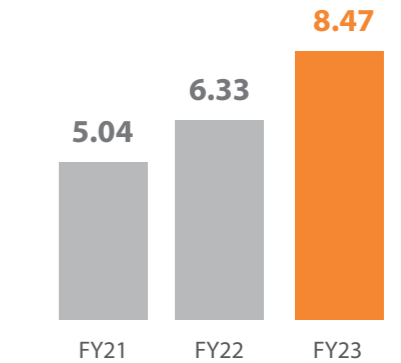
Trees planted
(Numbers in '000)



CSR expenditure
(in ₹ Crores)



Employee attrition rate
(in %)



Shri. Kapil Shroff
Chief Financial Officer

"Our journey has been one of transformation, conquering financial stress, reducing leverage and aligning our debt to sustainable level through successful debt restructuring in FY 2021-22. Diligent compliances and accelerated debt repayment have bolstered our earnings and financial resilience. Moving forward, we are committed to financial prudence, cost reduction and maximising profitability to enhance shareholders value. We identify and address risk areas promptly for a secure future and ensure that we leave no stone unturned through our robust risk management practices."

Key Ratios-FY23

12.68%

EBIDTA to Net Sales Ratio

3.54%

PAT (+ OCI) to Net Sales Ratio

1.07

Fixed Asset Coverage Ratio (FACR)

1.99

Total Outside Liabilities to Tangible Net Worth Ratio

1.64

Total Debt / Equity Ratio (Total Debt / Net Worth)

4.22

Total Secured Debt / EBIDTA Ratio

Key Performance Indicators

Operational indicators

Production at our facilities



Installed Capacities (MTPA)

7,50,000 Blast Furnace	2,00,000 Coke Oven Plant	8,00,000 Sinter Plant	9,83,000 Steel Melt Shops
9,54,000 Rolling Mills	2,55,000 DRI	15,00,000 Pellet Plant	75,000 Foundries

Steel Plant Division: Production and Sales in FY23

Pig iron (MTPA)
51,834 Production | **37,702** Sales

DRI (MTPA)
2,69,997 Production | **2,36,469** Sales

Pellets (MTPA)
11,96,710 Production | **6,97,440** Sales

Rolled products (MTPA)
5,34,657 Production | **5,43,336** Sales



Production at our Iron ore mines

Metabodeli mine (MTPA)
9,95,441 FY22 | **9,95,707** FY23

Chhotedongar mine (MTPA)
86,428 FY22 | **11,46,098** FY23



Shri. Meghpal Singh
 Executive Director (Steel) and Chief Operating Officer (Steel Plant Division)

"As a Company, we believe in constant growth and progress. We have been resilient, adaptable and relentless in our pursuit of excellence. By embracing innovation and modern technologies, we have streamlined our processes, reduced costs and enhanced our product offerings to meet the ever-evolving needs of our customers. We take great pride in our commitment to environmental sustainability, waste management and the well-being of our employees. Together, we are poised to forge ahead, achieving new milestones and leaving a positive impact on the industries we serve and the communities we operate in."


Strategic priorities

Focused on holistic and sustainable growth

Our strategies facilitate ongoing growth, ensure continuous self-improvement and are closely aligned with our overarching philosophy of fostering holistic growth that transcends financial indicators.



1



Integrated Operations with full self-sufficiency in meeting requirement of Iron Ore from captive mines

Zero-waste
Mining technology adopted

1,226%
y-o-y increase in production at Chhotedongar iron ore mine

2



Value added quality finished steel to provide complete satisfaction to customers

Non-destructive testing line facilities added to enhance quality of finished steel supplied to customers

3




Sustained reduction in financial leverage

17.71%#
y-o-y decrease in debt

12.58%
y-o-y increase in tangible net worth

4



Strong commitment towards fulfilling ESG & CSR goals

986 GJ
Energy saved in FY23

Post adjustment of Fair Value Impact

GJ: Giga Joules

Environment

Preserving our environment

We have taken strides towards becoming environmental friendly corporate by setting up a dedicated environmental department under the direct supervision of senior management who guide our actions. Our approach to environmental stewardship involves minimising waste generation along with optimally utilising energy and other resources.



Improving water usage

We have successfully implemented a Zero Liquid Discharge (ZLD) mechanism at various plant locations, significantly reducing water wastage. Moreover, we have introduced a wastewater treatment system that allows us to efficiently reuse treated water. These initiatives have substantially optimised our overall water consumption and exemplify our commitment to sustainable water management. By responsibly managing our water resources, we aim to mitigate our environmental impact and contribute to a greener future.

5

Plant locations where we have implemented ZLD

1.69 MKL

Water reused in FY23



Focus on energy efficiency

Recognising the importance of sustainable practices, we prioritise energy management and efficiency in our operations. To contribute to a greener future, we have implemented various energy-saving initiatives throughout our plants. By adopting cutting-edge technologies and optimising our energy consumption, we aim to reduce our carbon footprint and ensure responsible resource utilisation.

168 KT

Scope-1 emission reduced in FY23

5

Plant locations where we have implemented 100% LED lighting



Optimum waste disposal

Waste minimisation is a core aspect of our operations. To ensure responsible waste management, we have established a robust system that facilitates timely disposal of plant waste. This includes effective processes for incineration, responsible land filling and collaborating with trusted third-party disposal services. By adopting these practices, we prioritise environmental sustainability and strive to reduce our ecological footprints. Our commitment to waste reduction aligns with our vision of creating a greener and more sustainable future for generations to come.

0.51 MnMT

Timely disposal of waste in FY23



Tree plantation

As part of our Corporate Social Responsibility (CSR) initiatives, we have actively engaged in tree plantation and maintenance projects across various regions. By doing so, we contribute to a greener future and promote environmental sustainability. Our efforts not only help in offsetting carbon emissions but also contribute to biodiversity conservation and the overall well-being of the ecosystem.

>10,000

Trees planted till FY23

MKL- Million Kilo Litres
MnMT - Million Metric Tonnes
KT - Kilo Tonnes

Social - Human

Human resources



We consider our employees as the cornerstone of our success. We actively undertake a range of initiatives to prioritise their well-being, striving to create a working environment that fosters productivity and personal growth. We take comprehensive measures to safeguard the physical safety and promote the overall well-being of our workforce.

16
Awards from the Quality Circle Forum of India (QCFI)

14
Awards from the National Convention on Quality Concept (NCQC)

At the heart of our operations lies a commitment to ensuring the safety and well-being of our valuable workforce. Embracing the practice of Total Productive Maintenance (TPM) and upholding the highest standards of industrial safety, our dedication to safety has been the bedrock of our achievements in safety.

Through our relentless pursuit of excellence, we have garnered numerous prestigious awards that

serve as a testament to the outstanding results we have achieved. Each accolade we receive reaffirms our commitment to maintaining the highest safety standards and motivates us to continue striving for even greater milestones. Our workforce is the heartbeat of our success and we take immense pride in safeguarding their well-being and providing them with an environment where they can thrive and excel.

Ensuring workers healthcare

To enhance the accessibility of healthcare services, we have implemented a telemedicine programs for our workforce. This initiative enables them to undergo their health examinations remotely. Furthermore, our various health awareness initiatives are held at shop floors.

A culture of safety

In order to promote a culture of safety and to raise awareness amongst the workforce, our Company holds various programs on shop floor safety, leadership, motivational and management development skills.

Engaged workforce

In order to address the concerns and needs of workforce at the shop floor, our Company has introduced a new initiative called 'HR Connect'.

Streamlined HR processes

To streamline and enhance the management of the workforce life cycle, our Company has implemented HRMS (Human Resource Management System) solutions to facilitate efficient and seamless handling of various HR processes.



Corporate Social Responsibility (CSR)

Community development

We are committed to fulfilling our duties as a responsible corporate and actively contribute to the betterment of the communities in which we operate. We take great pride in carrying out these duties and remain dedicated to continuing our efforts to enhance the quality of life for the people in these communities. Initiatives have been taken in the captive Iron Ore mines to enhance the quality of people's life.



- Provided food supplements to malnutrition affected children
- Preserved and promoted the local culture by assisting the village in hosting cultural activities

We have also undertaken various initiatives to improve the surrounding villages:

- Installed solar streetlights, solar pumps and water tanks
- Established a Sewing & Embroidery Teaching Centre to provide women with skills and opportunities for self-sufficiency
- Enhanced connectivity by setting up a community centre equipped with computers, printers and internet
- Installed bore wells and hand pumps to ensure the availability of safe drinking water
- Promoted environmental sustainability by distributing saplings of various fruits to villagers and undertook tree plantation drives

Our CSR Highlights

1.90 lakhs
CSR Beneficiaries

₹ 3.78 crores
Spent towards CSR activities for FY23

Metabodeli

We have comprehensively developed the Metabodeli village through following efforts:

- Renovated a school
- Improved connectivity
- Organised medical camps for skin and eye ailments
- Distributed spectacles free of cost to needy people



Chhotedongar

We undertook several initiatives to benefit the communities around our Chhotedongar mine:

- Installed five solar overhead tanks equipped with solar pumps
- Organised an eye check-up camp with free distribution of spectacles
- Distributed school bags and stationery items to students to promote education
- Supplied a television to the Gram Panchayat enabling the community members to update themselves
- Financial support provided to Gram Panchayats to facilitate their growth

- Financial assistance provided for cultural programs and sports
- Provided ambulance services to the primary health centre ensuring timely medical assistance for the surrounding villages
- Set up 15 iron removal water filter plants to address water quality concerns
- Provided 16 solar high mast lights in the region to enhance safety and visibility

16
Solar high mast lights

15
Iron removal water filter plants

Board of Directors



Shri. B. L. Shaw
Non-Executive Chairman

Shri. Basant L. Shaw, Founder and Promoter of the Neco Group of Industries is a legend and stalwart, having a distinguished career spanning over six decades in the Iron & Steel Industry. An active member of various Industrialist forums and philanthropic organizations. Shri Shaw's visionary leadership and extensive experience continues to guide the Company and the Neco Group towards new heights of success.



Shri. Arvind Jayaswal
Managing Director

R C S

Shri. Arvind Jayaswal, associated with the Company since its inception has an exemplary career of over five decades. He looks after the overall Management of the Company. He is spearheading the Foundry Division of the Company. An active member of various social organizations.



Shri. Ramesh Jayaswal
Joint Managing Director

A S C

Shri. Ramesh Jayaswal, with an impressive career spanning around four decades in the Iron & Steel industry, he looks after the Steel Plant Division of the Company. He leads several business areas including planning, liasioning, project implementation, accounts, finance, operations, legal and information systems.



Shri. M.P. Singh
Executive Director & COO (Steel)

Shri. M.P. Singh, having a rich experience of over four decades in almost all the functional areas of Steel Plant having worked with some of the prominent organizations in the Steel Industry.



Shri. B. K. Agrawal
Independent Director

A N S R C

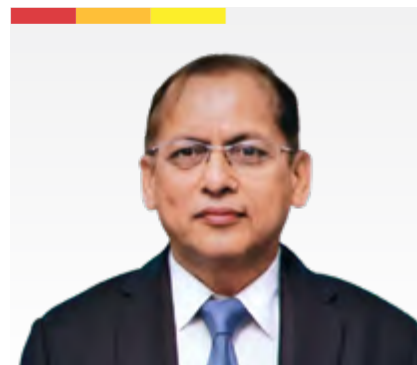
Shri. B.K. Agrawal, a highly esteemed and experienced Practicing Chartered Accountant, with an illustrious career spanning around five decades and has expertise in the areas of Accounting, Auditing, Taxation and Corporate Advisory.



Shri. R. P. Mohanka
Independent Director

A N

Shri. R.P. Mohanka, a highly accomplished Practicing Chartered Accountant, with a remarkable career spanning five decades, he has amassed extensive expertise in the areas of Accounts and Finance within the industry.



Shri. Ashwini Kumar
Independent Director

Shri. Ashwini Kumar, a former CEO of Rourkela Steel Plant (RSP), a Unit of Steel Authority of India Limited, is a graduate in Metallurgy and a Gold Medallist of IIT Roorkee. Former Member of the Board of Steel Authority of India Limited (SAIL).



Smt. Kumkum Rathi
Independent Director

Smt. Kumkum Rathi, a Commerce graduate from the Calcutta University and a Fellow member of the Institute of Company Secretaries of India. She has a rich experience spanning over two decades in the field of Corporate and SEBI Laws.



Shri. Manoj Shah
Independent Director

A

Shri. Manoj B. Shah, a distinguished professional, is a Fellow Chartered Accountant and has around four decades of extensive experience in the fields of management of infrastructure projects, financial advisory, PPP structure projects, formulation of state infrastructure development policies, urban local bodies reforms, project feasibility and viability analysis, BOT policy finalization, institutional support, project analysis etc.



Shri. Vinod Kathuria
Independent Director

Shri. Vinod Kathuria, a former Executive Director of Union Bank of India, having an unblemished banking service record of around four decades in key banking areas of Corporate Credit, Recovery, Retail Lending, Treasury Operations, International Banking Business, Agriculture, Financial Inclusion etc.



Shri. Davinder Chugh
Nominee Director – ACRE Trusts

N

Shri. Davinder Chugh is a highly qualified multi-disciplinary professional and has enjoyed a highly successful tenure of over twenty years at ArcelorMittal with the last decade being marked by his remarkable service at the Group Management Board level where he had demonstrated exemplary management skills and oversaw the mining and steel operations.



Shri. Atul Gupta
Nominee Director – ACRE Trusts

A

Shri. Atul Gupta is a highly accomplished corporate finance professional who brings a wealth of experience from both the industry and investment community. He holds a degree in Commerce and is a qualified Cost Accountant and Chartered Accountant. With a diverse background, he has worked across various industries including steel and mining, textiles, sugar, apparel and Private Equity.

Committees of Board:

Chairman Member Observer Audit Committee Nomination & Remuneration Committee

Risk Management Committee Stakeholders Relationship Committee Corporate Social Responsibility Committee

Governance

Integrity at our core

Driven by our commitment towards long-term growth, we place a strong emphasis on responsible and ethical practices in running our business activities. As a reputed and responsible manufacturing entity, we are inspired by the positive impacts we can make for our stakeholders as we uphold our principles to consistently deliver this value through robust practice of Corporate Governance.

Board philosophy

Throughout the past five decades, we have consistently upheld the values of integrity and respect, continuously seeking advancements in our operations. Our commitment to this growth trajectory synergises with our aspirations to be one of the industry's leading players. We take great pride in maintaining our ethical standards and doing the right things, even in challenging circumstances.



Shri. Ashish Srivastava
Company Secretary & Compliance Officer

"We hold ourselves to the highest standards of compliance and governance. We have implemented robust processes to ensure strict adherence to the ever-changing regulatory requirements. Our commitment to our shareholders is firm and we prioritise addressing their concerns in a timely manner. Transparency is vital to us and we ensure regular dissemination of crucial information to all our stakeholders. With vigilant and proactive corporate governance practices, a diverse board with reputed Independent Directors, we aim to set exemplary standards in the industry."

Board overview

98%

Average attendance in Board meetings

3 years

Average tenure of Independent Directors

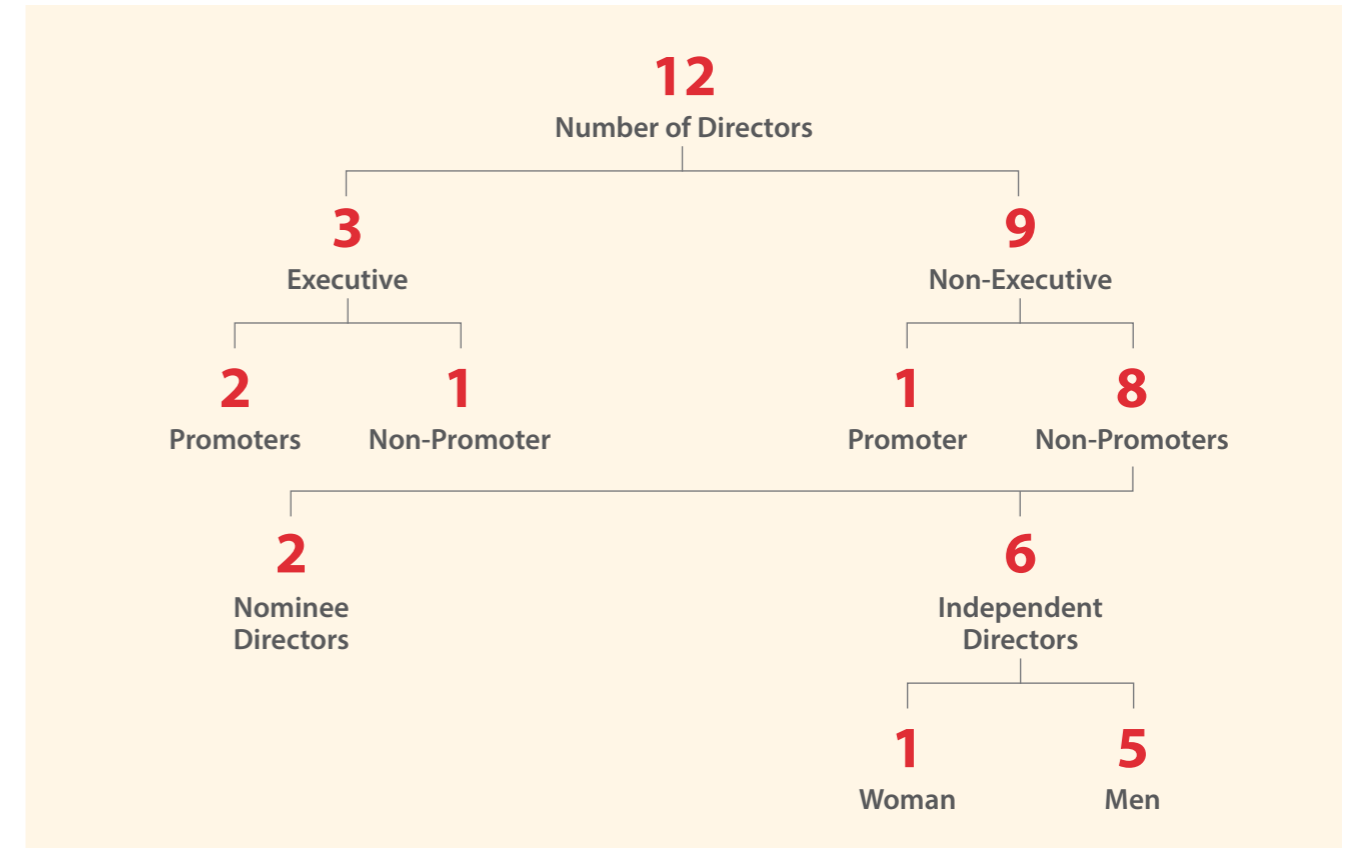
Board age profile



Age range	(%)
41-50	8.33
51-60	8.33
61-70	58.34
70+	25.00

Board composition

Our Board plays a pivotal role in charting the course of our Company's progress, ensuring that we embrace a diverse range of perspectives to make future plans as we move forward.



Awards

Being recognised for our excellence



Metabodeli Iron Ore mine got five-star rating award in FY22 from the Ministry of Mines, Government of India under the sustainable development framework and three more awards for Afforestation, Publicity & Propaganda and Over All Rolling Trophy.



Dhobitola Ti Ore mine received five awards, one of them being 1st prize for Sustainable Development and Mineral Beneficiation during ME&MC week organised by Indian Bureau of Mines in April 2023.

Apex HR Excellence Award in 2021.

Grow Care HR Award for Corporate Ethics in 2021.

Most Human Intervention Award by HRAI in 2021.

Global HR Excellence Award for HR practices in CSR, by the World HRD Congress in 2021.

Most innovative HR Award by HRAI in 2021.

Best HR Transformation Award in 2022.

Manpur Limestone mine bagged 2nd prize for Systematic & Scientific Mining, Publicity and Propaganda during ME&MC week organised by the Indian Bureau of Mines in April 2023.

The Rolling Mills and Bright Bar Department of the Company's Steel Plant Division have passed the first stage assessment of TPM Excellence Award Category A-2023, which is one of the most prestigious International Manufacturing Excellence Award given by the Japan Institute of Plant Maintenance.

Manegaon Ti Ore mine bagged 2 Awards for Afforestation and Mineral Beneficiation during ME&MC week organised by the Indian Bureau of Mines in April 2023.

9th Edition Learning & Development Summit & Award – Digital Learning Transformation and L&D Excellence Award in 2022.

Silver Feather Awards – Best in class manufacturing & Special steel manufacturing in December 2022.



Great Place to Work – Certified consecutively for second year in FY23.

Chhotedongar Iron Ore mine has won 1st prize Award in Overall Rolling Category, Waste Dump Management, Mineral Conservation and Mineral Beneficiation during the Mines Environment and Mineral Conservation (ME&MC) week celebration organised by the Indian Bureau of Mines in April 2023.

Dhobitola titaniferous ore mine got five-star rating Awards for four consecutive years 2018-19, 2019-20, 2020-21 and 2021-22 from the Ministry of Mines, Government of India, under the sustainable development framework.

International Future Workplace Award – Best social impact initiative finalist, Dubai in 2021.

Our CSR Awards



Honourable Minister of Commerce and Industries of Chhattisgarh awarded JNIL for Excellence in CSR & Environment in January 2023.

Odisha CSR Forum Awarded JNIL the prestigious CSR Excellence Award for Outstanding Contribution in the field of Health & Hygiene in January 2023.

Rural Development Excellence Award in 2022.

Best CSR Award in 2022.

FICCI CSR Award in 2021.

Management Discussion and Analysis

Economic Overview

Global Economy

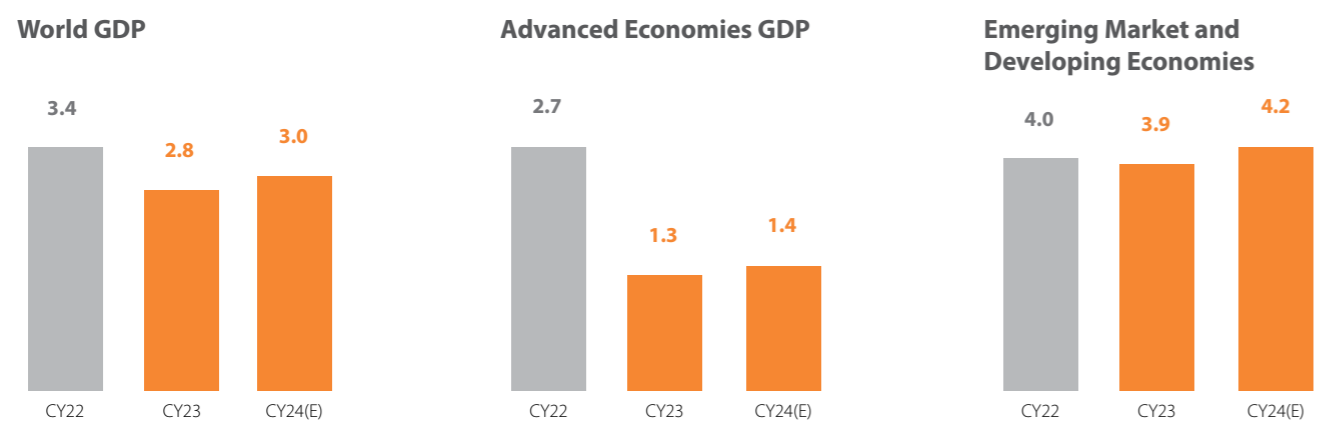
Calendar Year (CY) 2022 started with a sense of optimism as pandemic-related restrictions were gradually lifted worldwide and the global economy showed signs of recovery. However, the past three years have been marked by challenging events such as the COVID-19 outbreak and Russia-Ukraine conflict, leading to increased uncertainty in the global economy. Factors such as pent-up demand, supply disruptions and rising commodity prices have contributed to inflation reaching multi-decade highs in several economies. Consequently, central banks have taken decisive measures to tighten monetary policy to stabilize inflation and maintain inflation expectations.

Outlook

Despite several challenges faced, major developing and emerging market economies have started to exhibit signs of recovery, particularly from the third quarter of CY 2022 onwards. Taking this into account, IMF's baseline prediction suggests a moderated growth rate, transitioning from 3.4 percent in 2022 to 2.8 percent in 2023¹.



Global GDP Growth (%)²



Rank	Country	GDP (in U.S. dollars)	Annual Growth rate FY 2022-23
1	United States of America	23.3 trillion	1.6%
2	People's Republic of China	17.7 trillion	6.3%
3	Japan	4.9 trillion	1.3%
4	Germany	4.3 trillion	0.2%
5	India	3.7 trillion	7.2%

¹IMF – April 2023 | ²Forbesindia GDP: Current And Historical Growth Rate

Global Steel Industry

In CY 2022, total global crude steel production stood at 1,885.0 Million Tons, witnessing a 3.9% dip compared to the previous year. This decline reflected the ebbs and flow of the industry as it navigated through various economic factors. Similarly, the world's total finished steel production also experienced a downturn, registering a 3.99% decrease year-on-year, amounting to 1,768.2 Million Tons.³ Developed economies experienced a notable decline in steel consumption in CY 2022 due to tighter financial conditions and increased energy prices. However, it is projected to see a 1.3 percent increase in CY 2023, followed by a strong rebound of 3.2 percent in CY 2024.⁴

Outlook

The steel industry is poised for a rebound as steel demand is projected to grow by 2.3% in CY 2023, reaching 1,822.3 Million Tons, and further increase by 1.7% in CY 2024, reaching 1,854.0 Million Tons. A resurgence in the manufacturing sector is expected to drive this recovery, although the industry must contend with the impact of high interest rates on steel demand.

Looking ahead, the dynamics of global steel demand are set to change, with a shift in drivers, particularly focused on Asia. Investments in decarbonization initiatives and the dynamism of emerging economies will play an increasingly crucial role in propelling global steel demand forward. Despite China's reduced contribution to global growth, these factors are expected to sustain the industry's positive momentum.⁵



Steel demand Forecast (in million tonnes)⁶

Regions	2022	2023(F)*	2024(F)*
World	1,781.5	1,822.3	1,854.0
Developed Economies	375.5	380.3	392.6
Emerging and Developing economies**	485.0	502.8	522.2

*F = Forecast for Calendar Year | ** Excluding China

Top 5 Steel Using Countries (in million tonnes)

Countries	2022	2023(F)	2024(F)
China	920.9	939.3	939.9
India	114.9	123.3	130.9
United States	94.5	95.8	98.2
Japan	55.0	57.2	57.9
South Korea	51.2	52.7	53.8

*F = Forecast for Calendar Year

³2023 World Steel in Figures - WSA | ⁴World steel Association | ⁵World steel Association | ⁶Worldsteel association

Management Discussion and Analysis

Indian Economy

Amidst the trials of rising prices and supply disruptions from geopolitical crises, the Indian economy has exhibited extraordinary resilience and is on a steady path of recovery. In FY 2022-23, India achieved an impressive GDP growth of 7.2%, a testament to the robust performance of the service sector and strong consumption trends. This remarkable growth has further solidified India's position as one of the world's major and fastest-expanding economies. As a company, we are proud to be part of this dynamic economic landscape and remain committed to contributing our efforts towards the nation's progress and prosperity.

Amidst the challenges posed by the Russia-Ukraine conflict, with its ripple effects on global supply chains and the subsequent rise in logistical costs, inflation and economic pressures in India, a silver lining emerged for Indian firms. The disruptions, while posing hurdles, have also unveiled new avenues of growth and prosperity, aligning perfectly with India's ambitious "Atmanirbhar Bharat" or Self-Reliant India agenda. This national vision seeks to bolster the country's resilience by reducing reliance on imports and fostering indigenous capabilities and efficiency.

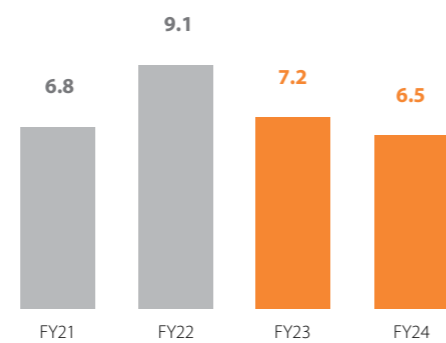
We recognize the potential and promise of these new opportunities. Embracing the spirit of "Atmanirbhar Bharat," we are committed to innovation, exploration and transformation. We aim to strengthen our local supply chains, invest in homegrown research and development and enhance our manufacturing capabilities to cater to domestic demands effectively. By doing so, we not only contribute to our nation's economic growth but also play an integral role in shaping a more self-sufficient and prosperous India for the future.

Outlook

In FY 2023-24, the Reserve Bank of India (RBI) has forecasted a promising picture for India's economic growth, forecasting a robust GDP growth of 6.5% and an inflation rate of 5.1%⁷. Despite the challenges posed by global trade dynamics and inflationary pressures, India's focus on fostering robust private consumption and driving infrastructural development positions the nation for unwavering progress, demonstrating an impressive resilience against external factors.

The Union Budget for FY 2023-24 takes a proactive approach by introducing a host of strategic initiatives, with a particular emphasis on amplified public capital expenditure. These endeavours are strategically designed to stimulate demand, nurture private investment and in turn fortify the steel sector. The positive impact is expected to ripple across various facets of the economy, from steel demand to job creation, contributing to overall economic growth in the nation. As an organization, we are buoyed by this positive outlook and are poised to align our efforts with India's vision of progress, playing our part in the nation's journey toward prosperity and self-reliance.

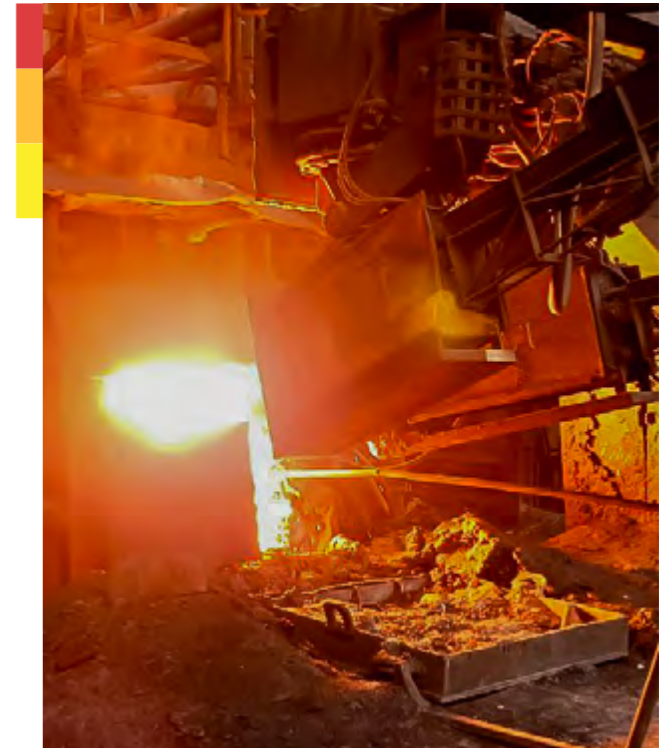
India's GDP Growth (%)⁸



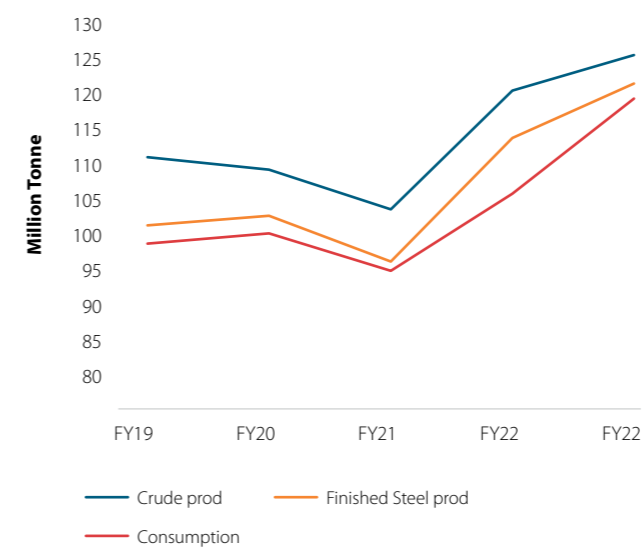
Industry Overview

Indian Steel Industry

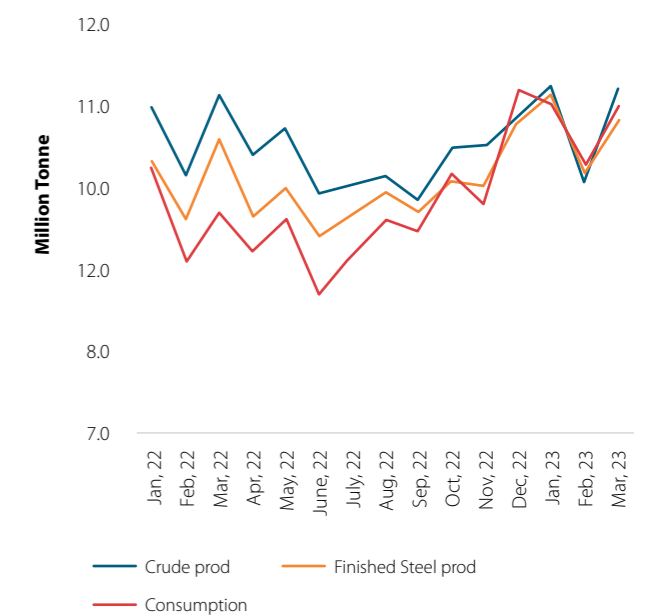
India achieved impressive steel production numbers in FY 2022-23 and recorded 125.32 Million Ton of crude steel and 121.29 Million Ton of finished steel production⁹, establishing its position as the second-largest producer globally. The domestic market demonstrated strong growth with a 13.3% increase in finished steel consumption in FY 2022-23 on a y-o-y basis. Looking ahead, India aims to further elevate its steel industry by targeting a significant rise in finished steel consumption, from 119.17 Million Ton in FY 2022-23¹⁰ to 230 Million Ton by FY 2030-31. To support this ambitious goal, the Indian government plans to enhance the country's crude steel production capacity from 154 million ton (MnT) to 300 MnT by FY 2030-31, setting a positive trajectory for the industry's future.¹¹



April-March: Production and Consumption



Trend in Production and Consumption of Steel



⁷GDP Growth Forecast At 6.5% For 2023-24, Says RBI | ⁸Times of India

⁹Monthly summary for March 2023 – Ministry of Steel (steel.gov.in) | ¹⁰JPC Monthly Bulletin on Iron and Steel April 2023 |

¹¹IBEF – Iron and Steel Industry in India

MnT: Million Tonne

Management Discussion and Analysis



In May 2022, the Indian government took decisive action in response to surging steel prices by implementing export duties ranging from 15% to 50%. The primary objective was to safeguard the availability of finished steel and raw materials for domestic production. While the duty was eventually lifted in November 2022, its impact on the steel trade was evident. Finished steel exports witnessed a substantial decline of 50.2% in FY 2022-23 compared to the previous fiscal year, amounting to a total of only 6.7 Million Ton. In contrast, steel imports surged by 29% in the same period, reaching 6.02 Million Ton.

13.3%

Year-on-year growth of domestic finished steel consumption in FY 2022-23

2nd Largest¹²

Crude steel producing nation in the world

230 MnT

Forecasted finished steel consumption in India by FY 2030-31

300 MnT

Planned crude steel production capacity of India by FY 2030-31

Outlook

The steel industry in India is poised for robust growth in FY 2023-24, with steel consumption projected to rise by an impressive 7.5%. This surge in demand can be attributed to the thriving sectors of domestic construction, railways, and capital goods. The estimated steel demand for the upcoming fiscal year stands at an impressive 128.9 million tons, showcasing a significant increase from the 119.17 million tons recorded in FY 2022-23. This upward trajectory reflects the promising outlook for India's steel sector, reaffirming its pivotal role in propelling infrastructure development and overall economic progress of the nation. The anticipated growth signals a positive outlook for the industry, laying the foundation for a resilient and prosperous future for India's steel domain.

The domestic Steel growth is also aided by substantial increase in capital expenditure outlined in the federal budget for 2023-24. The allocation of ₹10 lakh Crores for capital projects, combined with the expansion of the basic customs tax on key raw materials like ferrous scrap, CRGO, and nickel cathodes, is expected to play a pivotal role in driving the growth of the steel sector. These measures are strategically designed to bolster the steel industry, allowing it to meet the escalating demand in the market and contribute to the nation's economic development. With these progressive initiatives in place, the Indian steel industry is well-positioned to support the nation's ambitious infrastructure goals.¹⁴

The recent removal of export taxes and the inclusion of steel in the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme, alongside measures to improve railways, logistics and regional connectivity, are poised to provide a

substantial boost to the steel manufacturing sector. These strategic initiatives not only reinforce the 'Make in India' campaign but also align seamlessly with the vision of a self-reliant India ('Atmanirbhar Bharat'). Moreover, the introduction of the Production Linked Incentive (PLI) program for specialty steel has already garnered significant interest, with 67 applications from 30 companies vying for a share of the ₹6,322 Crores outlay, further fueling innovation and growth in the industry. These collective efforts reinforce India's position in the global steel market and propel the nation towards a path of sustainable and dynamic economic growth.¹⁵ This program aims to stimulate the production of high-end alloys and strengthen the country's manufacturing capabilities.

7.5%

Forecasted year-on-year growth of India's steel consumption in FY 2023-24

128.9 MnT

Projected domestic steel demand for FY 2023-24

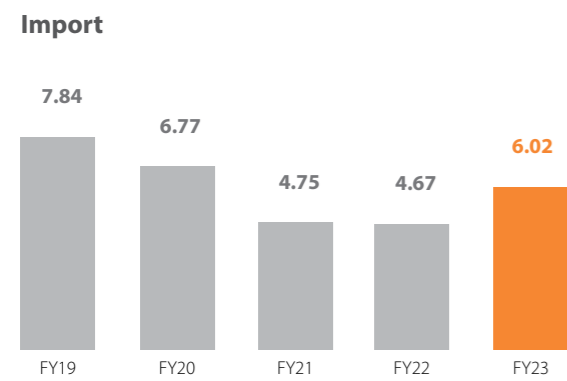
₹10 lakh crores

Allocated for capital expenditure in the budget for FY2023-24

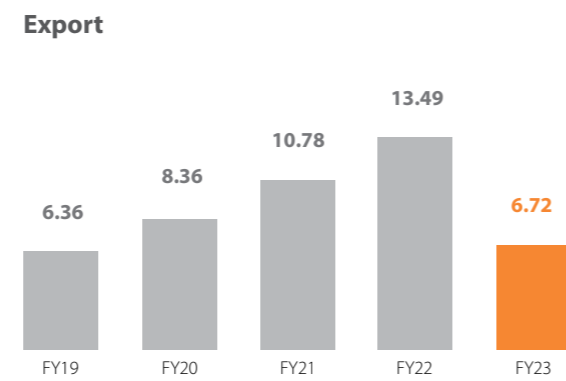
₹6,322 crores

Budgeted Outlay of the PLI scheme for specialty steel

Finished Steel Export & Import (Million Tonnes)¹³



SOURCE: STEEL.GOV.IN



¹²Monthly summary for March 2023 – Ministry of Steel (steel.gov.in) | ¹³Steel.gov.in

Advantage India

Robust Demand	Increasing Investments	Policy Support	Competitive Advantage
<ul style="list-style-type: none"> India's finished steel consumption is anticipated to increase to 230 MnT by 2030-31 from 119.17 MnT in FY23. India is the world's second-largest producer of crude steel, with an output of 125.32 MnT of crude steel and finished steel production of 121.29 MnT in FY23. 	<ul style="list-style-type: none"> The industry is witnessing consolidation of players, which has led to investment by entities from other sectors. The ongoing consolidation also presents an opportunity to global players to enter the Indian market. 	<ul style="list-style-type: none"> In October 2021, the government announced guidelines for the approved specialty steel production-linked incentive (PLI) scheme. Under the Union Budget 2023-24, the government allocated ₹70.15 crore (US\$ 8.6 million) to the Ministry of Steel. 	<ul style="list-style-type: none"> India's steel production is estimated to grow 4-7% to 123-127 MnT in FY24. Easy availability of low-cost manpower and presence of abundant iron ore reserves make India competitive in the global set up. India is home to fifth-highest reserves of iron ore in the world.

¹⁴The Hindu business line | ¹⁵PIB Press Release – Production of Specialty Steel - PLI Scheme 27 March 2023

Management Discussion and Analysis

Indian Automotive Industry

The Indian automotive sector is set for a robust and sustained growth trajectory, with a projected CAGR of 11.3% until 2027. A confluence of factors is driving this positive outlook, including a rise in disposable income, improved access to credit and financing options and a burgeoning population. Commercial vehicles and the passenger transport segment are emerging as key drivers of demand, bolstering the industry's potential for expansion. Moreover, the Indian government's supportive policies and initiatives are expected to play a pivotal role in facilitating and maintaining this growth in the years to come, underlining the sector's crucial role in India's economic development. The automotive industry is poised to play a central role in shaping the country's mobility landscape and fostering a prosperous and vibrant future for India.¹⁶

In FY 2022-23, the domestic automobile sales recorded a remarkable 20% year-on-year growth, marking the first full year unaffected by the pandemic after a hiatus of two years. This impressive growth was underpinned by a confluence of factors. Robust demand in urban areas, increasing replacement needs, a surge in the popularity of utility vehicles in the passenger vehicle segment and implementation of the vehicle scrappage

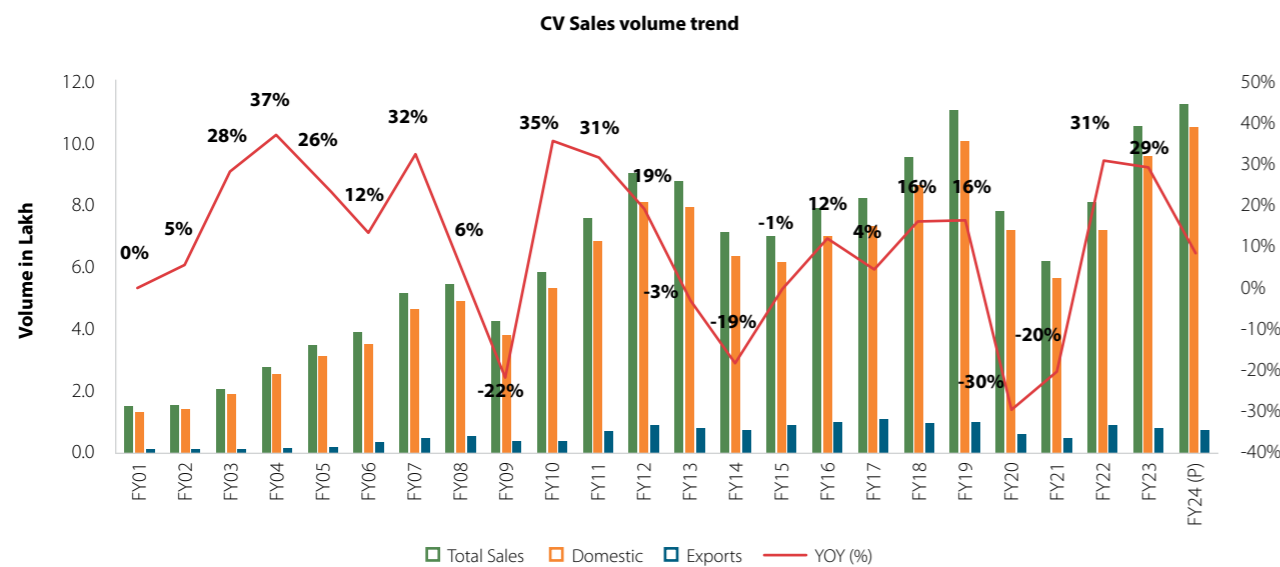
policy, all contributed to the upswing in sales volume across various segments. Furthermore, higher infrastructure spending played a vital role in bolstering the automotive industry's performance during the fiscal year.

During the fiscal year, the automotive sector faced headwinds from the inflationary pressures; however, several factors worked in favour of sales growth. Customers preponed their purchases in anticipation of the implementation of new fuel emission norms (BS-VI Phase -II), which gave a boost to sales. Additionally, the easing of semiconductor chip supply, a crucial component in the automotive industry, further supported the growth. Furthermore, pent-up demand, which had built up during the pandemic, contributed to the surge in sales. Two-wheelers recorded a substantial 17% year-on-year growth, while passenger vehicles experienced an impressive 27% surge. Commercial vehicles (CV) also performed exceptionally well, achieving a remarkable 34% growth, and tractors witnessed a healthy 12% growth. The three-wheeler segment stood out with an astonishing 87% year-on-year growth in domestic sales.¹⁷ The demand remains strong across all the segments. Segment-wise, medium and heavy commercial vehicles (MHCV) are expected to grow by 10-12% in FY24.¹⁸

The Indian automotive components sector is projected to clock 10-12% growth in revenue in fiscal 2024, riding on continuing domestic growth buoyed by robust demand from original equipment manufacturers (OEMs) on the back of high base of past fiscals and steady aftermarket demand. This is despite exports continuing to remain sluggish.¹⁹

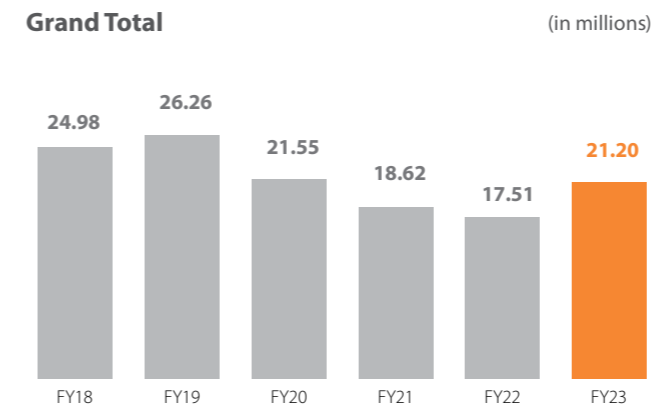
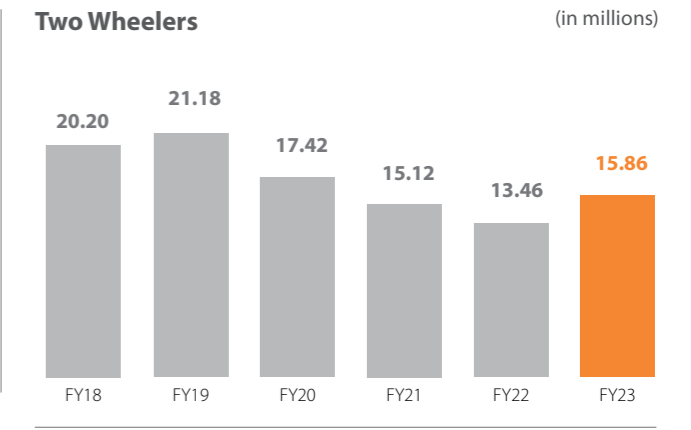
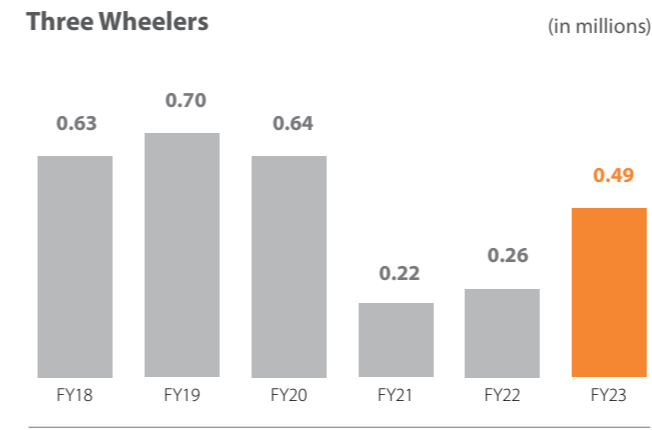
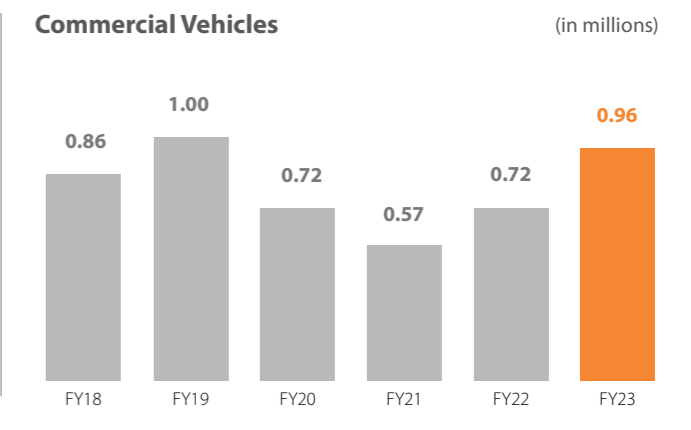
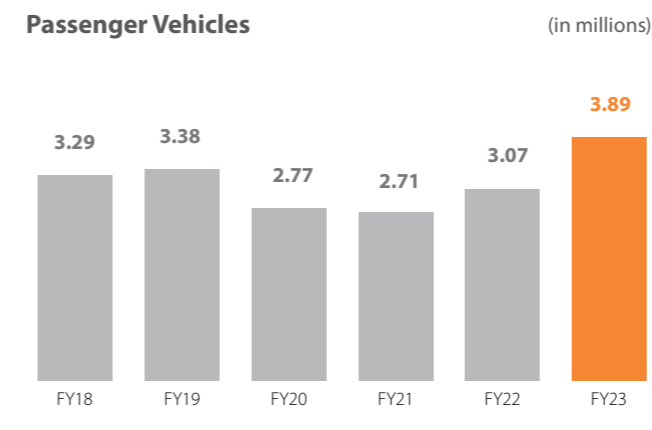
11.3%
CAGR of Indian Automotive Industry till 2027

Trends in CV Industry's Sales Volume



Source: CMIE and CareEdge

Domestic Automobile Sales²⁰



¹⁶Grandview Research | ¹⁷CareEdge Auto Sector Apr23 | ¹⁸CareEdge CV Industry Report Jun23

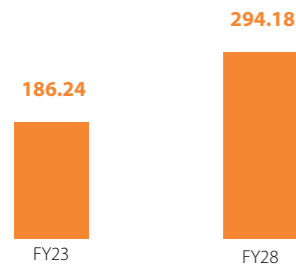
¹⁹Crisil Press Release - Automotive Component Market Jun23 | ²⁰Society of India Automobile Manufacturers (SIAM)

Management Discussion and Analysis

Indian Infrastructure Sector

India's pursuit of rapid growth in 2023 and beyond will be significantly propelled by major advancements in key areas, with a particular emphasis on infrastructure development. Investments in physical infrastructure play a vital role in improving efficiency and reducing costs, especially when accompanied by measures to facilitate business operations. The government's strong focus on future-oriented infrastructure development is evident through the introduction of various initiatives, including the pioneering US\$ 1.3 trillion national master plan for infrastructure called Gati Shakti, which has already made remarkable progress and aims to bring about systematic and impactful changes in the industry.²¹

India Infrastructure Sector Market²² (in \$ billion)



The government's initiatives, such as the "Smart Cities Mission" and "Housing for All" campaigns, have played a significant role in driving infrastructure development. These efforts are aligned with the government's ambitious goal of achieving a \$5 trillion economy by 2025. To further stimulate the growth of the infrastructure sector, the government has implemented the National Infrastructure Pipeline (NIP) and introduced programs like "Make in India" and the production-linked incentives (PLI) plan. These measures collectively aim to create a conducive environment for infrastructure expansion and propel India towards its economic objectives.²³

In the Union Budget 2023, the government took several initiatives related to infrastructure, including²⁴:

- PM Awas Yojana expenditure increased by 66% to ₹79,000 crores.
- The biggest allocation for the railways since FY2013-14, with capital outlay of ₹2.4 lakh crore.
- Public agencies will construct urban infrastructure in Tier 2 and Tier 3 cities using the Urban Infrastructure Development Fund (UIDF), which will be managed by the national Housing Bank. The prioritized Sector Lending deficit will be used to create the UIDF.



- 100 essential transport infrastructure projects allocated investments totalling ₹75,000 crores (₹15,000 crores from private sources) to offer last and first mile connectivity for the coal, ports, food grain, steel and fertilizer grains industries.

US\$ 1.3 trillion

Allocated under the National Master Plan for infrastructure

₹2.4 lakh Crores

Capital outlay for the railways in FY2023-24

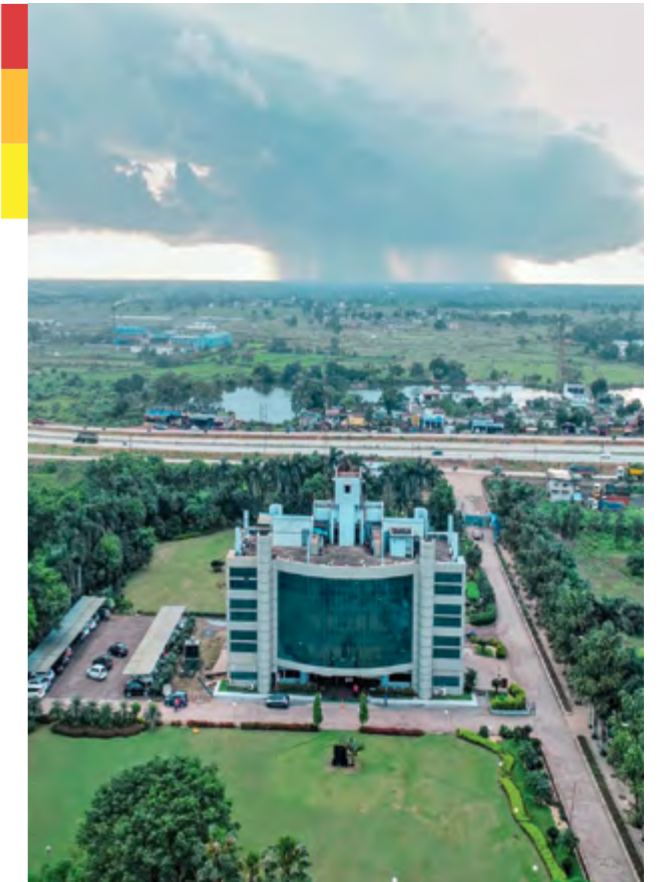
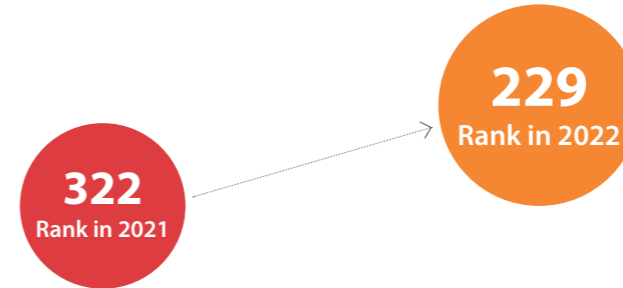
US\$ 5 trillion

India's estimated economic value by FY2024-25

Company Overview

Jayaswal Neco Industries Limited (JNIL) is NECO group's flagship company and is one of the largest manufacturers of iron and steel castings, pipes and fittings. Founded in 1972 as a small-scale iron foundry unit in Nagpur, our Company had integrated backward by setting up pig iron manufacturing unit at Siltara, Raipur, Chhattisgarh in 1996. We primarily engage in manufacturing of alloy steels – wire rods, bars, bright bars along with steel billets, pig iron/skull, sponge iron, pellets and iron & steel castings. Our products are used in industries such as automotive and auto components, engineering, power, railways, oil and gas, defence and construction sectors in the domestic market.

Through our perseverance, we have jumped 93 places within just an year and are now ranked 229 in Economic Times (ET) 500 List of Companies in India.



Completion of 50 years

This year marks a significant milestone for our Company as we celebrate 50 years of growth and progress since our inception in 1972. From our modest beginnings, we have evolved into the flagship company of the esteemed Neco Group of Industries, founded and led by visionaries Shri. Basant Lall Shaw, Shri. Arvind Jayaswal and Shri. Ramesh Jayaswal. Our journey commenced in 1976 as Nagpur Engineering Company Private Limited, specializing in construction castings. Later, in 1985, we transformed into Nagpur Engineering Company Limited (NECO) and expanded our expertise to produce castings for the Indian railways.

In 1996, we took a significant stride towards backward integration by establishing a state-of-the-art pig iron manufacturing facility with a captive power plant in Siltara, Raipur. This strategic move paved the way for enhanced capabilities and strengthened our position in the Iron and Steel industry. Today, we take immense pride in being one of the largest Ferrous Casting groups and a leading producer of Alloy Steel (Bar & Wire Rod Products) in India. With over five decades of experience and expertise backing us, we stand as a symbol of reliability and innovation in our field.

²¹IBEF – Indian Infrastructure | ²²Mordor Intelligence | ²³Times of India | ²⁴Bank Bazaar

Management Discussion and Analysis

Installed Capacity overview

Manufacturing Facilities

Our Company has two business segments: Steel Plant Division & Foundry Division.

Steel Plant Division (SPD): Under this unit, we are engaged in manufacturing of alloy steel long products, pig iron, sponge iron, pellets and steel billets and also has captive iron ore mines in Chhattisgarh. The Steel Plant Division is located in Siltara, Raipur (Chhattisgarh).

Steel Plant Division (SPD) - Plants	Capacity (MnTPA) ^a	Month / Year of Commissioning
Blast Furnace (BF)	0.75	Nov-1996
Captive Power Plants		
- 15.5 MW ^b (BF Gas Based)	15.5 MW	Nov-1996
- 15.0 MW (7.0 MW from 350 TPD ^c DRI ^d Waste Heat Recovery Boiler (WHRB)) & (8.0 MW from 350 TPD DRI Atmospheric Fluidized Bed Combustion Boiler (AFBC))	15.0 MW	Jul-2006
- 12.0 MW (from 500 TPD DRI Waste Heat Recovery Boiler)	12.0 MW	May-2007
- 6.0 MW Coke Oven Waste Heat Recovery Boiler	6.0 MW	Feb-2012
- 6.0 MW Coke Oven Waste Heat Recovery Boiler	6.0 MW	Jul-2012
Sinter-I	0.40	May-2004
Sinter-II	0.40	Aug-2008
Steel Melt Shop - I	0.33	Oct-2004
Steel Melt Shop - II	0.65	Dec-2014
Coke Oven-I	0.10	Apr-2006
Coke Oven-II	0.10	May-2012
DRI-(350 TPD)	0.11	Jul-2006
DRI-(500 TPD)	0.15	May-2007
Bar Mill	0.13	Sep-2008
Wire Rod Mill	0.28	Sep-2009
Bar & Section Mill	0.55	Dec-2014
SMS & Rolling Mill - Flat products	0.30	Nov-2013
Pellet	1.50	Nov-2014
340 TPD Air Separation	340 TPD	Dec-2014
70 TPD Air Separation	70 TPD	Jun-2023

Foundry Division (FD): Our foundry division manufactures iron & steel castings which finds applications in automotive industry, generator sets, petroleum and refineries, railways, service lines, irrigation, construction etc. Our plants are located in and around Nagpur, Butibori (Maharashtra) and Anjora (Chhattisgarh).

Foundries (FD)	Capacity (MnTPA) ^a	Year of Commissioning
Iron & Steel Castings:		
- Centricast Division (CD)	0.020	1976
- Engineering Castings Division (ECD)	0.020	1985
- Automotive Castings Division (ACD)	0.020	ACD-I-1991 ACD-II-1998
- Construction Castings Division (CCD)	0.015	1991

Iron Ore Captive Raw Material Sourcing

Iron ore: We have our own operative captive iron ore mines; Dec 2022 onwards the entire requirement of iron ore / fines has been sourced from the Company's captive iron ore mines.

Name	Capacity (MnTPA)	Month / Year of Commissioning
Metabodeli Iron Ore mine	1.00	Jan-2016
Chhotedongar Iron Ore mine	2.95	Dec-2021

^aMnTPA: Million Tonnes Per Annum | ^bMW: Megawatt | ^cTPD: Tonnes Per Day | ^dDRI: Direct Reduction Iron

Segment-Wise Performance

Steel Plant Division

In FY2022-23, we witnessed a notable increase in the selling prices of our Finished Steel, Sponge Iron and Pig Iron products. Additionally, our sales volume for Sponge Iron and Pellets also witnessed a significant rise. As a result, our Steel Plant Division experienced a year-on-year revenue growth of 5.46%, amounting to ₹5,746.34 crores. With an annual production capacity of 1 million ton, we cater to diverse market demands. Our operations are supported by a dedicated workforce of around 5,800 employees and workers, both on a permanent and contractual basis.

Integrated Steel Plant at Siltara, Raipur has been meticulously designed, allowing for potential expansions to increase steel manufacturing capacity up to 2 million ton per annum (MnTPA). To support our operations, the plant features a captive power plant that generates 54.5 MW of electricity, primarily through Waste Heat Recovery Boilers (WHRB) power plants. Around 8

years back our Steel Plant Division implemented a world-class SMS (Steel Melt Shop) and Rolling Mill facility, sourced from the prestigious Danieli Group, Italy. This cutting-edge facility enhances our steel production processes, ensuring efficiency and productivity throughout the manufacturing cycle.

₹5,746.34 Crores **5.46%**
Revenue from Operations in FY 2022-23
Year-on-year growth

Revenue from Operations in FY 2022-23

1 MnTPA
Annual Installed Production Capacity



Management Discussion and Analysis

Our Mines

▪ **Metabodeli Mine** - Located in Kanker district of Chhattisgarh, spread over 25 hectares and has a mining capacity of 1.0 MnTPA. It has adopted zero-waste mining technology. The low-grade Iron Ore fines are being beneficiated at the Gidhali washery plant and graded products are sent to the Raipur plant for Captive use. It is one of the lowest cost producer of Iron ore in that region.

This mine got five-star rating award in FY 2021-22 from the Ministry of Mines, Government of India under a sustainable development framework.

▪ **Chhotedongar Mine** - Located in Narayanpur district of Chhattisgarh, spread over 192 hectares has a mining capacity of 2.95 MnTPA. The area comes under Abhujmand, 85 km from Gadchiroli, Maharashtra. Similar to Metabodeli, this mine has also adopted zero-waste mining technology. This mine has made us self-sustainable with regard to Iron ore requirements. This mine has won awards in various categories during the Mines Environment and Mineral Conservation (ML&MC) week celebration organized by the Indian Bureau of Mines in April 2023.

▪ **Dhobitola & Manegaon Mine** - These are Titaniferous Ore Mines situated in Gondia district of Maharashtra. Dhobitola Mine is a recipient of five-star rating award for four consecutive financial years 2018-19, 2019-20, 2020-21 and 2021-22 from the Ministry of Mines, Government of India, under a sustainable development framework.

▪ **Manpur Mine** - These are limestone mines located in the Kabirdham district of Chhattisgarh.



Locational Advantage

Our Integrated Steel Plant is located at Siltara, Raipur, Chhattisgarh while Foundry Division facilities are located at Anjora (one) in Chhattisgarh, Nagpur (two) and Butibori (one) in Maharashtra. Most of the power required by the Steel Plant is met through captive power plants and a connection with Chhattisgarh State Power Distribution Company Limited.

Our central location in India provides easy access to Auto Component Manufacturers / Original Equipment Manufacturers (OEMs) across the country and the Vishakhapatnam Sea port is conveniently located around 550 km from the Integrated Steel Plant for easy transportation of overseas raw material sourcing. Additionally, our Steel Plant has its own 13 km long railway siding for incoming raw materials, thereby reducing cost of transport.

Our facilities are in a well-developed industrial area with basic infrastructure facilities such as land, roads, power and water. Skilled personnel and labour are readily available from the nearby cities, villages and surrounding areas. The location is also near to the sources of supply of key raw materials for steel-making such as iron ore, coal and scrap and is well-connected by way of airports, roadways and railways.

Backward and Forward Integrated Steel Facilities

Backward and forward integration are two common strategies used in the steel industry to manage the supply chain, reduce costs and increase efficiency.

We have Coke Oven Plants of 0.20 MnTPA capacity, Sinter Plants of 0.8 MnTPA capacity, a Pulverized Coal Dust Injection Plant, 54.5 MW Captive Power Plants and 1.5 MnTPA Pellet Plant which provide key raw material to our Steel Plant. Our captive Iron Ore Mines at Metabodeli and Chhotedongar ensure stable and reliable supply of raw materials and reduce dependence on external suppliers. This leads to cost savings, greater control over the supply chain and increased competitiveness.

Our Iron making facilities - Blast Furnace (0.75 MnTPA) and Sponge Iron Plant (0.255 MnTPA) use iron ore from captive mines which is used in steelmaking. Having this closer to the Steel Plant reduces transportation costs and improves supply chain efficiency.

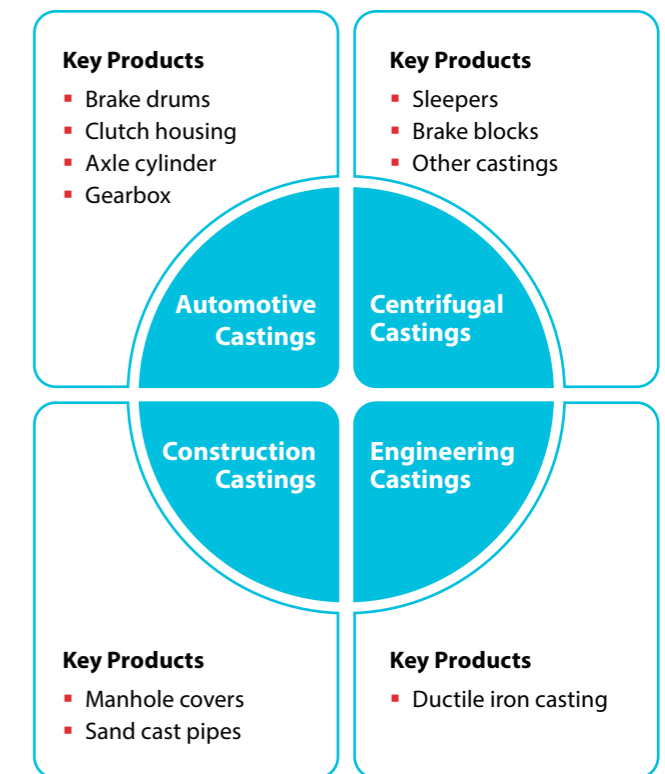
Our Steel Melt Shops of 0.983 MnTPA capacity, two Oxygen Plants (340 TPD + 70 TPD), a Rolling Mill of capacity 0.954 MnTPA ensure production of quality alloy steel. By owning these facilities, we control the entire value chain, from production to distribution and capture more value from the products. This has led to improved product quality, better customer service, reduction in costs and higher profit margins.

Castings Division

The Castings Division of our Company witnessed yet another good year in FY2022-23, with our Revenue reaching ₹596.52 crores, a significant increase from ₹509.96 crores in FY2021-22. This growth is attributed to the increase in demand observed in the automobile and construction sectors coupled with the upward trend in the selling prices of our finished castings during the fiscal year.

₹596.52 Crores
Revenue from Operations in FY23

16.97%
Year-on-year growth



Management Discussion and Analysis

Performance and Financial Review

We enjoyed a good year in terms of Revenue from Operations in FY 2022-23 as it increased by 6.45% from ₹5,959 Crores to ₹6,343 Crores. Our products across segments experienced a surge in demand which has led to a good year-on-year revenue growth. Our Sponge Iron production level under our Steel Plant Division surpassed last years' level. We witnessed remarkable growth across our subdivisions in our Castings segments.

However, this did not translate into higher profits due to huge impact of surge in Raw materials (Coking Coal) prices due to impact of Russia-Ukraine conflict which could not be completely passed to the end customer, as evidenced by a Profit After Tax (PAT) of ₹224 Crores and an EBIDTA of ₹804 Crores, both lower than the previous fiscal year (FY 2021-22). Nevertheless, we maintain a strong sense of optimism regarding the future. We have made strategic investments in new technologies and implemented various changes within our Company to position ourselves for success. We are confident in our ability to capitalize on the overall growth of the country, which will not only boost our Company's expansion but also contribute to the growth of the industry.



Key Financial Information

Abridged Balance Sheet comparison FY 2022-23 & 2021-22

Particulars	₹ In Crores	
	2022-23	2021-22
Non-Current Assets	3,818	3,899
Current Assets	2,236	2,424
TOTAL ASSETS	6,054	6,323
Net Worth	2,058	1,834
Non-Current Liabilities	31	3,505
Current Liabilities	3,965	984
TOTAL LIABILITIES	6,054	6,323

Abridged Profit and Loss comparison FY 2022-23 & 2021-22

Particulars	₹ In Crores	
	2022-23	2021-22
Revenue from Operations	6,343	5,959
EBIDTA	804	1,306
PAT	224	2,248

Abridged Cash Flow comparison FY 2022-23 & 2021-22

Particulars	₹ In Crores	
	2022-23	2021-22
A) Cash Flow from Operating Activities		
Profit/(Loss) before tax as per PL	34	2,311
Add / (Less): Adjustments for Non-Cash and Non-Operating Items	755	-1,006
Add / (Less): Adjustments for Working Capital Changes, Direct Taxes (Paid) / Refund and Exceptional Items	-50	-444
A] Net Cash Flow from Operating Activities	739	860
B] Net Cash Flow from Investing Activities	-57	-26
C] Net Cash Flow from Financing Activities	-792	-943
Net Increase / (Decrease) in Cash and Cash Equivalents	-110	-109
Add: Opening Cash and Cash Equivalents	182	291
Closing Cash and Cash Equivalents	72	182

Key Financial Ratios

	March 31, 2023	March 31, 2022	Change (in %)	Remarks
Interest Coverage Ratio	1.77	2.85	-37.67	The decrease in the ratio was driven by lower year-on-year EBIDTA margins resulting from significant increases in raw material prices, particularly coal and non-coking coal in FY 2022-23 to certain extent as compared to FY 2021-22, wherein there was unprecedented growth witnessed in Steel Sector, as well as the stabilization of the steel markets.
Current Ratio	0.56	2.46	-77.11	The ratio has significantly decreased due to increase in Current Liabilities on account of classification of entire amount of Principal Term Loan Outstanding as Current.
Operating Profit Margin (%)	12.33	21.81	-43.48	The decrease in the ratio is attributed to a decline in operating EBIDTA coupled with an increase in turnover resulting from higher sales realizations.
Net Profit/(Loss) Margin (%)	3.58	37.72	-90.52	The Ratio has significantly decreased mainly on account of (1) net profit in FY 2021-22 was on higher side on account of Exceptional Income, which was a result of Implementation of Debt Restructuring in the books of accounts in FY 2021-22. (2) decrease in Net Profit in FY 2022-23 due to heavy increase in prices of raw material with respect to coal & non-coking coal and (3) further, steel markets are stabilized in FY 2022-23 to certain extent as compared to FY 2021-22 wherein there was unprecedented growth witnessed in Steel Sector.
Return on Net-Worth	11.66	954.69	-98.78	The decrease in the ratio can be attributed to the increase in exceptional income in FY 2021-22, substantial rise in raw material prices and slower growth in the steel sector in FY 2022-23.

Management Discussion and Analysis

Debt Restructuring

On 23rd August 2021, the Company had entered into Restructuring Support Agreement (RSA) with Assets Care & Reconstruction Enterprise Limited (ACRE) acting in its capacity as trustee of various trusts (ACRE Trusts) in relation to restructuring of all its outstanding debt owed to ACRE Trusts, in accordance with the Section 9 of the Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 ("SARFAESI Act"), as amended and restated from time to time.

The Company had complied with all the conditions precedent including that of the subsequent Amendment Agreements to the RSA. Accordingly, as confirmed by the ACRE Trusts, the debt restructuring had become effective on 23rd May 2022 from the cut-off date of 31st March 2020.

Further, as per IND AS-10 "Events after the Reporting Period", this was an Adjusting event and accordingly this event had been given accounting effect in the Books of Accounts of the Company for the year ended 31st March 2022.

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

Since implementation of the Debt Restructuring, the Company has not defaulted in any of the stipulated conditions of the RSA. Over and above the scheduled debt servicing, the Company has already made prepayment as cash sweep of its term loans of ₹608.85 Crores for the period from 1st April 2020 to 31st March 2023 to reduce its debt obligations significantly.

As per the terms of the RSA, the Company has to refinance its outstanding amount of Term Loans and Interest Accrued but not due on Borrowings of ACRE Trusts on or before 15th December 2023. The Company has the potential and is confident that it will refinance the term loans on or before the extended date of Refinancing i.e., 15th December 2023 as per the terms of RSA.

However, as on 31st March 2023, in view of IND AS-1 (Presentation of Financial Statements), as the Company does not have an unconditional right to defer the settlement of the liability beyond twelve months from the reporting period of 31st March 2023 and the liability is due for refinance on 15th December 2023, hence the entire Term loans from ACRE Trusts has now been shown under the head "Current Liabilities".

If the above amount would have been continued to be classified as non-current, the Company's Non-Current Borrowings would have been higher by ₹3,156.88 Crores and consequently the current borrowing would have been lower to that extent.

Projects and Impairment of Non-Operational Assets

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

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

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

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

The Adjudicating Authority had confirmed the above provisional attachments. Subsequently, the Appellate Authority stayed both the attachments on an appeal filed by the Company where the matter has been put up for hearing on 23rd August 2023. The Company has a good case on merits, is likely to succeed in refuting the allegations and does not expect any material liability on the Company on this account.

As per the impairment policy, the Company had carried out an impairment test in the earlier years of its property, plant and equipment of Flat Production Division (FPD) at Raipur and Capital Work in Progress presently being suspended at its Dagori Integrated Steel Plant at Bilha- Bilaspur in accordance with the Indian Accounting Standards (Ind AS) 36 – 'Impairment of Assets' and found that the carrying cost of these assets exceeds its recoverable value, therefore, an impairment loss was recognized in the earlier year and had been disclosed as an Exceptional Item.

Total Productive Maintenance (TPM)

Our Company has implemented TPM as a core manufacturing strategy to enhance the efficiency and reliability of our production operations in the Integrated Steel Plant Division, Siltara, Raipur. TPM is a systematic approach to overall plant maintenance that involves the active participation of all workers and staff members, from operators, maintenance and administrative staff. Its primary objectives are to minimize or eliminate equipment downtime, reduce maintenance costs and improve the overall equipment effectiveness (OEE) of the manufacturing process and efficiency in working of the administrative process.

To achieve these goals, our TPM program includes regular equipment inspections, preventive maintenance plans,

machine cleaning lubrication programs and office space management. We also conduct workshops and training sessions to enhance the TPM knowledge and skills of our workers and employees. The implementation of TPM has resulted in significant cost savings and reduced losses for our Company by reducing equipment downtime, lowering maintenance expenses and improving the overall equipment effectiveness (OEE) of our production processes and enhancement of efficiency in administrative processes in our office workings. This, in turn, has enhanced customers' satisfaction by improving products and services quality and ensuring on-time delivery. The same also enables us to offer competitive pricing, customers' loyalty and satisfaction.

We are committed to maintaining our TPM Goal of Zero Accident, Zero Failure, Zero Defect and Zero Waste in our workplace.

The following are the targets set for every worker and employee -

- Continual improvement in Productivity, Quality & Delivery
- Significant Reduction of Cost & Losses
- Ensure Safe, Environment-Friendly & Cheerful Workplace
- Maintain 5S in own area
- Customers' delight

We are continuously working to keep our organization as "Future Ready" & "A Great Place to Work".



Management Discussion and Analysis

Our Company has implemented several important actions under each of the eight pillars of Total Productive Maintenance (TPM) in order to meet the goals of TPM:

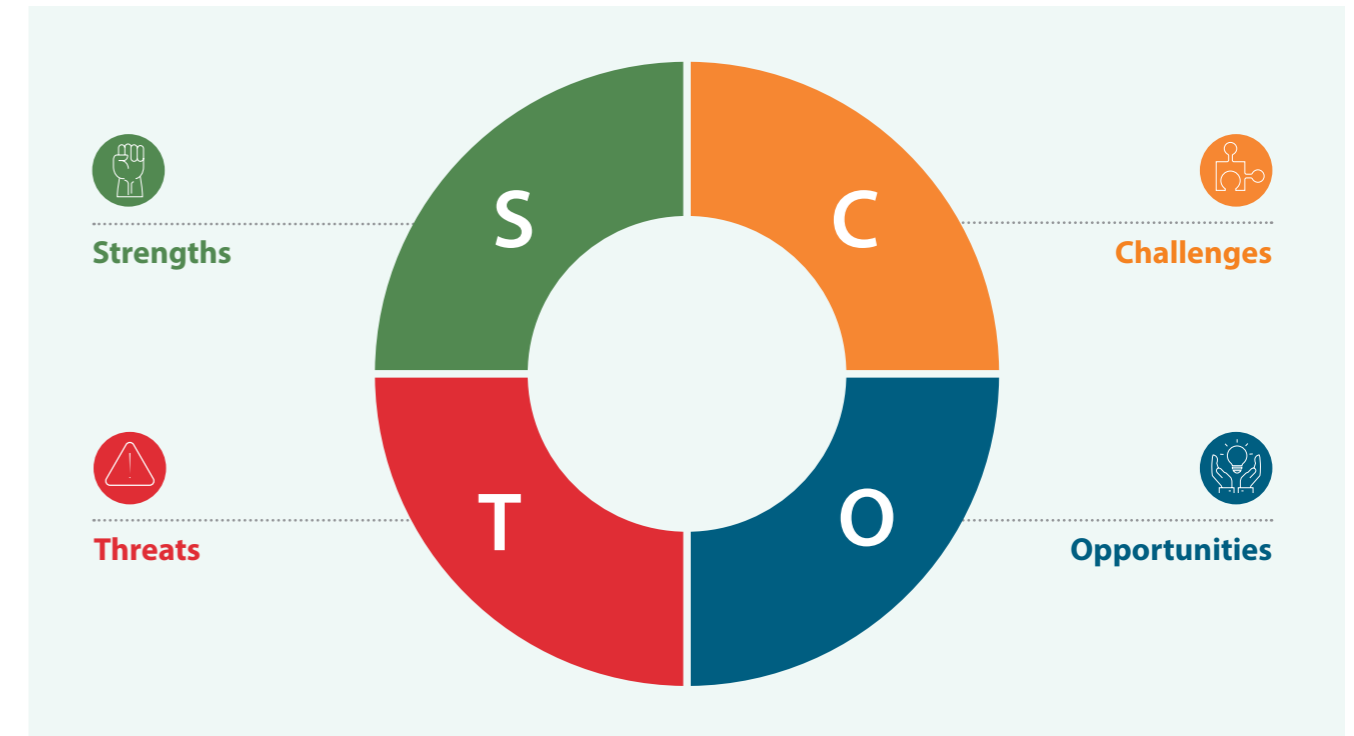
- Pillar 1: 5S - A clean and organised workplace must be implemented, cleaning schedules must be established and work practises must be standardised.
- Pillar 2: Autonomous Maintenance (AM) -Its main tasks include inspecting and lubricating equipment, doing minor repairs and providing training to operators.
- Pillar 3: Planned Maintenance, or PM. Its primary operations include condition-based maintenance, equipment overhauls and the implementation of a maintenance schedule.
- Pillar 4: Quality Maintenance (QM) - The main tasks are performing quality inspections, putting in place quality control procedures, figuring out and resolving the underlying causes of quality problems.
- Pillar 5: Training and Education- Conducting training programmes on TPM, problem-solving, continuous improvement for operators, supervisors and managers.

- Pillar 6: Early Equipment Management (EEM) - The key tasks are choosing and identifying the right equipment, creating upkeep schedules and putting the Total Productive Asset Management (TPAM) system in place.
- Pillar 7: Safety, Health and Environment (SHE) - Implementing safety regulations, performing safety audits and taking care of environmental issues are among the main activities.
- Pillar 8: Office TPM - Applying TPM concepts to office operations, organising offices better and running training programmes for office personnel.

The Rolling Mills and Bright Bar Departments of our Steel Plant Division have passed the first stage assessment of TPM Excellence Award Category A-2023, which is one of the most prestigious International Manufacturing Excellence Award given by the Japan Institute of Plant Maintenance.



SCOT Analysis



Strengths

- Cost and quality control – We have a competitive advantage in the industry thanks to its integrated operations, robust distribution network, ideal plant locations, cost advantage, strong brand, varied business portfolio, knowledgeable experienced and professional management team.
- Cost savings with locational advantage - The advantageous location of our manufacturing facilities in central India is due to its close proximity to sources of raw materials like iron ore, coal and scrap. Additionally, it is conveniently located near the market and has a continuous supply of power and water. We benefit from having own operational captive iron ore mines. The location of our Company is well-suited for supplying its final products to customers who are also located nearby in the market. It also has a 13km long railway siding for its raw material.
- Experienced, knowledgeable and professional leadership – The Neco Group of Industries is a prominent conglomerate based in India with a diverse portfolio of business interests spanning automotive with machining, and construction castings, iron & steel and ferrous metal valves, among others. Our founders and executives are enriched with around 4 to 5 decades of experience in the casting and steel sectors.
- Diversified product portfolio - We offer customised casting products and serve variety of grades and kinds of alloy steels.
- Long standing customer base - Our businesses have played a key role in attracting new customers and building a loyal base throughout the years.

Management Discussion and Analysis

Challenges

- Cyclical nature of the steel industry – We work in a sector that experiences cyclical changes in both demand and pricing of our finished products and price volatility in procurement of coal. Any severe downturn in the industry has the potential to impact our Company's earnings. The steel industry faces challenges in responding to changes in demand and the challenges due to capital-intensive nature of the industry. This can result in several projects becoming operational simultaneously, leading to a mismatch in supply and demand. Additionally, steel product manufacturers are price-takers in the market, which makes them vulnerable to fluctuations in the industry and can impact their profitability.
- Regulatory risk related to mining activities - Our Company is bound by several environmental, labour and safety standards since it operates in a heavily regulated sector of the economy. The time and money required to comply with these rules and regulations may negatively impact the profitability of the business. The Indian mining industry is subject to strict government regulations, which may lead to a ban on mining activities due to policy changes or due to flouting of Regulations. However, we are less exposed to this risk compared to companies involved in merchant mining because of our captive mining operations and superb compliance track record with all the extant regulations.
- Highly competitive industry – We confront fierce competition from the peers in the alloy steel business. Our Company's market share and pricing power may be restricted by this competition.
- Raw material sourcing costs – We are significantly dependent on offshore raw material like internationally procured low ash, low moisture coking coal and high quality non-coking coal which are susceptible to vagaries of supply and price fluctuations and any significant increase in the cost of raw materials has the potential to hurt our Company's profitability.
- Infrastructure bottlenecks – We work in rural regions which at times has poor infrastructure. This has an impact on the organization's logistics and supply chain.

Opportunities

- Growing steel demand: The Auto Sector (Principal end use sector for Finished Steel) has witnessed strong revival in the last couple of years and is expected to continue its momentum in the near future. Further due to quickening pace of urbanisation, industrialisation and infrastructure development, the demand for Automotive and consequently Alloy Steel is anticipated to increase in the coming years.
- Increasing the focus on innovation: We have the potential to develop new products and enter new markets as a result of innovations in manufacturing techniques, product design and technology. We produce high value added customized grade of Alloy Steel.
- Expansion into international markets: We can broaden our business activities internationally, especially in emerging nations where the demand for steel is rising.
- New business segment: Opportunities to tap new business in the sectors of Oil & Gas, Marine Engineering, Transmission line towers, Ball Bearing Steel Market and Defence.

Threats

- Economic uncertainty/unforeseen force majeure events like covid, war etc. - Any economic uncertainty, such as a recession or inflation, force majeure events might have an influence on the demand for steel products, which would therefore have an effect on our sales and profitability.
- Cheap imports – Dumping of steel from other countries can affect demand for steel in the Country.
- Technological advancements: We must keep up with the technological developments to be competitive as the steel sector witnesses tremendous technological improvements. Failure to do so might result in the business losing market share to rivals with more sophisticated technology.
- Aggressive goals transitioning to ESG are highly capital intensive due to requirement of expensive & niche technologies, significant capital investment and building of competencies.



Management Discussion and Analysis

Human Resources and Industrial Relations (HR & IR)

We put a lot of focus on encouraging a healthy work atmosphere and giving our workers plenty of possibilities for professional growth. Our employees' health and safety are of utmost concern to us. We had taken substantial steps to guarantee the safety of our personnel in light of the COVID-19 outbreak.

- **Covid Vaccination and Awareness:** We facilitated 100% COVID-19 immunisation for both our contractual and on-roll staff as part of our dedication to protecting their health. We also established telemedicine services, allowing employees to do physical health checks remotely, in recognition of the significance of routine health check-ups.
- **HR Connect:** We launched a new project called HR Connect to address the worries and problems experienced by our workers on the shop floor. As part of this programme, shop floor meetings are held once a month to encourage efficient communication and raise awareness. Additionally, we have integrated punching machines at all of our locations as part of the HRMS solutions we have put in place for more efficient employee life cycle management.

Information Technology (IT)

As a major enabler of productivity and efficiency in the contemporary business landscape, information technology is widely used by our Company in its operations. Enterprise resource planning (ERP) software, customer relationship management (CRM) tools and supply chain management (SCM) systems, world class testing equipments, automation of various production units with predictive & analytical algorithms including State of Art control mechanism are just a few of the IT systems and applications that our Company employs to manage its business activities.

Our Company employs IT to assist its manufacturing and production procedures, including computer-aided design (CAD) and computer-aided manufacturing (CAM) tools. In order to foster cooperation and information sharing among its staff, our Company also makes use of a variety of communication tools, including email, video conferencing, instant messaging and virtual data, mails & meeting platforms.

The successful implementation of SAP S/4/HANA software and SAP Ariba for procurement has yielded remarkable improvements in efficiency and productivity within our Integrated Steel Plant Division. These advanced technologies have played a crucial role in streamlining our operations and enhancing overall effectiveness. With the success achieved in the Integrated Steel Plant Division, we have extended the

- **Recruitment of Management Trainees:** We started management trainee programmes at 34 institutions across states including Chhattisgarh, Madhya Pradesh, Maharashtra, Odisha, NCR, Punjab and Andhra Pradesh as part of our commitment to developing talent. 3100 students were drawn in by our recruitment activities and participated in the written exam stage. Following the campus drive, 1861 applicants showed up for the final interview and 92 people have joined our Company.
- **Training and Development:** Our Company recognizes the importance of investing in the training and development of its Human Resources (HR) to enable them to perform their roles effectively and enhance their career growth. We offer various HR development programs, both in-house and external, to help HR employees acquire new skills and knowledge to support their job roles. These programs include training on performance management, recruitment and selection, employee engagement and retention strategies, as well as career development opportunities such as job rotations, stretch management, coaching and mentoring programs. Additionally, our Company encourages the employees to pursue relevant professional certifications to enhance their credentials and expertise.

implementation of SAP S/4 HANA to our Castings Division, further optimizing our performance across multiple segments. This integration of cutting-edge information technology platforms reflects our commitment to continuous improvement and innovation, reinforcing our position as a leading player in the industry and enabling us to deliver greater value to our stakeholders.



Risk Management

At our Company, we take risk management seriously, and have a robust framework in place to tackle various risks that may affect our business. Through a comprehensive process and a Risk Management framework, we identify, assess, monitor, and mitigate potential risks, ensuring a proactive approach to safeguarding our operations and interests.

To ensure the effectiveness of our risk management efforts, we have a dedicated Risk Management Committee and active involvement of Audit Committee and the Board. They regularly review our risk assessment and Action taken report, aligned with our well-defined Risk Management Policy and Plan. This ensures that our management can make informed decisions and implement appropriate measures to address potential risks promptly and efficiently. By fostering a culture of risk awareness, preparedness and management, we strive to protect the stability and growth of our Company, always looking ahead to secure a promising future.

The identified risk areas are as under:

- 1 Macro-Economic and Market conditions
- 2 Fluctuations in Foreign Exchange
- 3 Political Environment
- 4 Competition
- 5 Revenue Concentration
- 6 Inflation and Cost Structure
- 7 Technological Obsolescence and Cyber security Risk
- 8 Financial Reporting and Financial Leverage Risk
- 9 Risk of Corporate Accounting Fraud
- 10 Legal Risks
- 11 Quality and Project Management
- 12 Environmental Risk and Pandemic/Epidemic Risk Management
- 13 Human Resource Management Risk



Internal Control System & their Adequacy

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

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

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

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

Board's Report

Dear Members,

Your Directors are pleased to present their 50th Annual Report on the affairs of the Company together with the Audited Financial Statements for the year ended 31st March, 2023.

1. FINANCIAL RESULTS:

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

Particulars	₹ in crores	
	31.03.2023	31.03.2022
Revenue from Operations	6,342.86	5,958.55
Other Income	22.07	6.28
Total Income	6,364.93	5,964.83
Operating Expenses	5,560.91	4,658.85
EBIDTA	804.02	1,305.98
Finance Costs	453.02	458.63
Depreciation and Amortisation Expenses	265.71	260.99
Exceptional Items	51.19	(1,724.50)
Profit/(Loss) before tax	34.10	2,310.85
Tax Expenses	(192.77)	63.57
Profit/(Loss) after Tax carried to Balance Sheet	226.87	2,247.28

Your Company has not carried any amount to reserves, the amount of Profit after tax of ₹ 226.87 crores has been carried to Balance Sheet and adjusted against retained earnings.

2. DIVIDEND:

Due to accumulated past losses, your Directors do not recommend any dividend on the Equity Shares of the Company for the financial year 2022-23.

3. CHANGE IN NATURE OF BUSINESS OF COMPANY:

There is no change in the nature of business of your Company during the year.

4. MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis Report for the year, as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") is presented in a separate section forming part of this Annual Report.

5. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY SUBSEQUENT TO THE CLOSE OF THE FINANCIAL YEAR TILL THE DATE OF THIS REPORT:

No material changes and commitments have occurred subsequent to the close of the financial year till the date of this Report which may affect the financial position of the Company.

6. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the financial year 2022-23, following were the changes in the Board of Directors and Key Managerial Personnels (KMPs) of the Company:

Change in Director & KMP due to cessation/resignation:

- Dr. Suranjan Sinha (DIN: 09461995), ceased as an Independent Director of the Company due to completion of his term on 16th January, 2023.
- Shri Pramod Kumar Bhardwaj (DIN: 03451077), ceased as an Executive Director & Chief Financial Officer (CFO) of the Company due to completion of his term on 24th February, 2023.
- Shri Vikash Kumar Agarwal resigned and ceased to be the Company Secretary & Compliance Officer of the Company effective from 13th January, 2023.

Change in Director & KMP due to appointment:

- Shri Arvind Jayaswal (DIN: 00249864) re-appointed as Managing Director & CEO (Foundry Division) of the Company for the further period of 3 (Three) years w.e.f. 1st January, 2023.
- Shri Ramesh Jayaswal (DIN: 00249947) re-appointed as Joint Managing Director & CEO (Steel Plant Division) of the Company for the further period of 3 (Three) years w.e.f. 1st January, 2023.

- Shri Kapil Shroff appointed as CFO of the Company w.e.f. 25th February, 2023.

The Members at the 49th Annual General Meeting of the Company consented to the continuation of appointment of Shri Rajendraprasad Shrinivas Mohanka (DIN: 00235850) as an Independent Director of the Company beyond attending the age of 75 years for the remaining term up to 26th July, 2023.

Further, the Board of Directors of the Company on the recommendation of Nomination and Remuneration Committee, recommended for the approval of Members at the ensuing Annual General Meeting, the re-appointment of Shri Rajendraprasad Mohanka (DIN: 00235850) as an Independent Director of the Company for the second term of 5 (Five) years w.e.f. 27th July, 2023.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Shri Arvind Jayaswal (DIN: 00249864), Managing Director & Chief Executive Officer (CEO), Foundry Division and Shri Ramesh Jayaswal (DIN: 00249947), Joint Managing Director & Chief Executive Officer (CEO), Steel Plant Division of the Company are liable to retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

The necessary resolutions for re-appointment of Shri Arvind Jayaswal, Shri Ramesh Jayaswal and Shri Rajendraprasad Mohanka along with the brief profile and other related information seeking re-appointment forms part of the Notice convening the ensuing Annual General Meeting.

After the end of financial year, upon recommendation of the Nomination and Remuneration Committee of the Company, the Board of Director in their meeting held on 15th April, 2023 had appointed Shri Ashish Srivastava (Membership No. A20141) as the Company Secretary & Compliance Officer of the Company.

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

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

Key Managerial Personnel

In terms of the provisions of Section 203 of the Companies Act, 2013, during the financial year the Company had following whole-time Key Managerial Personnel:

- Shri Arvind Jayaswal (DIN: 00249864), Managing Director and CEO (Foundry Division);
- Shri Ramesh Jayaswal (DIN: 00249947), Joint Managing Director and CEO (Steel Plant Division);

- Shri Megh Pal Singh (DIN: 02635073), Executive Director (Steel) and COO (Steel Plant Division);

- Shri Pramod Kumar Bhardwaj (DIN: 03451077), Executive Director & CFO (Up to 24th February, 2023);

- Shri Kapil Shroff, CFO (effective from 25th February, 2023);

- Shri Vikash Kumar Agarwal, Company Secretary & Compliance Officer (Up to 13th January, 2023).

Board Evaluation

In terms of the requirement of the Companies Act, 2013 and Listing Regulations, the Board carried out an annual evaluation of its own performance, Board Committees, individual Directors including the Independent Directors and the Chairman of the Company on the basis of the criteria of Board Evaluation devised by the Company with the aim to improve the effectiveness of the Board and the Committees.

The performance evaluation of the Board and its Committees focused on various factors, including their functions, responsibilities, competencies, strategy, risk identification and control, diversity and nature of the business. A comprehensive questionnaire was circulated to Board Members, covering multiple aspects of the Board's functioning, culture, execution of duties, professional obligations and governance. The questionnaire aimed to assess Directors' knowledge, independence in decision-making, involvement in business planning, constructive engagement with colleagues and understanding of the Company's environment and its risk profile. Additionally, the Chairman of the Board and/or Executive Directors was evaluated based on leadership, co-ordination and steering skills.

During the year, 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.

The appointment/ re-appointment/ continuation of Directors on the Board is based on the outcome of evaluation process.

Remuneration Policy

Pursuant to Section 178(3) of the Companies Act, 2013, the Nomination and Remuneration Committee constituted under the provisions of Section 178(1) of the Companies Act, 2013, recommended to the Board of Directors of the Company, a Policy on Director's appointment and remuneration, including, criteria for determining qualifications, positive attributes, independence of a Director and other matters. The extract of the said Policy is covered in Corporate Governance Report which forms part of this Annual 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 year, all related party transactions that were entered were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnels or other designated persons which may have a potential conflict with the interest of the Company at large.

Pursuant to the provision of applicable Listing Regulations, all related party transactions are placed before the Audit Committee for approval as per the Regulation 23 of Listing Regulations. Prior omnibus approval of the Audit Committee has been obtained for transactions which are foreseen and repetitive in nature. A statement providing details of all related party transactions is presented to the Audit Committee and the Board of Directors on a quarterly basis.

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 and can be accessed at the link: <https://www.necoindia.com/pdf/Policy%20on%20Related%20Party%20Transactions.pdf>.

7. CORPORATE SOCIAL RESPONSIBILITY:

As part of its initiatives under "Corporate Social Responsibility" (CSR), the Company has undertaken projects and programmes 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, Programmes and Training for development and upliftment of rural masses especially women, youths and girls and Development of Infrastructural facilities in rural areas.

The Company's CSR Policy is available on the website of the Company and it is available at <https://www.necoindia.com/images/investor/corporate-governance/Corporate-Social-Responsibility-Policy-1.pdf>

During the financial year 2022-23, the Company Spent ₹ 377.63 lakhs against the CSR budget of ₹ 218.78 lakhs.

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

8. 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.

9. SUBSIDIARY COMPANY AND ASSOCIATE COMPANY:

During the year, 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 and is available at: <https://www.necoindia.com/images/investor/corporate-governance/Policy-on-Material-Subsidiaries.pdf>

10. 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.

11. 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 Practising Company Secretary confirming compliance with the conditions of Corporate Governance is appended and forms part of this Annual report.

12. RISK MANAGEMENT:

The Board of Directors had constituted Risk Management Committee to assist the Board with regard to the identification, evaluation and mitigation of strategic, operational, external environment and cyber security risks and in fulfilling its corporate governance oversight responsibilities and to develop policy for actions associated to mitigate the risks. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continual basis. The updated risk management policy of the Company is available on the website of the Company at the link: <https://www.necoindia.com/pdf/Risk-Management-Policy.pdf>

13. VIGIL MECHANISM / WHISTLE-BLOWER POLICY:

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

14. DIRECTORS RESPONSIBILITY STATEMENT:

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

- that in the preparation of the annual financial statements for the year ended 31st March, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that such accounting policies as mentioned in Note 1 of the Notes to the Financial Statements have been selected and applied consistently and judgements 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, 2023 and of the profit and loss of the Company for the year ended on that date;
- 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;
- that the annual financial statements have been prepared on a going concern basis;
- that proper internal financial controls have been in place and that the internal financial controls are adequate and have been operating effectively;
- that systems to ensure compliance with the provisions of all applicable laws have been in place and are adequate and operating effectively.

15. 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.

16. ANNUAL RETURN:

In accordance with the provisions of Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013 and Rules framed thereunder, an Annual Return in the prescribed format for the financial year 2022-23 is available on the website of the Company at <https://www.necoindia.com/financial-results-annual-reports-annual-returns.php>

17. STATUTORY AUDITORS AND THEIR REPORT:

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

The Auditors Report on the financial statements of the Company for the year ended 31st March, 2023 is self-explanatory and with unmodified opinion.

The Statutory Auditors Report for the financial year 2022-23 does not contain any qualification, reservation, or adverse remark. However, the Statutory Auditors have placed emphasis on certain matters in the audit report related to the attachment of properties of the Company. These matters are self-explanatory and have been adequately disclosed in Note no. 2.07 of the financial statements. The Report is enclosed with the financial statements in this Annual Report.

18. COST AUDITOR:

In accordance with Section 148 of the Companies Act, 2013, the Company maintains cost records as required and a Cost Accountant conducts an audit of these records.

The Board of Directors of the Company on the recommendation of the Audit Committee, at its meeting held on 23rd May, 2023 has re-appointed M/s. Manisha & Associates, Cost Accountants, Nagpur (FRN. 000321), as the Cost Auditors of the Company, to conduct the audit of the Cost Accounting records for the financial year 2023-24 on the remuneration of ₹1,75,000/- (Rupees One Lakhs Seventy-Five Thousand Only) for Cost Audit and ₹ 9,000/- (Rupees Nine Thousand Only) for XBRL documents preparation 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 2023-24 for the ratification by the Members at the ensuing Annual General Meeting.

19. SECRETARIAL AUDITOR AND THEIR REPORT:

In accordance with Section 204 of the Companies Act, 2013, the Company is required to submit alongwith its Board's report, a Secretarial Audit Report, given in the prescribed form, by a Company Secretary in practice.

The Board of Directors of the Company on the recommendation of the Audit Committee, at its meeting held on 23rd May, 2023 has re-appointed M/s. R. A. Daga and Co., Company Secretaries, Nagpur (FCS No: 5522 C. P. No.: 5073) to conduct the Secretarial Audit for the financial year 2023-24.

The Secretarial Audit Report for the financial year ended 31st March, 2023 in Form MR-3 is attached as **"Annexure D"** and forms part of this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

20. REPORTING OF FRAUD BY AUDITORS:

The Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its officers or employees to the Audit Committee under Section 143(12) of the Companies Act, 2013, the details of which need to be mentioned in this Report.

21. 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 Boards' Report is given in **"Annexure E"** to this Report.

22. 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 Tribunal 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 the point - Projects and Impairment of Non-Operational Assets under the Management Discussion and Analysis Report which forms part of this Annual Report.

23. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016:

During the year, the Hon'ble NCLT, Mumbai Bench, Court-II by its Order dated 9th February, 2023, has dismissed the Petition filed by M/s Abhiruchi Vision Private Limited (AVPL) against the Company under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC) claiming an alleged amount of ₹ 437.60 crores (Principal amount of ₹104.44 crores plus accrued interest @ 18.00% p.a.).

On an Appeal filed by AVPL against the Order of Hon'ble NCLT, Mumbai Bench, Court-II, under Section 61 of the IBC before the Hon'ble NCLAT, New Delhi, the Hon'ble NCLAT, New Delhi, by its Order dated 4th July, 2023, held that "there is no merit in the Appeal filed by AVPL and hence the Appeal is dismissed".

24. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:

As per the amendment to Regulation 34(2)(f) of the Listing Regulations, 2015 and the National Guidelines on Responsible Business Conduct (NGRBC) issued by the Ministry of Corporate Affairs, Government of India, the top one thousand listed companies (by market capitalisation) are required to prepare and present a Business Responsibility and Sustainability Report (BRSR) to stakeholders. This replaces the previous Business Responsibility Report (BRR) and follows internationally accepted reporting frameworks on environmental, social and governance (ESG) Reporting. This Report enable the shareholders to have an insight into environmental, social and governance initiative of the Company.

The BRSR requires listed entities to disclose their performance against the nine principles of the NGBRC, with reporting divided into essential and leadership indicators. Essential indicators are mandatory to report, while reporting leadership indicators is voluntary. Your Company has reported both on essential and leadership indicators.

The BRSR describing the initiatives taken by the Company from an environmental, social and governance perspective, in the format as specified by the Securities and Exchange Board of India, forms a part of this report.

25. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

As per the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH), the Company has placed adequate mechanism to provide safe and congenial working environment to all female employees.

The Company has constituted location wise Internal Complaints Committees (ICC) to redress the complaints of female workers. The ICC's are composed of internal Members and an external Member who has extensive experience in the field. During the year, no cases have been filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

26. GENERAL:

Your Directors state that during the year:

- i. The Company has no deposits covered under Chapter V of the Companies Act, 2013.

- ii. The Company has complied with the applicable Secretarial Standards under the Companies Act, 2013.
- iii. The Dividend Distribution Policy of the Company is available on the Company's website and can be accessed at <https://necoindia.com/images/investor/corporate-governance/Dividend-Distribution-Policy.pdf>

27. ACKNOWLEDGEMENTS:

Your Directors' place on record, their sincere appreciation and gratitude for all the co-operation extended by Government Agencies, Lenders, 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

Place: Nagpur
Date: 14th August, 2023

Arvind Jayaswal
Managing Director
(DIN: 00249864)

Ramesh Jayaswal
Joint Managing Director
(DIN: 00249947)

ANNEXURE – A

Annual Report on Corporate Social Responsibility (CSR) activities

1. Brief outline on CSR Policy of the Company –

Corporate Social Responsibility (CSR) lies within the functioning of the corporate operations itself, which caters to the needs of the community and the regions in which it operates. It has now been realised 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.

The Corporate Social Responsibility for JNIL entails much more than social outreach programmes 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 programmes 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.

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.

2. Composition of CSR Committee is as follows:

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

3. Web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

- Composition of CSR Committee: <https://www.necoindia.com/board-n-its-committees.php>
- CSR Policy: <https://necoindia.com/images/investor/corporate-governance/Corporate-Social-Responsibility-Policy-1.pdf>
- CSR projects approved by the Board: <https://www.necoindia.com/pdf/investor/corporate-governance/CSR%20ACTIVITIES%202022-23.pdf>

4. Executive Summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of Sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:

Not Applicable

5. CSR Obligation:

Sr. No.	Particular	Amount (₹ in lakhs)
(a)	Average net profit of the Company as per Sub-section (5) of Section 135.	10,939.18
(b)	Two Percent of average net profit of the Company as per Section 135(5)	218.78
(c)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	Nil
(d)	Amount required to be set-off for the financial year, if any.	Nil
(e)	Total CSR obligation for the financial year [(b) + (c) – (d)]	218.78

6. Amount spent on CSR:

Sr. No.	Particular	Amount (₹ in lakhs)
(a)	Total Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	377.63
(b)	Amounts spent in Administrative overheads.	Nil
(c)	Amount spent on Impact Assessment, if applicable	Nil
(d)	Total Amount spent for the financial year [(a)+(b)+(c)]	377.63

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	Projects/Activities	Item from the list of activities in Schedule VII to the act.	Local Area (Y/N)	Locations District (State)	Amount spent for the project (₹ in lakhs)	Mode of implementation - Direct (Yes/ No)	Mode of implementation- Through implementing agency (Name & CSR Reg. No.)
1.	Organised Health check-up camps, Blood donation camps and Eye check-up camps for villagers of plant peripheral areas; Financial assistance to Gram Panchayat for providing drinking water during acute summer; Digging of Borewell; Provided two garbage cleaning E-Rickshaw to the Gram Panchayat; Established First Aid Centres; Supplied Sanitary Pad Vending machine; Repairing of handpumps and solar pumps; Provided water purifier for Community; Fitted fifteen Iron Removal Plants on handpumps; Replaced old water tank with new one; Prepared display boards for handpumps and solar water pumps; Construction of toilets for females; Installation of three 1 HP solar dual pumps; two water tanks of capacity 3,000 Ltrs; three water tanks of capacity 1,000 Ltrs. for drinking water to Villagers; Ambulance services provided for mine peripheral villagers; Vehicle provided to one needy person for treatment of Cancer and organised Swachhata Pakhwada Karyakram in mines peripheral villages.	Health Care, Sanitation, Safe Drinking Water, Eradicating hunger, poverty and malnutrition.	Yes	Narayanpur, Kanker, Kabirdham and Raipur (Chhattisgarh), Gondia (Maharashtra)	60.00	Yes	NA
2.	Provided skill development training to rural unemployed youths of plant peripheral areas; Financial assistance for publication of booklet to promote Adult Literacy programme; Financial assistance for honorarium of teachers; Financial assistance for organising programme on Entrepreneurship Skills/to create social awareness about a multitude of social causes; Organising Scholarship distribution programme for academic meritorious students; Organising 5s talk programme for the students of plant peripheral schools; Engaged teachers for providing free coaching to the students of mine peripheral villages and provide assistance to promote education in rural/plant peripheral areas; Provided LED lights and Window coolers to Schools and Ashrams to promote education to rural and tribal students.	Education, Training.	Yes	Narayanpur, Kabirdham, Kanker and Raipur (Chhattisgarh)	21.42	Yes	NA
3.	Financial assistance to Maverick Event & Cultural Development Society, Raipur for organising women Marathon Drive to bring safety awareness among the women of our society; Establishing and running a tailoring training centre to provide free tailoring training to the unemployed women/girls in mine peripheral areas and sewing training provided to village women.	Women Empowerment	Yes	Narayanpur, Raipur and Kanker (Chhattisgarh) and Gondia (Maharashtra)	3.23	Yes	NA
4.	Provided assistance to a Sportsman of plant peripheral village for participating in national level marathon race; Financial assistance to the State Development and Research Centre, Raipur for organising Sansad Sports Mahotsav and Financial assistance for organising Sports tournaments in nearby villages of Plants.	Sports Activity	Yes	Narayanpur, Kanker, and Raipur (Chhattisgarh) and Gondia (Maharashtra)	9.51	Yes	NA
5.	Landscaping and gardening work at Swami Vivekanand Airport, Raipur for Eco Balance; Development and maintenance of nursery; Plantation & maintenance of trees; Watering on small plants adjacent to the roads and sprinkling of water on village roads.	Environmental Sustainability	Yes	Narayanpur, Kanker, Kabirdham and Raipur (Chhattisgarh), Gondia (Maharashtra)	55.38	Yes	NA

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	Projects/Activities	Item from the list of activities in Schedule VII to the act.	Local Area (Y/N)	Locations District (State)	Amount spent for the project (₹ in lakhs)	Mode of implementation - Direct (Yes/ No)	Mode of implementation- Through implementing agency (Name & CSR Reg. No.)
6.	Financial assistance for organising various traditional and cultural programmes on Festivals, Distribution of Umbrella, Provided Mid-day meal and dinner at Bhikshuk Punarvas Kendra, Brudhasram and Missionaries of Charity; Operating Samadhan Kendra for facilitation of Photocopier, Internet, Employment news, Computer work to the needy people of Metabodeli Mine peripheral areas; Financial Assistance to Visit Maharashtra & Goa to study the social, economic & educational conditions of tribal.	Promotion and Development of Traditional Art and Culture, Community Welfare and Promotion of weaker sections of Society.	Yes	Narayanpur, Kanker, Kabirdham, Bilaspur and Raipur (Chhattisgarh), Gondia (Maharashtra)	32.04	Yes	NA
7.	Levelling of Ground at School Campus; Fixation of tiles at Gram Panchayat; Construction of Community Hall, Financial Assistance for construction of Walker Street; Construction of entrance gate (Swagat Dwar) at village Siltara; Construction, repairing and maintenance of roads, culverts etc.; Construction of Aadiwasi Bhawan; Seating arrangement for Community; Village development work; Financial assistance for development work; Installation and repairing of high mast lights & LED high beam lights; Barricades and traffic boards placed in village roads for road safety purpose.	Rural & Infrastructure Development Projects	Yes	Narayanpur, Kanker and Raipur (Chhattisgarh), Nagpur & Gondia (Maharashtra)	196.05	Yes	NA
TOTAL					377.63		

(e) CSR amount spent or unspent for the Financial Year:

Total Amount spent for the FY 2022-23 (₹ In lakhs)	Amount unspent (₹ In lakhs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5).		
	Amount	Date of Transfer	Name of the fund	Amount	Date of Transfer
377.63			NIL		

(f) Excess amount for set-off, if any:

Sr. No.	Particular	Amount (₹ in lakhs)
i.	Two Percent of average net profit of the Company as per Section 135(5)	218.78
ii.	Total Amount spent for the FY 2022-23	377.63
iii.	Excess Amount spent for the FY 2022-23 [ii-i]	158.85
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Year, if any.	Nil
v.	Amount available for Set off in succeeding Financial Years [iii-iv]	158.85

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (in ₹)	Balance Amount in Unspent CSR Account under Section 135(6) (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to a fund as specified under Schedule VII as per second proviso to Section 135(5), if any.		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
								NA

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

9. Specify the reason(s), if the Company has failed to spend two percent of the average Net Profit as per section 135 (5). Not Applicable

Place: Nagpur
Date: 14th August, 2023

Arvind Jayaswal
Managing Director
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. Installation of VFD for ABC Fan-1 of DRP-2.
2. Enhancement of steam generation by 0.5MW per hour at DRP-1
3. Enhancement of steam generation by 0.5MW per hour at DRP-2

ii) The steps taken by the Company for utilising alternate sources of energy/optimising the use of energy:

1. Blast Furnace (BF) Gas holder revamping done at Blast Furnace and taken in line.
2. Provision of ID fan at Blast Furnace stack to improve the draught conditions and helps to improve BF gas volume in stoves.
3. Procurement of 11 nos. Flowmeter for measuring, analysing and controlling ground water. Installation of the same is under progress.

iii) The capital investment on energy conservation equipments:

1. Provision of ID fan at Blast Furnace stack (₹ 75 lakhs)

B) Technology Absorption -

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

1. In Bright Bar prepared new Bell for the coil annealing furnace in house at a cost of ₹31 lakhs by saving ₹26 lakhs. In operation since January 2023.
2. In HBM Modification in Movable Saw shiftable roller table to make capable to cut 5 mtr length bar as per customer requirement in place of 5.5 meter before modification.

3. In Pellet Plant the interconnection of compressed air line of LT compressor and HT compressor saves ₹ 64.69 lakhs per year.
4. In LBM, slow cooling bed provided to avoid internal cracks in rolled products.
5. In SMS2, caster secondary cooling water 20 micron Auto back wash filter provided and "Y" strainer provided in segments to eliminate spray nozzle clogging. This improves billet quality.
6. For Improving size of sinter product in sinter plant an oversize Sinter Screen & Crusher has been installed for crushing of oversize sinter as per Blast furnace requirement, this has eliminated oversize material in the sinter product.

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

Details of Technology Imported	Technology Imported from	Year of Import
Auto Ultrasonic Testing (Auto UST) Machine	Olympus, Canada	2020-21
Magnetic Flux Leakage Test (MFLT)	Pruftechnik, Germany	2020-21
Scanning Electron Microscope (SEM-EDS)	JEOL, Japan	2022-23
Immersion Ultrasonic Machine	Olympus, Canada - Bluestar	2022-23

iii) The above technology has been fully absorbed.

iv) Expenditure incurred on Research and Development: Nil

C) Foreign Exchange Earnings and Outgo -

Particulars	(₹ in lakhs)	
	2022-23	
Foreign Exchange earned in terms of actual inflows	3,379.98	
Foreign Exchange spent in terms of actual outflows	1,49,459.09	

For and on behalf of Board of Directors

Arvind Jayaswal
Managing Director
(DIN: 00249864)

Ramesh Jayaswal
Joint Managing Director
(DIN: 00249947)

Place: Nagpur
Date: 14th August, 2023

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 ₹)

Not Applicable

The Company do not have any Subsidiary Company as on 31.03.2023.

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	31.03.2022
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 ₹ 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 ₹ 10/- each are held by the Company jointly with Anurag Sales and Services Private Limited (the beneficial owner)

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

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

For and on behalf of Board of Directors

Arvind Jayaswal
Managing Director
(DIN: 00249864)

Ramesh Jayaswal
Joint Managing Director
(DIN: 00249947)

Kapil Shroff
Chief Financial Officer

Ashish Srivastava
Company Secretary
(Membership No.: A20141)

Place: Nagpur

Date: 14th August, 2023**ANNEXURE – D****Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023**

[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 – 440 016.

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 authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

A. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

- The Companies Act, 2013 (“the Act”) and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the rules made thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; and
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB): There were no such transactions related to FDI, ODI and ECB in the Company during the period under audit.

(v) The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992 (SEBI Act):-

- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- 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; and
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

(vi) Though the following laws are prescribed in the format of Secretarial Audit Report by the Government, the same were not applicable to the Company during the audit period for the financial year ended 31st March, 2023:

- 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 & Listing of Non-Convertible Securities) Regulations, 2021;
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

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

- Factories Act, 1948 & the allied State Laws;
- Industries (Development & Regulation) Act, 1951;

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

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

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

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

We further report that,

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

4. National Company Law Tribunal (NCLT), Mumbai Bench has dismissed a petition on 9th February, 2023 filed against the Company under Section 7 of the Insolvency & Bankruptcy Code of India, 2016.

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

B. We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors including Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013 and the Listing Regulations.
- It was observed that there was re-appointment of Shri Arvind Jayaswal as a Managing Director & Chief Executive Officer (Foundry Division) and Shri Ramesh Jayaswal as a Joint Managing Director & Chief Executive Officer (Steel Plant Division) w.e.f. 1st January, 2023.
- During the period under review, the Board of the Company was temporarily short of 50% requirement of Independent Directors consequent to the retirement of Dr. Suranjan Sinha, Independent Director of the Company on 16th January, 2023. However, Post retirement of Shri Pramod Kumar Bhardwaj, Executive Director of the Company w.e.f. 24th February, 2023, the requirement of having 50% of Independent Director on the Board was complied.
- As on 31st March, 2023, the Board Composition meets the LODR Requirements comprising 12 (Twelve) Directors with the 50% composition of Independent Directors.
- It was observed that Shri Pramod Kumar Bhardwaj ceases to be Chief Financial Officer of the Company w.e.f. 24th February, 2023 and Shri Kapil Shroff was appointed as Chief Financial Officer of the Company w.e.f. 25th February, 2023.
- It was also further observed that Shri Vikash Kumar Agarwal ceases to be Company Secretary & Compliance officer of the Company w.e.f. 13th January, 2023 and Shri Ashish Srivastava was appointed as Company Secretary & Compliance officer of the Company w.e.f. 15th April, 2023.

- Adequate Notice is given to all Directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the Agenda items before the meeting and for meaningful participation at the meeting.
- Majority decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be and while the dissenting Members' views if any are captured and recorded as part of the minutes.

- The Company has obtained all necessary approvals under the various provisions of the Act; and
- C. We further report that**, there are *prima facie* adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- D. We further report that**, during the audit period, there were no other specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines etc., having major bearing on the Company's affairs.

R. A. DAGA & Co.
Company Secretaries

Rachana Daga
Proprietor

Membership No.: 5522 C. P. No.: 5073
PR No.: 1568/2021
UDIN: F005522E000519849

Place: Nagpur
Date: 29th June, 2023

**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 Account of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

R.A. DAGA & Co.
Company Secretaries

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

Place: Nagpur
Date: 29th June, 2023

ANNEXURE II

- **Registered office & Corporate office:**
F-8, MIDC Industrial Area, Hingna Road, Nagpur - 440016.
- **List of Plants and their locations:**
 1. Steel Plant Division - Siltara Growth Centre, Raipur (CG).
 2. Centricast Division - MIDC Area, Hingna Rd., Nagpur (MH).
 3. Engineering Castings Division - MIDC Area, Hingna Road, Nagpur (MH).
 4. Automotive Castings Division - Butibori, Nagpur (MH).
 5. Construction Castings Division - Thanod Road, Anjora, Rajnandgaon (CG).

Place: Nagpur
Date: 29th June, 2023

R.A. DAGA & Co.
Company Secretaries

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

ANNEXURE – E

Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended and forming part of the Boards' Report for the year ended 31st March, 2023.

i) The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23:

Sr. No.	Name of Directors	Ratio
1	Shri Basant Lall Shaw	0.27
2	Shri Arvind Jayaswal	45.09
3	Shri Ramesh Jayaswal	45.09
4	Shri B. K. Agrawal	0.41
5	Shri P. K. Bhardwaj	13.11
6	Shri Megh Pal Singh	21.39
7	Shri Rajendra Prasad Mohanka	0.29
8	Shri Ashwini Kumar	0.27
9	Smt. Kumkum Rathi	0.27
10	Shri Manoj Shah	0.32
11	Shri Vinod Kathuria	0.27
12	Shri Davinder Chugh	0.31
13	Shri Atul Gupta	0.27
14	Dr. Suranjan Sinha	0.20

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 2022-23:

Sr. No.	Name of Directors/KMP	Designation	% increase/ (decrease) in Remuneration Paid
1	Shri Basant Lall Shaw*	Chairman	(33.33)
2	Shri Arvind Jayaswal	Managing Director & CEO (Foundry Division)	38.06
3	Shri Ramesh Jayaswal	Jt. Managing Director & CEO (Steel Plant Division)	38.06
4	Shri B. K. Agrawal*	Independent Director	(27.91)
5	Shri P. K. Bhardwaj (Retired w.e.f. 24 th February, 2023)	Executive Director and CFO	10.55
6	Shri Megh Pal Singh	Executive Director (Steel) & COO (Steel Plant Division)	21.51
7	Shri Rajendra Prasad Mohanka*	Independent Director	(37.14)
8	Shri Ashwini Kumar*	Independent Director	0.00
9	Smt. Kumkum Rathi*	Independent Director	100.00
10	Shri Manoj Shah*	Independent Director	380.00
11	Shri Vinod Kathuria*	Independent Director	300.00
12	Shri Davinder Chugh*	Nominee Director	283.33
13	Shri Atul Gupta*	Nominee Director	300.00
14	Dr. Suranjan Sinha* (Retired on 16 th January, 2023)	Independent Director	200.00
15	Shri Kapil Shroff (Appointed w.e.f. 25 th February, 2023)	Chief Financial Officer	---
16	Shri Vikash Kumar Agarwal (Resigned w.e.f. 13 th January, 2023)	Company Secretary and Compliance Officer	(7.58)

*Only sitting fees paid.

iii) The percentage increase in the median remuneration of employee(s) in the financial year 2022-23: 9.48%

iv) The number of permanent employees on the roll of the Company: 4252 Employees as on 31st March, 2023.

- 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:

Average percentile increase in Salaries of Non-Managerial Personnel is 9.38%.

Average percentile increase in Salaries of Managerial Personnel is 15.41%.

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 Boards' Report for the year ended 31st March, 2023:

Sr. No.	Name of the Employee	Designation/Nature of Employment	Age/ Qualification	Experience	Remuneration (₹ in lakhs)	Last Employment	Date of Appointment	Equity holding %
1	Shri Arvind Jayaswal	Managing Director & CEO (Foundry Division)/ Contractual	69, B.Sc.	46	168.65	Managing Director of Jayaswals Neco Limited	01.01.1998	0.25
2	Shri Ramesh Jayaswal	Joint Managing Director & CEO (Steel Plant Division)/ Contractual	63, B.Com.	39	168.65	Whole time Director of Nagpur Alloy Castings Limited	01.01.1998	0.25
3	Shri S. K. Swain	Associate Director (Metal Mines)	55, B. E. (Metallurgy)	31	94.85	Midwest Iron & Steel Co. Ltd.	11.09.1995	--
4	Shri Bijendra Kumar Tiwari	President (Works)	52, B.E. (METT.), M.TECH. (IND. METT.)	26	91.82	Hospet Steels Limited	12.12.2019	--
5	Shri Susanta Kumar Moitra	Associate Director (Business Development)	58, M.Com., D.B.M. and M.B.A.	32	90.71	House of Kedia, Bhilai	10.10.2001	0.00
6	Shri Prashant Laxmikant Dande	President (Marketing)	56, B.E. (Metallurgy)	33	83.03	Kalyani Steels Limited	08.10.2021	--
7	Shri Kapil Shroff	Chief Financial Officer	44, B.Com., F.C.A, D.I.S.A.	23	81.87 (See note iii)	Sunflag Iron & Steel Co. Ltd.	15.05.2004	--
8	Shri Megh Pal Singh	Executive Director (Steel) & COO (Steel Plant Division)/ Contractual	65, B. E. (Metallurgy)	43	80.00	Bhushan Steel Limited	13.11.2014	--
9	Shri B. Shrinivas Rao	Vice President (Pellet Plant)	56 AMIE (ELECT. & TELE.), MBA (Finance), M.Sc. (Physics), Dip. Production Management, Dip. Personal Management	33	70.65	M/s. Essar Steel Limited, Visakhapatnam	31.05.2012	--
10	Shri Rajkamal Shrivastava	President (Material Management)	60, B.Com., LLB, PGDM & SM	38	61.89	Sunflag Iron & Steel Co. Ltd.	14.08.2003	0.00

Notes:

- i. Remuneration includes Salary and allowances.
ii. Shri Arvind Jayaswal and Shri Ramesh Jayaswal are related to Shri Basant Lall Shaw, Chairman of the Company.
iii. Remuneration of Shri Kapil Shroff includes Salary up to the period of 24th February, 2023 as President (Finance) and thereafter as Chief Financial Officer of the Company.

For and on behalf of Board of Directors

Place: Nagpur
Date: 14th August, 2023

Arvind Jayaswal
Managing Director
(DIN: 00249864)

Ramesh Jayaswal
Joint Managing Director
(DIN: 00249947)

Corporate Governance Report

Pursuant to Part C of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company's philosophy and ideology on Corporate Governance are driven by its values and principles, which are imbibed at all levels in the Company to ensure that it gains and retains the trust of Stakeholders. The Company endeavours to uphold the principles and practices of Corporate Governance to ensure transparency, integrity and accountability in its functioning, which are vital to achieve its Vision.

The vision of the Company is to be an organisation that continuously achieves economic value by optimising resources through operational excellence, powered by technology, driven by innovation, creating delight and to be a globally admired organisation that enhances sustainable industrial and business development and be the global benchmark in the field of its operation. Further, the mission of the Company is to achieve Sustainable Growth and Return on Investment by continuous improvement of Human Resources, Environment, Technology and Product.

Based on the above corporate principles (Vision and Mission), the Company considers compliance to be its highest priority and strengthen and enhance corporate governance on an ongoing basis as a priority for Management, in order to meet the expectations of all of its stakeholders, including its shareholders and customers, with the aim of materialising the Company's sustainable growth and improving its medium- to long-term corporate value.

The Company is committed to sound principles of Corporate Governance with respect to all of its procedures, policies and practices. The Company has established systems, procedures and policies to ensure that its Board of Directors is well informed and well equipped to discharge overall responsibilities and provide Management with the strategic direction catering to exigency of long-term shareholders value. The corporate governance principles implemented by the Company endeavour to protect, recognise and facilitate shareholders' rights and ensure timely and accurate disclosures to them.

As we are growing day by day, we continue to raise our bar across our governance practices, ranging from our ground-breaking ESG commitments to best-in-class disclosure practices, Board independence, alignment to globally accepted norms and policies and our emphasis on digitally enabled, technology-led business.

The Company also continuously review its governance processes and systems to ensure the highest ethical and responsible standards are being practiced by the Company.

II. BOARD OF DIRECTORS

The Board of Directors of the Company comprises eminent and distinguished personalities with proficiency and vast experience in diversified sectors with an optimum mix of management and financial experts thereby ensuring the best interest of the stakeholders and the Company. The Company has a balanced and diverse Board which comprises Executive Directors, Non-Executive Directors, Non-Executive Nominee Directors and Non-Executive Independent Directors. In designing the Board's composition, several factors are considered, which include educational background; professional experience; gender; skills; knowledge; among others.

As on 31st March, 2023, the Board of the Company comprises of 12 (Twelve) Directors; with the composition of Executive, Non-Executive and Independent Directors.

During the financial year ended 31st March, 2023, 4 (Four) Board Meetings were held on (i) 30.05.2022 (ii) 09.08.2022 (iii) 12.11.2022 and (iv) 11.02.2023.

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 and DIN	Designation and Category	Board Meetings Attended	Attended last AGM held on 29.09.2022	No. of Directorships in other Companies as on 31.03.2023*			Name of Listed Entity and Category of Directorship
					Director	Member	Chairman	
1	Shri Basant Lall Shaw (DIN: 00249729)	Chairman, Promoter, Non-Executive	4	Yes	3	-	-	-
2	Shri Arvind Jayaswal (DIN: 00249864)	Managing Director & CEO (Foundry Division), Promoter, Executive	4	Yes	3	-	-	-
3	Shri Ramesh Jayaswal (DIN: 00249947)	Joint Managing Director & CEO (Steel Plant Division), Promoter, Executive	4	Yes	4	-	-	-
4	Shri B. K. Agrawal (DIN: 01223894)	Independent Director, Non-Executive	4	Yes	-	-	-	-
5	Shri P. K. Bhardwaj (DIN: 03451077) (Retired on 24 th February, 2023)	Executive Director & CFO Professional, Executive	4	No	-	-	-	-
6	Shri Ashwini Kumar (DIN: 07694424)	Independent Director, Non-Executive	4	No	-	-	-	-
7	Shri Manoj Shah (DIN: 00010473)	Independent Director, Non-Executive	4	No	-	-	-	-
8	Smt. Kumkum Rathi (DIN: 03128864)	Independent Director, Non-Executive	4	No	-	-	-	-
9	Shri Megh Pal Singh (DIN: 02635073)	Executive Director (Steel) & COO (Steel Plant Division), Professional, Executive	4	No	1	-	-	-
10	Shri Vinod Kumar Kathuria (DIN: 06662559)	Independent Director, Non-Executive	4	Yes	3	-	-	Satia Industries Limited - Independent Director
11	Shri Rajendra Prasad Mohanka (DIN: 00235850)	Independent Director, Non-Executive	3	Yes	1	-	1	Sharda Ispat Limited - Independent Director
12	Dr. Suranjan Sinha (DIN: 09461995) (Retired on 16 th January, 2023)	Independent Director, Non-Executive	3	No	-	-	-	-
13	Shri Davinder Kumar Chugh (DIN: 09020244)	Nominee Director, Non-Executive	4	No	1	2	-	HEG Limited - Independent Director
14	Shri Atul Gupta (DIN: 09314224)	Nominee Director, Non-Executive	4	No	-	-	-	-

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

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

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

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

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

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

The Company has adopted a Policy on familiarisation programme for Independent Directors to provide them with an opportunity to familiarise themselves with the Company, its Management, its operations and the industry in which the Company operates. On 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 familiarisation programme are available on the Company's Website at –

Details of Familiarisation Programme:

<https://www.necoindia.com/images/investor/corporate-governance/Familiarisation-Program-of-Independent-Director.pdf>

Details of hours spent by Independent Directors during the FY 2022-23:

https://www.necoindia.com/pdf/investor/corporate-governance/Details%20of%20Familiarisation%20Programmes%20attended_Hours%20Spent%20by%20Independent%20Directors.pdf

CORE SKILLS/ EXPERTISE/ COMPETENCIES AVAILABLE WITH THE BOARD:

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

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

CONFIRMATION OF INDEPENDENCE & REASONS FOR RESIGNATION OF INDEPENDENT DIRECTORS:

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.

During the Financial Year 2022-23, no Independent Director resigned before the expiry of his/ her tenure.

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 four times on 30.05.2022, 09.08.2022, 12.11.2022 and 11.02.2023. Heads of the Internal Audit, Representatives of Statutory Auditors, Managing Director & CEO (Foundry Division), Executive Director & CFO of the Company also attend the Meetings, on invitation.

The Company Secretary acts as the Secretary to the Committee.

The particulars of Members of the Committee as on 31.03.2023 and the number of Meetings attended by them during the year are as follows:

Sr. No.	Names of Members	Chairman/ Member	No. of Meetings attended
1	Shri B. K. Agrawal	Chairman	4
2	Shri Ramesh Jayaswal	Member	4
3	Shri Manoj Shah	Member	4
4	Shri R. P. Mohanka	Member	4

Shri Atul Gupta, Nominee Director, as an observer to the Audit Committee attended all the four meetings of the Committee during the financial year ended 31.03.2023.

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

- oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- reviewing, with the Management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on the exercise of judgement by management;

- (d) significant adjustments made in the financial statements arising out of audit findings;
- (e) compliance with listing and other legal requirements relating to financial statements;
- (f) disclosure of any related party transactions;
- (g) modified opinion(s) in the draft audit report;

- reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;
- reviewing, with the Management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or right issue or preferential issue or qualified institutions placement and making appropriate recommendations to the Board to take up steps in this matter;
- reviewing, with the Management, performance of statutory and internal auditors, adequacy of the internal control systems;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussion with internal auditors of any significant findings and follow up there on;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- to review the functioning of the whistle-blower mechanism;
- approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- to seek information from employees, obtain outside legal/professional advice on the matters before it;
- evaluation of internal financial control and risk management policies of the Company;

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

IV. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is constituted in terms of the provisions of Section 178 of the Companies Act, 2013 read with rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year, the Nomination and Remuneration Committee met three times on 09.08.2022, 12.11.2022 and 11.02.2023.

The composition of the Nomination and Remuneration Committee as on 31.03.2023 and the attendance of Members at the Nomination and Remuneration Committee meetings are as follows:

Sr. No.	Names of Members	Chairman/ Member	No. of Meetings attended
1	Shri B. K. Agrawal	Chairman	3
2	Shri R. P. Mohanka	Member	3
3	Shri Davinder Kumar Chugh	Member	3

The Company Secretary acts as the Secretary to the Committee.

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

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

Performance Evaluation Criteria for Directors including Independent Directors

The Company has devised a Policy for performance evaluation of Independent Directors, the Board, its Committees and other individual Directors which include criteria for performance evaluation of the non-executive directors and executive directors.

The performance evaluation of the Board, its Committees and individual directors was conducted and the same was based on questionnaire and feedback from all the Directors on the Board as a whole, Committees and self-evaluation.

Based on the questionnaire and feedback, the performance of every director was evaluated in the meeting of the Nomination and Remuneration Committee.

Further, in accordance with the Board Performance Evaluation Policy, the Board carried out an annual performance evaluation of Independent Directors. The Independent Directors carried out annual performance evaluation of Non independent Directors and Board as a whole.

The appointment/ re-appointment/ continuation of Directors on the Board is based on the outcome of evaluation process.

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

V. SHARE TRANSFER-CUM-STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company has a Share Transfer-Cum-Stakeholders Relationship Committee in terms of the provisions of Section 178 of the Companies Act, 2013 read with rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Shri B. K. Agrawal, Non-Executive- Independent Director, is the Chairman of the Committee.

Shri Vikash Kumar Agarwal, Company Secretary of the Company acted as the Compliance Officer in terms of Regulation 6 of the SEBI Listing Regulations. He also acted as the Secretary of this Committee. Shri Vikash Kumar Agarwal resigned from the position of Company Secretary & Compliance Officer of the Company w.e.f. 13th January, 2023.

Investors’ grievances are addressed within specified timelines from the date of receipt, provided the documents are complete in all respects. During the year, no Complaints were received from the Shareholders.

During the year, the Committee met 8 times on 09.04.2022, 11.07.2022, 17.08.2022, 15.10.2022, 03.12.2022, 19.01.2023, 24.02.2023 and 18.03.2023.

The composition of the Share Transfer-Cum-Stakeholders Relationship Committee and the attendance of Members at the Corporate Social Responsibility Committee meetings is as below:

Sr. No.	Names of Members	Chairman/ Member	No. of Meetings attended
1	Shri B. K. Agrawal	Chairman	7
2	Shri Arvind Jayaswal	Member	8
3	Shri Ramesh Jayaswal	Member	8

The terms of reference of the Committee include the following:

- resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.;
- review of measures taken for effective exercise of voting rights by Shareholders;
- adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent and various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and
- ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

VI. 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 2 times on 17.05.2022 and 02.11.2022.

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

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

Shri P. K. Bhardwaj ceased to be the Member of committee w.e.f. 24th February, 2023, due to retirement.

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

- to formulate a detailed risk management policy which shall include:
 - (a) a framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - (b) measures for risk mitigation including systems and processes for internal control of identified risks.
 - (c) Business continuity plan.

- to ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- to monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- to periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- to keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken; and
- the appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

VII. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

During the year, the Corporate Social Responsibility Committee met 4 times on 16.05.2022, 29.07.2022, 27.10.2022 and 24.01.2023.

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	Chairman/ Member	No. of Meetings attended
1	Shri Arvind Jayaswal	Chairman	4
2	Shri Ramesh Jayaswal	Member	4
3	Shri B. K. Agrawal	Member	4

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

- to formulate and recommend to the Board a Corporate Social Responsibility Policy which shall indicate the CSR activities that the Company shall pursue within the framework of activities mentioned in Schedule VII of the Companies Act, 2013 as amended from time to time;
- to recommend the amount of expenditure to be incurred by the Company on the activities proposed to be carried out under the head CSR during the relevant financial year;
- to monitor the Corporate Social Responsibility Policy of the Company from time to time; and

- 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.

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.

During the year, the Independent Directors met on 11.02.2023 without the presence of Non-Independent Directors and Members of the Management.

IX. 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

- 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.
- 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.
- 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.
- The Nomination and Remuneration Committee shall consider the following attributes/criteria, whilst recommending to the Board the candidature for appointment as Director:
 - Qualification, expertise and experience of the Directors in their respective fields;
 - Personal, Professional or Business standing;
 - Diversity of the Board.

- In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

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

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

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

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

2. REMUNERATION:

i) For Non-Executive Directors

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

By way of sitting fees as under:

Board Meeting - ₹ 25,000/- per Meeting*.

Audit Committee Meeting - ₹5,000/- per Meeting*.

Nomination and Remuneration Committee Meeting - ₹5,000/- per Meeting*.

Corporate Social Responsibility Committee Meeting - ₹ 5,000/- 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

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

may be, shall be subject to the prior / post approval of the shareholders of the Company and shall be in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder.

Further, the remuneration of Senior Management Personnel shall be determined by the Nomination and Remuneration Committee based on the standard market practices and HR Policies of the Company and recommended to the Board for approval.

- 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 Companies Act, 2013 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 paid to Directors during the financial year 2022-23 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		No. of Equity Shares held	Stock Options Granted
					Amount (₹ in lakhs)			
					Salary, Allowances & Perquisites	Sitting fees		
1	Shri Basant Lall Shaw	Chairman	-	-	-	1.00	1,03,12,850	-
2	Shri Arvind Jayaswal	Managing Director & CEO (Foundry Division)	01.01.2023 to 31.12.2025	3 months' notice	168.65 (*)	-	23,97,920	-
3	Shri Ramesh Jayaswal	Joint Managing Director & CEO (Steel Plant Division)	01.01.2023 to 31.12.2025	3 months' notice	168.65 (*)	-	23,97,920	-
4	Shri P. K. Bhardwaj (Retired on 24 th February, 2023)	Executive Director and CFO	25.02.2020 to 24.02.2023	3 months' notice	49.02 (*)	-	-	-
5	Shri B. K. Agrawal	Independent Director	-	-	-	1.55	7,500	-
6	Shri Megh Pal Singh	Executive Director (Steel) & COO (Steel Plant Division)	13.11.2020 to 12.11.2023	3 months' notice	80.00(*)	-	-	-
7	Shri Rajendra Prasad Mohanka	Independent Director	-	-	-	1.10	-	-
8	Shri Ashwini Kumar	Independent Director	-	-	-	1.00	-	-
9	Smt. Kumkum Rathi	Independent Director	-	-	-	1.00	-	-
10	Shri Vinod kumar Kathuria	Independent Director	-	-	-	1.00	-	-
11	Shri Manoj Shah	Independent Director	-	-	-	1.20	-	-
12	Dr. Suranjan Sinha (Retired on 16 th January, 2023)	Independent Director	-	-	-	0.75	-	-
13	Shri Davinder Kumar Chugh	Nominee Director	-	-	-	1.15	-	-
14	Shri Atul Gupta	Nominee Director	-	-	-	1.00	-	-

Note: Company has not issued any Convertible Instruments.

(*) Break up of Remuneration of Executive Directors

					(Amount ₹ in lakhs)
Sr. No.	Names of Directors	Salary and Allowances	Prov. Fund	Perks	Total
1	Shri Arvind Jayaswal	158.57	10.08	--	168.65
2	Shri Ramesh Jayaswal	158.57	10.08	--	168.65
3	Shri P. K. Bhardwaj*	46.15	2.87	--	49.02
4	Shri Megh Pal Singh	75.82	4.18	--	80.00

* Retired on 24th February, 2023

Other payments to Directors:

During the year, the Company has paid an amount of ₹ 11.62 lakhs each to Shri Arvind Jayaswal, Managing Director & Chief Executive Officer (Foundry Division) and Shri Ramesh Jayaswal, Joint Managing Director & Chief Executive Officer (Steel Plant Division) as Rent for taking on lease the properties owned by them at Hyderabad for carrying on some of the operations of the Company.

X. 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
31.03.2022	Through VC / OAVM (Deemed Venue: F-8, MIDC Industrial Area, Hingna Road, Nagpur - 440 016).	29.09.2022	12.30 P.M.
31.03.2021	Through VC / OAVM (Deemed Venue: F-8, MIDC Industrial Area, Hingna Road, Nagpur - 440 016).	30.12.2021	12.30 P.M.
31.03.2020	Through VC / OAVM (Deemed Venue: F-8, MIDC Industrial Area, Hingna Road, Nagpur - 440 016).	24.12.2020	12.30 P.M.

2. Special Resolutions passed in the last three Annual General Meetings are as follows:**a) Annual General Meeting held on 29.09.2022**

i. Continuance of Shri Rajendraprasad Shriniwas Mohanka (DIN: 00235850) as an Independent Director of the Company, not liable to retire by rotation, to hold the office for the remaining tenure up to 26th July, 2023.

b) Annual General Meeting held on 30.12.2021

i. Appointment of Shri Ashwini Kumar (DIN: 07694424) as an Independent Director of the Company, not liable to retire by rotation, for a term of 3 (Three) consecutive years w.e.f. 14th August, 2021.

ii. Appointment of Smt. Kumkum Rathi (DIN: 03128864) as an Independent Director of the Company, not liable to retire by rotation, for a term of 3 (Three) consecutive years w.e.f. 21st October, 2021.

iii. Appointment of Shri Manoj Shah (DIN: 00010473) as an Independent Director of the Company, not liable to retire by rotation, for a term of 3 (Three) consecutive years w.e.f. 21st October, 2021.

iv. Appointment of Shri Vinod Kathuria (DIN: 06662559) as an Independent Director of the Company, not liable to retire by rotation, for a term of 3 (Three) consecutive years w.e.f. 11th November, 2021.

c) Annual General Meeting held on 24.12.2020

i. Re-appointment of Shri Arvind Jayaswal (DIN: 00249864), as Managing Director & Chief

Executive officer (CEO) Foundry Division, of the Company for a period of 3 years w.e.f. 1st January, 2020 up to 31st December, 2022.

ii. Re-appointment of Shri Ramesh Jayaswal (DIN: 00249947), as Joint Managing Director & Chief Executive officer (CEO) Steel Plant Division, of the Company for a period of 3 years w.e.f. 1st January, 2020 up to 31st December, 2022.

iii. Re-appointment of Shri Pramod Kumar Bhardwaj (DIN: 03451077), as Executive Director & Chief Financial officer (CFO) of the Company for a period of 3 years w.e.f. 25th February, 2020 up to 24th February, 2023.

iv. Re-appointment of Shri Megh Pal Singh (DIN: 02635073), as Executive Director (Steel) & Chief Operating officer (COO) Steel Plant Division, of the Company for a period of 3 years w.e.f. 13th November, 2020 up to 12th November, 2023.

3. Special Resolution passed through postal ballot during FY 2022-23:

i. Re-appointment of Shri Arvind Jayaswal as Managing Director & Chief Executive Officer (CEO), Foundry Division of the Company, liable to retire by rotation, for a period of 3 years w.e.f. 1st January, 2023 up to 31st December, 2025.

4. Procedure adopted for postal ballot:

In accordance with General Circular Nos. 14/2020 dated 8th April, 2020 and 17/2020 dated 13th April, 2020, followed by Circular No. 11/2022 dated 28th December, 2022, issued by the Ministry of Corporate Affairs ("MCA Circulars"), resolution was proposed to be passed by means of Postal Ballot, only by way of remote e-voting process ("e-voting"). The Company had engaged the services of National Securities Depository Limited ("NSDL") as the agency to provide e-voting facility. Smt. Rachana Daga, a Practising Company Secretary, (Membership No.: 5522), Proprietor R. A. Daga & Co., Company Secretaries acted as Scrutiniser for conducting the Postal Ballot in a fair and transparent manner.

In accordance with the MCA Circulars, the Postal Ballot Notice dated 11th February, 2023, was sent only by electronic mode to those Members whose names appeared in the Register of Members/List of Beneficial Owners as on Friday, 17th February, 2023 ("Cut-Off Date") received from the Depositories and whose e-mail addresses were registered with the Company/Depositories. Instructions for voting by (i) individual shareholders holding shares of the Company in demat mode, (ii) Shareholders other than individuals holding shares of the Company in demat mode, (iii) Shareholders holding shares of the Company in physical mode, and (iv) Shareholders who have not registered their e-mail address, were explained in the Postal Ballot Notice.

Members exercised their vote(s) by e-voting during the period from 9:00 A.M. on Thursday, 23rd February, 2023 till 5:00 P.M. on Friday, 24th March, 2023.

The Scrutiniser submitted his report on 25th March, 2023, after the completion of scrutiny and result of the e-voting was announced on the same day. Summary of the voting result is given below:

Resolutions	No. of valid votes polled	Favour		Against		Result
		No. of votes	% of votes	No. of votes	% of votes	
1.	11,64,41,031	11,64,36,180	99.9958	4851	0.0042	Passed

There is no immediate proposal for passing any resolution through postal ballot. However, if required, the same shall be passed in compliance with the provisions of the Companies Act, 2013, the Listing Regulations or any other applicable laws.

XI. 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 quarterly, half-yearly and annual results of the Company are generally 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. Normally, the Company do not make any presentations to the Institutional Investors or the Analysts. Wherever it is required presentations will be made to the Institutional Investors or to the Analysts.

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

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

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

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

SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database 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.

XII. GENERAL SHAREHOLDER INFORMATION:

- 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.
- Date, Time and Venue of Annual General Meeting :** Tuesday, 26th September, 2023 at 12:30 P.M.
: Regd. Office at F-8, MIDC Industrial Area, Hingna Road, Nagpur - 440 016 (through VC/OAVM).
- Book Closure Date :** 20th September, 2023 to 26th September, 2023 (Both days inclusive).
- Dividend Payment Date :** Not Applicable since no dividend is proposed.
- Financial Year :** 1st April to 31st March
- Financial Calendar for the year ending :** 31st March, 2024

Sr. No.	Particulars	Tentative Date
i)	Unaudited Financial Results for the period of 3 months ending 30 th June, 2023.	First or Second week of August, 2023.
ii)	Unaudited Financial Results for the period of 3 months ending 30 th September, 2023.	First or Second week of November, 2023
iii)	Unaudited Financial Results for the Period of 3 months ending 31 st December, 2023.	First or Second week of February, 2024
iv)	Audited Financial Results for the year/3 months ending 31 st March, 2024.	Second Last or Last week of May, 2024
v)	Annual General Meeting for the year ending 31 st March, 2024.	Second Last or Last week of September, 2024.

- Listing of Equity Shares on :**
 - BSE Limited**
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.
Stock Code – 522285.
 - 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
ISIN: INE854B01010
- Annual Listing fees for the year 2023-2024 have been duly paid to both the above Stock Exchanges.
- Annual Custody/Issuer fee for the year 2023-2024 have been duly paid to NSDL and CDSL.

10. Stock Market Data:**(a) Data on the closing share prices of the Company on Stock Exchanges during the year under review is as follows:**

Month / Year	BSE Limited (BSE)		National Stock Exchange of India Limited (NSE)	
	Price		Price	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April '22	24.50	21.75	24.45	21.70
May '22	24.20	20.90	24.30	20.80
June '22	24.85	20.45	24.85	20.50
July '22	28.05	20.85	28.05	20.85
August '22	24.95	21.85	24.90	21.80
September '22	33.90	22.65	33.85	22.75
October '22	27.30	23.90	27.25	23.95
November '22	27.70	23.90	27.75	23.85
December '22	28.35	22.70	28.10	22.65
January '23	25.60	22.50	25.70	22.40
February '23	23.40	22.00	23.45	21.95
March '23	23.74	20.40	23.70	20.60

- Equity Shares of the Company are regularly traded on both the Exchanges. During the year, approximately 832.32 lakhs Equity Shares were traded.

(c) Share Price Performance relative to BSE Sensex and NSE Nifty

Financial Year 2022-23	Percentage Change		
	Company	BSE Sensex	NSE Nifty
	-5.52%	0.72%	-0.60%

11. Registrar and Transfer Agent:

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

Link Intime India Pvt. Ltd.

C-101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai – 400 083.
SEBI Reg. No. ₹ 000004058.

12. Share Transfer and Investors Grievances Redressal System:**(a) Physical Form**

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

Further, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2022/8 dated 25th January,

13. Shareholding Pattern as on 31st March, 2023:

Category	No. of Shares held	% of Total Shareholding	No. of Shareholders
(A) Shareholding of Promoter and Promoter Group			
Individuals:	1,51,58,690	1.56	5
Bodies Corporate:	45,12,27,484	46.47	13
Sub-Total (A)	46,63,86,174	48.03	18
(B) Public Shareholding			
Institutions:	11,083	0.00	18
Non-Institutions:			
a) Bodies Corporate, NRI, OCB, Clearing Members, NBFC, HUF and FPI	43,61,81,661	44.92	1,276
b) Individuals			
i. Individual Shareholders holding nominal Share Capital up-to ₹ 2 lakhs	2,07,39,144	2.14	37,783
ii. Individual Shareholders holding nominal Share Capital in excess of ₹ 2 lakhs	4,76,80,182	4.91	271
Sub-Total (B)	50,46,12,070	51.97	39,348
GRAND TOTAL	97,09,98,244	100.00	39,366

2022, has mandated the listed entities to issue securities for the following service requests only in dematerialised form: i. Issue of duplicate securities certificate; ii. Claim from Unclaimed Suspense Account; iii. Renewal/ Exchange of securities certificate; iv. Endorsement; v. Sub-division/Splitting of securities certificate; vi. Consolidation of securities certificates/folios; vii. Transmission; and viii. Transposition.

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

In terms of Regulation 40(9), the Company obtains, on an annual basis, a certificate, from a Company Secretary in Practice, with respect to due compliance of share transfer formalities by the Company.

(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 dematerialisation 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 dematerialised form. Requests received from Shareholders through their Depository Participants for dematerialising the Equity Shares of the Company are processed by the Registrar within specified time from the date of receipt of such requests and are approved where requests are complete and in order in all respect.

14. Distribution of shareholding as on 31st March, 2023:

Shares of Nominal Value (in ₹)	Number of Shareholders	% of Holders	Total Amount (in ₹)	% of Amount
Up to 5000	32,123	81.60	4,57,06,940	0.47
5001 to 10000	3,077	7.82	2,64,09,190	0.27
10001 to 20000	1,630	4.14	2,62,93,200	0.27
20001 to 30000	662	1.68	1,73,65,790	0.18
30001 to 40000	294	0.75	1,07,26,640	0.11
40001 to 50000	356	0.90	1,70,57,370	0.18
50001 to 100000	575	1.46	4,40,46,350	0.45
100001 and Above	649	1.65	9,52,23,76,960	98.07
Total	39,366	100.00	9,70,99,82,440	100.00

15. Dematerialisation of Shares and Liquidity:

955375092 Equity Shares i.e. 98.39% of the total Equity Shares have been dematerialised up to 31.03.2023.

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

17. Commodity Price Risk and Hedging Activities**Fluctuation in commodity prices****Impact:**

The overall price trends during the year had been very volatile more particularly in the first half of the Financial Year 2022-23 predominantly due to the impact of Russia Ukraine war. Boiling fuel and commodity prices more particularly Coking and Non-Coking Coal remained a major contributor to the stressed margins during the first half, the prices cooled down substantially in the second half of the Financial Year.

The Company's procurement mainly includes the import of low ash coking coal (Prime, Semi Prime and PCI Coal) and high quality non coking coal. Post meeting majority of its requirements captively from its own iron ore mines, the Company procures balance requirement of Iron ore /fines domestically.

The Company's finished rolled products are in Alloy Steel Long Products segment which has largely a structured market for Bar products and its iron zone products like surplus Pellets post captive usage, surplus Sponge iron, Pig Iron and Wire Rod Rolled products are sold at spot market rates.

This year there was significant global inflationary pressure and consequent slowdown which did affect the Iron and Steel Sector internationally, though structurally the domestic steel demand remained strong despite persistent hike in interest rates by the Regulator to curb Inflation. The Indian Government's

huge thrust on capital expenditure in the Union Budget for FY 2023-24 and decent demand trend in the Auto Sector should also help to maintain demand momentum for the Iron and Steel Sector.

Mitigation/Hedging:

The Company had augmented its steel facilities by creating value addition steelmaking capacities and had implemented various cost reduction capex with an objective to remain competitive by producing quality finished steel at low cost.

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

The Company actively engages in price negotiations for its Alloy Steel Bar products with its customers on periodic basis, its iron zone products and Wire Rod Rolled products are largely sold at spot market rates.

The Company constantly tries to scout for cheaper sources of coking coal and non-coking coal internationally and negotiates hard while procuring them. Further, the captive Iron Ore mines have been optimised for maximum mining and the Company has become almost self-sufficient in meeting its Iron ore and fines requirement captively.

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

Further the Company establishes a Foreign Letter of Credit for import of Coking and Non-Coking Coal with payments terms at fixed price or Index prices in case of Index linked contracts to take the benefit of price fluctuations.

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

The Company's key focus is on cost optimisation in procurement and production, improvement of yields, reduction of wastages, delivering quality product to the customers in timely manner and ensuring adequate customer satisfaction.

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 proportion is marginal.

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

Mitigation/Hedging:

The Company has Foreign Exchange Management Policy in place and it takes a call whether to hedge its forex exposures by booking forward covers, whenever required or to save on the hedging costs and to keep the exposure open. The Company is not engaged in any forex speculation or buying derivate products though.

18. Plant Locations:

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

19. Address for Investor Correspondence:**Registered Office:****Jayaswal Neco Industries Limited**

F-8, MIDC Industrial Area,
Hingna Road, Nagpur – 440 016.
Ph. No.: 07104-237276
E-mail: contact@necoindia.com

Registrar and Transfer Agent Office:**Link Intime India Private Limited**

C-101, 247 Park,
L.B.S. Marg, Vikhroli (West),
Mumbai– 400 083.
Ph. No.: 022-49186270
E-mail: rnt.helpdesk@linkintime.co.in

XIII. OTHER DISCLOSURES

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

The Board has approved a policy for related party transactions which has been uploaded on the Company's website and is available at <https://necoindia.com/pdf/Policy%20on%20Related%20Party%20Transactions.pdf>

2. During the last three years, no non-compliance has been made by the Company and no penalties or strictures imposed on the Company by Stock Exchanges, SEBI or any statutory authority in respect of any matter related to the capital market.
3. The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil Mechanism/Whistle-Blower Policy under which the employees are free to give their views on the accounting policies and practices of the Company, report unethical or undesirable behaviour 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.
4. The Board of Directors periodically reviewed the compliances of all applicable laws. The Company is in compliance of all mandatory requirements of Listing Regulations. In addition, the Company has also adopted the following non-mandatory requirements to the extent mentioned below:
 - **Reporting of Internal Auditor:** The internal auditors of the Company directly report to the Audit Committee on functional matters.
5. The Company does not have any material subsidiary as per the provisions of applicable listing regulations. However, the Board has approved a policy for determining Material Subsidiaries which has been uploaded on the Company's website at <https://www.necoindia.com/images/investor/corporate-governance/Policy-on-Material-Subsidiaries.pdf>.

- 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.
- 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.
- The total fees for all services paid/payable by the Company on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part are as follows:

(Amount in ₹)			
Sr. No.	Name of Audit Firm	Services	Amount paid during the year
1.	M/s. Chaturvedi & Shah LLP	Limited Review & Statutory Audit Fees	84,35,000/-
TOTAL			84,35,000/-

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

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

The following is the summary of the complaints received and disposed-off during the financial year ended 31st March, 2023:

Number of Complaints Received	NIL	Number of Complaints disposed off	N.A.

- Disclosure of 'Loans and Advances in the nature of loans to Firms/Companies in which the Directors are interested':

Name of firms/ companies in which directors are interested	Amount of Loans and advances in the nature of loans given during the year	Balance Outstanding at the end of the year
	Nil	

XIV. DETAILS OF NON-COMPLIANCE

There has been no instance of non-compliance with any legal requirements, particularly with any requirements of the Corporate Governance Report, during the year under review.

XV. CONFIRMATION OF COMPLIANCE

- The Company has complied with the requirements specified in Regulations 17 to 27 and clauses (b) to (i) and (t) of Regulation 46(2) of the Listing Regulations. It has also fully complied with the requirements of para C, D & E of Schedule V of the Regulations.
- 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 31.03.2023 and the declaration to that effect from Managing Director & CEO (Foundry Division) is annexed to this report.
- The Certificate that the Company has complied with the conditions of Corporate Governance is annexed to the Report of the Board of Directors.

XVI. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT:

During the year, the Company was not required to transfer any shares to unclaimed suspense account.

XVII. DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING LISTED ENTITIES:

The Company does not have any agreement(s) that subsist as on the date of notification of clause 5A to para-A of part A of Schedule III of Listing Regulations. Hence, the Company is not required to disclose the information relating to agreements under Clause 5A of paragraph A of Part A of Schedule III of Listing Regulations.

For and on behalf of Board of Directors

Arvind Jayaswal
Managing Director
(DIN: 00249864)

Ramesh Jayaswal
Joint Managing Director
(DIN: 00249947)

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To
The Members of
Jayaswal Neco Industries Limited
F-8, MIDC Industrial Area, Hingna Road,
Nagpur – 440 016.

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended 31st March, 2023 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	Manoj Balkrishna Shah	00010473	21.10.2021
2	Rajendraprasad Shrinivas Mohanka	00235850	27.07.2018
3	Basant Lall Shaw	00249729	28.11.1972
4	Arvind Jayaswal	00249864	28.11.1972
5	Ramesh Jayaswal	00249947	05.03.1983
6	Brajkishore Hargovind Agrawal	01223894	10.08.1994
7	Megh Pal Singh	02635073	28.10.2010
8	Kumkum Rathi	03128864	21.10.2021
9	Vinod Kumar Kathuria	06662559	11.11.2021
10	Ashwini Kumar	07694424	14.08.2021
11	Davinder Kumar Chugh	09020244	11.11.2021
12	Atul Gupta	09314224	11.11.2021

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.

R. A. DAGA & Co.
Company Secretaries

Rachana Daga
Proprietor
Membership No.: 5522
C. P. No.: 5073
PR No.: 1568/2021
UDIN: F005522E000471570

Place: Nagpur
Date: 14th August, 2023

Place: Nagpur
Date: 22nd June, 2023

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members of
Jayaswal Neco Industries Limited

- The Corporate Governance Report prepared by **JAYASWAL NECO INDUSTRIES LIMITED** ('the Company') for the financial year 2022-23 contains the details as stipulated in Regulations 17 to 27, clause (b) to (i) and (t) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ('Listing Regulations').
- The Certificate is required by the Company for annual submission to the Stock Exchanges and to be sent to Shareholders of the Company.

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

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

Our Responsibility

- Our examination was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the financial year 2022-23.

Opinion

- In our opinion and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance for the financial year 2022-23 as stipulated in the above-mentioned Listing Regulations.
- We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

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

For R. A. Daga & Co.
Company Secretaries

Rachana Daga
Proprietor
[M. No.: F5522]
[CP No.: 5073]
UDIN: F005522E000762058

Place: Nagpur
Date: 14th August, 2023

CERTIFICATION ON FINANCIAL STATEMENTS

We, Shri Arvind Jayaswal, Managing Director and Shri Kapil Shroff, Chief Financial Officer of the Company certify that:

- 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, 2023 and that to the best of our knowledge and belief:
 - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 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.
- 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.
- 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.
- We have indicated to the Auditors and the Audit Committee that:
 - there are no Significant changes in internal control over financial reporting during the year;
 - there are no significant changes in accounting policies during the year; and
 - there are no instances of significant fraud of which we have become aware.

Place: Nagpur
Date: 23rd May, 2023

Arvind Jayaswal
Managing Director
(DIN: 00249864)

Kapil Shroff
Chief Financial Officer

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 31st March, 2023, adhered to the Code of Conduct laid down by the Company.

For Jayaswal Neco Industries Limited

Place: Nagpur
Date: 23rd May, 2023

Arvind Jayaswal
Managing Director
(DIN: 00249864)

Business Responsibility and Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

Sl. No.	Particulars	Company Information
1.	Corporate Identity Number (CIN) of the Listed Entity	L28920MH1972PLC016154
2.	Name of the Listed Entity	Jayaswal Neco Industries Limited (JNIL)
3.	Year of incorporation	1972
4.	Registered office address	F-8, MIDC Industrial Area, Hingna Road, Nagpur – 440 016
5.	Corporate address	F-8, MIDC Industrial Area, Hingna Road, Nagpur – 440 016
6.	E-mail	contact@necoindia.com
7.	Telephone	07104 - 237276, 237471, 237472
8.	Website	www.necoindia.com
9.	Financial year for which reporting is being done	FY 2022-23
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
11.	Paid-up Capital (₹ in lakhs)	97,099.82
12.	Name and contact details (telephone, e-mail address) of the person who may be contacted in case of any queries on the BRSR report	Shri. Megh Pal Singh Executive Director (Steel) and COO (Steel Plant Division) Telephone number: 07721-264241 E-mail ID: meghpal.singh@necoindia.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	On a standalone basis

II. Products/Services

14. Details of business activities (accounting for 90% of the turnover):

Sl. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing of Iron and Steel	Metal and Metal Products	100

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sl. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Billets/ Rolled Products/ Pellet/ Pig Iron & Skull/ Sponge Iron	2410	90.67
2	Iron & Steel Castings	2431	9.33

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	5	13	18
International	0	0	0

17. Market Served by the entity:

a) Number of locations

Locations	Number
National (No. of States)	28 States and 8 Union Territories
International (No. of Countries)	8

b) What is the contribution of exports as a percentage of the total turnover of the entity?

0.58%

c) A brief on type of customers

Key Market Segments for 'NECO' products find applications majorly in automotive sector and auto components, engineering, power, railways and construction sectors. The products are mainly sold to Tire-2 Suppliers for supplies to Auto Component manufacturers approved by Original Equipment Manufacturers (OEMs).

The Company is primarily engaged in manufacturing alloy steels – wire rods, bars, bright bars along with steel billets, pig iron, sponge iron and pellets. Further, the Company is one of the largest Producers of Alloy Steel (Bar & Wire Rod Products) and one of the largest Ferrous Casters in India.

Engineering Casting and Automotive Casting Divisions of the Company cater to the product needs of the Tractor Industry, Construction Industry, Petroleum, Refineries, Irrigation, Railway and Commercial vehicles.

Further, 'NECO' products have been approved and used in many prestigious governments as well as private projects in India. Centricast and Construction Casting Division's customer base includes Government Departments, Semi-Government Departments, Public Sector Undertakings, Municipal Corporations, Corporate Clients, Plumbing Contractors, Service Lines, Irrigation, EPC Contractors, Builders, Developers, etc.

IV. Employees

18. Details as at the end of Financial Year:

a) Employees and workers (including differently abled):

Sl. No	Particulars	Total (A)	Male		Female	
			No.(B)	% (B/A)	No.(C)	% (C/A)
Employees						
1.	Permanent (D)	4252	4224	99.34%	28	0.66%
2.	Other than Permanent (E)	0	0	0.00%	0	0.00%
3.	Total employees (D+E)	4252	4224	99.34%	28	0.66%
Workers						
4.	Permanent (F)	0	0	0.00%	0	0.00%
5.	Other than Permanent (G)	4153	3997	96.24%	156	3.76%
6.	Total workers (F+G)	4153	3997	96.24%	156	3.76%

b) Differently Abled Employees and Workers:

Sl. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Differently Abled Employees						
1.	Permanent (D)	5	5	100.00%	0	0.00%
2.	Other than Permanent (E)	0	0	0.00%	0	0.00%
3.	Total differently abled employees (D+E)	5	5	100.00%	0	0.00%
Differently Abled Workers						
4.	Permanent (F)	0	0	0.00%	0	0.00%
5.	Other than Permanent (G)	0	0	0.00%	0	0.00%
6.	Total differently abled workers (F+G)	0	0	0.00%	0	0.00%

19. Participation/ Inclusion/ Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	12	1	8.33
Key Management Personnel	4	0	0.00

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	8.48%	7.27%	8.47%	6.33%	7.41%	6.33%	5.07%	0.00%	5.04%
Permanent Workers	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Name of holding/ subsidiary/ associate companies/ joint ventures

Sl. No	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Maa Usha Urja Limited	Associate	31.63%*	No

* 4,13,600 (5.17%) Equity shares of ₹ 10/- each are held by the Company jointly with Anurag Sales and Services Private Limited (the beneficial owner).

* 21,16,400 (26.46%) Equity shares of ₹ 10/- each are held by the Company jointly with Nine Star Plastic Packaging Services Private Limited (the beneficial owner).

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) - Yes

(ii) Turnover (in ₹) - 6,342.86 crores

(iii) Net worth (in ₹) - 1,812.96 crores

VII. Transparency and Disclosure Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
The list of the stakeholders							
Communities	Yes www.necoindia.com/corporate-governance.php	Nil	Nil	Nil	Nil	Nil	
Investors (other than shareholders)	No	NA	NA	NA	NA	NA	
Shareholders	Yes www.necoindia.com/corporate-governance.php	Nil	Nil	Nil	Nil	Nil	
Employees and workers	Yes www.necoindia.com/corporate-governance.php	357	Nil	Nil	280	Nil	
Customers		208	Nil	Nil	290	Nil	
Value Chain Partners		Nil	Nil	Nil	Nil	Nil	
Other (please specify)		Nil	Nil	Nil	Nil	Nil	

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Sl. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Transparency, Accountability & Reporting	Risk	Risk: Lack of transparency raises suspicions and erodes trust among stakeholders, including customers, investors, employees and the general public. Negative perceptions can impact brand value, customer loyalty and overall business reputation. Transparency and accountability play a crucial role in attracting and retaining investors. Investors seek accurate and timely information about a company's financial performance, governance practices and risk management strategies. Failure to comply with legal and regulatory requirements can result in fines, penalties, lawsuits and even criminal charges. Non-compliance can harm the Company's financial stability and lead to legal liabilities.	The Company reports all desired mandatory disclosures and adheres to all regulatory requirements/ guidelines issued by the authorities & governing bodies.	Negative
2.	Business Ethics	Opportunity	Opportunity: The Company believes that running the business ethically helps the business in multiple ways like building loyalty with customers, perception in the minds of customers and trust amongst investors.	It enhances motivation among the employees and relevant stakeholders and builds trust.	Positive
3.	GHG Emission & Climate Change	Risk & Opportunity	Risk: The transition to a low-carbon economy in response to climate change can introduce risks to certain industries and businesses. Policy changes, regulations and shifts in consumer preferences towards sustainable products and services may render some business models non-viable. Failure to adapt to these changes can result in financial losses and reduced competitiveness. Changes in consumer preferences, technological advancements and stricter regulations can lead to reduced demand for high-emission goods or services. Opportunity: Implementing energy-efficient technologies and practices can lead to significant cost savings. By showcasing a commitment to reducing emissions, companies can attract environmentally conscious customers, gain market share and enhance their brand reputation.	The Company is continuously trying to be energy efficient across different processes and products. It is working on developing a long-term goals like net zero years etc.	Positive and Negative
4.	Occupational Health & Safety	Risk	Risk: The risks involve hazards caused in the working environment in the form of non-compliance with safety measures by employees and non-awareness of a safe and secure environment leading to injuries, accidents, illness and fatalities. These risks lead to interruptions in workplace operations and a higher attrition rate.	The Company has a health and safety policy in place to identify, mitigate and control potential hazards. There is an ongoing effort to improve the health and safety conditions across all our plants.	Negative
5.	Human Rights Practices	Risk	Risk: Human rights practices awareness eliminated all sorts of discrimination and empowers management to take action against any violations.	The Company has human rights policy and ensures that there is no discrimination in the workplace.	Negative

Sl. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6.	Water and Waste Water Management	Risk	Risk: The Company draws large quantities of water from multiple resources and it needs to maintain records and adherence to the environmental norms at the time of using this precious resource water.	The Company consumes water responsibly at all levels and ensures zero discharge plants. The team is committed to reducing its water footprints and reusing and recycling water is the core of the water strategy.	Negative
7.	Employee Well-being and Engagement	Risk & Opportunity	Risk: Steel mining locations are remote locations that have minimum access to urban infrastructure and large cities where skilled manpower is available. Opportunity: Skilled manpower and related motivation enable the Company to improve employee well-being and satisfaction.	The Company is striving to build caring relationships with employees who are considered its main assets. Employee well-being is one of the top priorities of the top management and various initiatives are taken for the same. The Company has achieved a great place to work award for the preceding last 2 years.	Positive and Negative
8.	Energy Management	Risk	Risk: Every year energy prices are continuously increasing and conventional energy is causing environmental footprints hence energy conservation initiatives are explored.	The Company has energy conservation initiatives and the same are undertaken to ensure efficient management of energy at all units.	Negative
9.	Sustainable Sourcing	Opportunity	Opportunity: The supply chain is an extension of business operations and key stakeholders of steel manufacturing business units. Sustainable sourcing practices help in creating a sense of responsibility in the entire value chain.	The Company has a supplier code of conduct and it empowers practices like sustainable sourcing.	Positive
10.	Employee Diversity	Opportunity	Opportunity: Diversity and equality are highly valued at the global level however due to the nature of business its implementation faces various challenges. Still the company is successfully managing diversity and equality amongst its employees.	The Company has an equality and diversity policy and it supports women empowerment practices at its workplaces.	Positive
11.	Employee Practices and Benefits	Risk	Risk: Employees are key assets and their efficiency and happiness is a key factor. The Company has adopted best HR practices for smooth & uninterrupted work to achieve planned production.	The Company has given employment opportunities to people from the local community and it follows best practices for employee management.	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a) Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b) Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c) Web-link of the Policies, if available	Policies covering these principles are available on the Company's website under the policy section and the link is https://necoindia.com/corporate-governance.php								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Yes								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes. The Company's policies encourage stakeholders and business partners to follow these desired principles and the detailed roadmap for execution is in the process.								
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The Company strongly believes in international standards and following certifications are received 1) ISO 14001:2015 (Environment Management System) 2) ISO 9001:2015 (Quality Management System) 3) ISO 45001:2018 (Occupational Health and Safety Management System) 4) IATF 16949:2016 (Automotive Quality Management System) 5) First Stage Assessment of Total Productive Maintenance (TPM) award by Japan Institute of Plant Maintenance.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Environmental commitments: The Company has mapped its baseline footprints in the current year and is in the process of framing a long-term roadmap towards becoming a net zero, water-positive, optimum energy utilisation, workplace safety, etc. Social commitments: The Company is committed to engage with a local community which is mainly (>90%) from marginalised and vulnerable class through its CSR programmes and generation of employability. Governance related commitments: To increase transparency and fairness with key stakeholders with more disclosures and reporting. Use of automation and digital technology to create an interface with key stakeholders.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Company has started its journey towards long-term sustainability goals with the initial steps as follows: (1) Energy-saving initiatives are undertaken at various locations viz. energy-efficient equipment, LED lighting, etc. (2) Company has implemented Waste Water Treatment Plant, Effluent Treatment Plant and Sewage Treatment Plant towards its goal to achieve Zero Waste Water Discharge. (3) Company is timely disposing its plant's waste through robust systems which includes recyclers, incineration, landfilling and third-party disposal process. (4) Company has managed its CSR budget by engaging with the local community and positively impacted around 1.9 lakh beneficiaries from vulnerable and marginalised class.								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	To produce the alloys steel with quality products & a lesser carbon footprints. We are rising upon sustainability by controlling the emissions, improving resource consumptions, reducing the waste by using better available technologies. It helps us to improve the present efficiency.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	The Board is the highest authority responsible for the implementation and oversight of the Business Responsibility policies. The person responsible for oversight of the Business Responsibility Policy(ies): Shri. Megh Pal Singh Executive Director (Steel) and COO (Steel Plant Division) Telephone number: 07721-264241 E-mail ID: meghpal.singh@necoindia.com								

9. Does the entity have a specified Committee of the Board/ Director responsible for decision-making on sustainability related issues? (Yes/No). If yes, provide details.

Yes. The Board is overall responsible for decision-making on sustainability-related issues and an integrated approach for data management is followed with the support of respective functions. The Company has (1) Corporate Social Responsibility Committee, (2) Risk Management Committee and (3) Stakeholder Relationship Committee for regular due diligence and sustainability compliance.

10. Details of Review of NGRBCs by the Company:

Subject of Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee	Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
		P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	The Company has appointed a dedicated and reputed agency for conducting Materiality Assessment Survey for determining topics from the ESG framework relevant to the Iron and Steel producing industry along with industry best practices to identify the potential materiality topics for the Company. The Board of the Company has adopted the policies for nine BRSR principles mandated by NGRBC. The Company ensures the adoption of best practices and complies with the terms of reference of said policies. With respect to the above, for the first time, the Company has prepared and approved a comprehensive BRSR report in the format mandated by SEBI.									Annually
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	Operational issues as and when identified are addressed in line with the policies on the above principles.									Annually

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency

Yes.
Care Edge Advisory Research and Training Limited, has mapped the existing policies and procedures against the requirements of BRSR and accordingly suggested improvements to bridge it with the BRSR requirements.

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

a) The entity does not consider the Principles material to its business (Yes/No)

b) The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)

c) The entity does not have the financial or/human and technical resources available for the task (Yes/No)

d) It is planned to be done in the next financial year (Yes/No)

e) Any other reason (please specify)

Not applicable

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as “Essential” and “Leadership”.

While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities that aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	4	Ongoing awareness sessions and orientation are organised regularly addressing issues related to occupational, health and safety, environment, etc. SEBI's guidelines and BRSR policy-related matters are discussed in the board meetings. Detailed orientation is also given to the new independent directors. Regular sessions on Operational and Financial performance, Budget Vs. Actual performance, Industry outlook and future projections are conducted as and when required.	100%
Key Managerial Personnel	4	The Company has identified key material areas for awareness sessions like transparency accountability, good governance practices, human rights and business ethics, etc. and various policy documents are drafted. Various procedures and practices ensure the implementation of these policies to meet the KPIs.	100%
Employees other than BoD and KMPs	69	The Company's HR function identifies various training as per the needs viz. training on Health & Safety, Skill Development, Human Rights, Personality Development, TPM, etc. These trainings are delivered as per the plan.	94.59%
Workers	49	The Company's HR function identifies various training as per the needs viz. training on Health & Safety, Skill Development, Industrial Relations, Personality Development, TPM, etc. These trainings are delivered as per the plan.	99.45%

2. Details of fines/ penalties/ punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors/ KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	Nil	Nil	Nil	Nil	NA
Settlement	Nil	Nil	Nil	Nil	NA
Compounding fee	Nil	Nil	Nil	Nil	NA

Non- Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil	Nil	Nil	NA
Punishment	Nil	Nil	Nil	NA

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
	Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. The Anti-Corruption and Anti-Bribery Policy of the Company reflects the management's commitment to high ethical standards, conducting open and fair business to improve corporate culture, following best corporate governance practices and supporting the Company's reputation at all levels. The policy is available on the Company website at: www.necoindia.com/corporate-governance.php

5. Number of Directors/ KMPs/ employees/ workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

	FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	NA	Nil	NA

7. Provide details of any corrective action taken or underway on issues related to fines/ penalties/ action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not applicable.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
Nil	Nil	Nil

2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same

Yes. The Company has framed the Code of Conduct for its Directors and Senior Management Personnel on the principles of integrity, transparency and business ethics and to set up standards for compliance with Corporate Governance.

The Company receives an Annual Declaration from its Board of Directors and Senior Management confirming adherence to the Code of Conduct which includes the provisions on dealing with Conflict of Interest.

The Code of Conduct is available at: www.necoindia.com/corporate-governance.php

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R & D	100%	100%	1. Optimisation of resource utilisation. 2. Productivity, quality and cost optimisation through process efficiency improvements. 3. Recycling and reuse of process waste and conservation of natural resources.
Capex	1.09%	0.12%	Implementation of BEST AVAILABLE TECHNOLOGIES (BAT) & environment sustainable interventions.

2. a) Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, the Company has framed policies for sustainable sourcing and is in the process of preparing procedures for the implementation of those policies.

b) If yes, what percentage of inputs were sourced sustainably?

Not available.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for

(a) Plastics (including packaging)	
(b) E-waste	
(c) Hazardous waste	Not applicable
(d) other waste.	

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

No.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
					No

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product/Service	Description of the risk /concern	Action Taken
		Not applicable

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Nil	Nil	Nil

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	NA	NA	NA	NA	NA	NA
E-waste	NA	NA	NA	NA	NA	NA
Hazardous waste	NA	NA	NA	NA	NA	NA
Other waste	NA	NA	NA	NA	NA	NA

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
	Not applicable

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

Essential Indicators

1. a) Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health Insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)	
Permanent employees											
Male	4224	942	22.30%	3285	77.77%	NA					
Female	28	3	10.71%	10	35.71%	28	100.00%	Not applicable	Not applicable		
Total	4252	945	22.22%	3295	77.49%	28	0.66%				
Other than Permanent employees											
Male	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Female	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%

b) Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health Insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)	
Permanent workers											
Male	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Female	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Other than Permanent workers											
Male	3997	2402	60.10%	2402	60.10%	NA					
Female	156	71	45.51%	71	45.51%	156	100.00%	Not applicable	Not applicable		
Total	4153	2473	59.55%	2473	59.55%	156	3.76%				

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/ N/ N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/ N/ N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	100%	100%	Y	100%	100%	Y

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, www.necoindia.com/corporate-governance.php

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male				
Female	Not applicable		Not applicable	
Total				

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes. The immediate supervisor/ senior personnel of the aggrieved worker/ employee is expected to look into and deal with the grievance of any worker/ employee under her/ his administrative control within one week, consistent with the policies of JNIL.
Other than Permanent Workers	
Permanent Employees	If the supervisor/ senior personnel feels that the matter of the complainant does not fall within her/his authority, she/he shall discuss the grievance raised by the worker/employee with her/his senior to get it resolved at the earliest.
Other than Permanent Employees	In case the grievance is against the immediate supervisor/ senior personnel, the aggrieved worker/employee may take up her/ his grievance to the Executive Director/ President concerned.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23			FY 2021-22		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	4252	135	3.17%	4113	130	3.16%
Male	4224	130	3.08%	4086	125	3.06%
Female	28	5	17.86%	27	5	18.52%
Total Permanent Workers	0	0	0.00%	0	0	0.00%
Male	0	0	0.00%	0	0	0.00%
Female	0	0	0.00%	0	0	0.00%

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	4224	1484	35.13%	2667	63.14%	4086	1310	32.06%	2554	62.51%
Female	28	18	64.29%	14	50.00%	27	8	29.63%	12	44.44%
Total	4252	1502	35.32%	2681	63.05%	4113	1318	32.04%	2566	62.39%
Workers										
Male	3997	3459	86.54%	1725	43.16%	3871	1719	44.41%	3145	81.25%
Female	156	90	57.69%	75	48.08%	153	71	46.41%	64	41.83%
Total	4153	3549	85.46%	1800	43.34%	4024	1790	44.48%	3209	79.75%

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No.(B)	% (B/A)	Total (C)	No.(D)	% (D/C)
Employees						
Male	4224	3591	85.01%	4086	3572	87.42%
Female	28	21	75.00%	27	20	74.07%
Total	4252	3612	84.95%	4113	3592	87.33%
Workers						
Male	3997	0	0.00%	3871	0	0.00%
Female	156	0	0.00%	153	0	0.00%
Total	4153	0	0.00%	4024	0	0.00%

10. Health and safety management system:

- a) **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**
 Yes. The IMS Audit System (ISO 9001, 14001 & 45001), 5S and TPM system followed and covers all regular and contract workers including all transporters, visitors and suppliers.
- b) **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**
 1. Hazard Identification And Risk Analysis (HIRA) has been prepared for all routine activities.
 2. For any new activity Job Safety Analysis is prepared.
 3. Hazards identification through Safety Inspections, Safety Surveys and Cross-Functional Audits.
 4. Third-Party Safety Audits.
 5. Near Miss capturing.
 6. Safety Suggestion Drop Boxes.
 7. Work Permit System.
 8. Accident Investigation.
- c) **Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)**
 Yes.
 1. Roko-Toko: It means "Stop & Counsel". Whenever any unsafe act or condition is observed by an employee/workman, then he shouldn't walk past. Rather, stop him/her and counsel about the safe practice/advice for correction of unsafe conditions. It is done to safeguard the workmen.
 2. Safety Suggestion Drop Boxes: Safety suggestion drop boxes are kept at selected locations, so that any workman who wants to share any issue regarding his own safety or the safety of his co-workers about any unsafe act/situation, then he can report through these drop boxes, with/without mentioning his name.
 3. Leadership Safety Walk: This is done by the head of the department with all key persons together going on a safety walk in their area & interact with bottom-line workmen to know and resolve issues by taking decisions instantly and mitigating the issues.
 4. Safety interaction: It is a successful method of identifying unsafe acts and practices using 6 category tools, such as Plant-up Keep, Positions of People, PPE, Procedures, Reactions of People & Tools/Equipment.
 5. Departmental Safety Meetings: These enable discussion of the pending issues on people's safety and health risks and any action plan needs to be taken with delegating responsibilities and target time and being followed up periodically.
- d) **Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)**
 Yes.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	1.76	1.01
	Workers	4.51	7.56
Total recordable work-related injuries	Employees	18	10
	Workers	45	73
No. of fatalities	Employees	0	0
	Workers	0	1
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	2
	Workers	1	1

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

- Hazard Identification before the commencement of activity has been made mandatory.
- Height Work Procedure and issuing of Height Pass to workers for work at height implemented.
- 5S practices implemented in all work areas of the plant.
- Yearly Health Checkup of all employees and workers is being conducted and free medical camps are organised inside the plant for employees & workers.
- Management had arranged for the vaccination of most of the employees, workers along with their family members
- Permit to Work System.
- Preventive Maintenance System.
- Training & Awareness on Safety.
- People's involvement in safety campaigns.

13. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	313	0	Resolved	252	0	Resolved
Health & Safety	44	0	Resolved	28	0	Resolved

14. Assessments for the year:

% of your plants and offices that were assessed (by entity or statutory authorities or third parties)	
Health and safety practices	100% of our plants and offices are assessed internally by the company
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

- Conveyor Belts survey conducted, reports communicated and discussed in weekly plant safety review meeting.
- Guardings of all grinding machines have been implemented.
- Hydra Crane survey was conducted and findings were communicated to the concerned and rectification was done.
- Train the trainer programme conducted and developed 293 trainers across the site to train their department employees on critical risks and safety standards.
- Established hazard reporting culture and created awareness of reporting unsafe acts, conditions and near-miss incidents.
- Proactive approach in the form of hazard prediction methodology (KYT-a Japanese hazard control system) has been initiated and going on at the site.

Leadership Indicators**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

Yes.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

This is checked during the Pre-qualification process of the contractors as a part of the due diligence process.

3. Provide the number of employees/ workers having suffered high consequence work related injury/ ill-health/ fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	0	2	0	2
Workers	1	2	1	2

4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

No.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	No assessment carried out.
Working Conditions	No assessment carried out.

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

No assessment carried out.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**Essential Indicators****1. Describe the processes for identifying key stakeholder groups of the entity**

Basis the inputs from various departments and after due deliberations, the Company has identified its key stakeholders which includes Shareholders, Customers, Suppliers, Employees, Communities, Lenders, Media and Government.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (E-mail, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ Others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
1 Shareholders	No	E-mail/ newspaper/ meetings	Quarterly/ half yearly/ annually/ as and when required	Update on business performance
2 Customers	No	E-mail/ newspaper/ con-call/ meetings	As and when required	Update on business performance and new product development/initiatives
3 Suppliers	No	E-mail/ newspaper/ con-call/ meetings	As and when required	Update on business performance and new product development/initiatives
4 Employees	No	E-mail/ con-call/ meetings	Ongoing and daily engagement	Update on policies/achievement/awards/ employee engagement initiatives/ training
5 Communities	Yes	Meetings	As and when required	Carrying out CSR Projects
6 Lenders	No	Meetings	Monthly/ quarterly/ annually	Business Performance, Cash Flow, Capital Expenditure and Financial Projections
7 Media	No	Engagement as per the requirement	As and when required	To leverage the reach to share the business story with stakeholders
8 Government	No	Engagement as per the requirement	As and when required	Engagements in forums to strengthen the relationship with Government and provide input into legislative development processes that affects the economy and the Company's operations.

Leadership Indicators**1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

The Company has conducted the Materiality Assessment Survey for stakeholders for their views on ESG topics. The outcome of the survey is submitted to the Board for necessary action.

Apart from this, regular interaction with stakeholders is carried out through various regulatory disclosures/meetings.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. Through the Materiality Assessment Survey, the Board has reached out to the stakeholders for their views on the potential materiality topics under the ESG framework. The inputs received from stakeholders are suitably incorporated into the policies.

As the process of consultation is continuous, the regular updation in the policies is done from time to time.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalised stakeholder groups.

The Company addresses the concerns of the vulnerable/ marginalised stakeholder groups through CSR Projects (like Health Care, Environmental Sustainability, Education and Rural Development Projects) in the peripheral areas of plant/mines.

PRINCIPLE 5: Businesses should respect and promote human rights**Essential Indicators****1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees/ workers covered (D)	% (D / C)
Employees						
Permanent	4252	399	9.38%	4113	263	6.39%
Other than permanent	0	0	0.00%	0	0	0.00%
Total Employees	4252	399	9.38%	4113	263	6.39%
Workers						
Permanent	0	0	0.00%	0	0	0.00%
Other than permanent	4153	773	18.61%	4024	485	12.05%
Total Workers	4153	773	18.61%	4024	485	12.05%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than minimum Wage		Total (D)	Equal to Minimum Wage		More than minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	4252	158	3.72%	4094	96.28%	4113	143	3.48%	3970	96.52%
Male	4224	151	3.57%	4073	96.43%	4086	136	3.33%	3950	96.67%
Female	28	7	25.00%	21	75.00%	27	7	25.93%	20	74.07%
Other than permanent	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Male	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Female	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Workers										
Permanent	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Male	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Female	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Other than permanent	4153	1507	36.29%	2646	63.71%	4024	1588	39.46%	2436	60.54%
Male	3997	1451	36.30%	2546	63.70%	3871	1528	39.47%	2343	60.53%
Female	156	56	35.90%	100	64.10%	153	60	39.22%	93	60.78%

3. Details of remuneration/ salary/ wages, in the following format:

	Male		Female	
	Number #	Median remuneration/ salary/ wages of respective category (₹ in lakhs on per annum basis)	Number	Median remuneration/ salary/ wages of respective category (₹ in lakhs on per annum basis)
Board of Directors (BoD)*	13	1.15	1	1.00
Key Managerial Personnel	6	75.72	0	0
Employees other than BoD and KMP	4570	3.74	30	2.91

*In case of Independent and Nominee Directors sitting fees paid is considered as remuneration.

*The number of BoD, KMP and Employees considered for median calculation includes left BoD, KMP and Employees respectively.

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has Policy on Human Rights, where employees are free to raise their grievances. In case it has not been addressed or not satisfied, employees may approach to the Top Management for redressal of their grievances.

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	Nil	0	0	Nil
Discrimination at workplace	0	0	Nil	0	0	Nil
Child Labour	0	0	Nil	0	0	Nil
Forced Labour/Involuntary Labour	0	0	Nil	0	0	Nil
Wages	0	0	Nil	0	0	Nil
Other Human rights related issues	0	0	Nil	0	0	Nil

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases

The Company has a mechanism to raise their grievances and registers are kept in all the departments for the purpose of raising complaints. Due care is taken so that Complainants shall not be discriminated against or harassed at any point of time.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

No.

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	100% of our plants and offices are assessed internally by the Company.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.

No significant risk/concerns identified, however due action is taken wherever required.

Leadership Indicators**1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.**

No such modifications were carried out.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

Nil.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Nil
Discrimination at workplace	Nil
Child Labour	Nil
Forced Labour/Involuntary Labour	Nil
Wages	Nil
Others – please specify	Nil

5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.

Nil.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment**Essential Indicators****1. Details of total energy consumption (in Giga Joules) and energy intensity, in the following format:**

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A) GJ	7,27,391	7,47,385
Total fuel consumption (B) GJ	2,97,88,288	3,04,09,090
Energy consumption through other sources (C)	-	-
Total energy consumption (A+B+C) - GJ	3,05,15,679	3,11,56,475
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)- GJ/Rupee	0.00048	0.00052
Energy intensity (optional) – the relevant metric may be selected by the entity (Total energy consumption/ production in Tonne) - GJ/Tonne	19.09	21.38

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - Yes. CareEdge Advisory has evaluated and reconfirmed Energy Consumption and Carbon Footprints.

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Yes. The Company is currently running in PAT Cycle VII applicable to it.

In PAT cycle-1, the Company achieved the target and received 1505 positive Escerts from (Bureau of Energy Efficiency) BEE.

In PAT cycle-2, the Company received 5370 positive Escerts from BEE.

In both PAT cycles, it achieved more than the target.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	52,06,722.00	40,66,473.00
(ii) Groundwater	73,772.00	73,768.00
(iii) Third party water (tanker)	681.04	3,948.95
(iv) Seawater/desalinated water	-	-
(v) Others: Water from municipal corporation	58,615.00	67,121.00
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	53,39,790.04	42,11,310.95
Water Recycled/Reused	16,86,049.00	16,85,845.00
Total volume of water consumption (in kilolitres)	70,25,839.04	58,97,155.95
Water intensity per rupee of turnover (Water consumed/turnover) (litre/rupee)	0.11	0.10
Water intensity (optional) – the relevant metric may be selected by the entity (Water consumed (in Kilolitre)/production in tonne)	4.39	4.05

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - Yes. CareEdge Advisory has evaluated and reconfirmed Water Footprints.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes. Steel Plant Division (SPD) has two wastewater treatment plants for treating blowdown water and other wastewater, they do not take any freshwater makeup in the pellet plant, for quenching operation in coke ovens and slag granulation process in a blast furnace, the plant uses the reject/wastewater.

Centricast Division (CD) has an effluent treatment plant and a sewage treatment plant. The water from the effluent treatment plant is treated and again used for cooling pipe of moulds during the production by centrifugal process. The treated water of the sewage treatment plant is used for in-house gardening purposes.

In other foundry units: Engineering Castings Division and Automotive Castings Division, STP / ETP plants are installed for treatment of waste/sewage water. The treated water is re-used for operations and gardening purposes.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	Tonnes	796.99	756.18
Sox	Tonnes	1159.86	1185.03
Particulate matter (PM)	Tonnes	1,335.84	1,375.96
Persistent organic pollutants (POP)		NA	NA
Volatile organic compounds (VOC)		NA	NA
Hazardous air pollutants (HAP)		NA	NA
Others – please specify		NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - Yes. CareEdge Advisory has evaluated and reconfirmed air emissions.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Tonnes of CO ₂	1909699	2077819
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Tonnes of CO ₂	167704	172314
Total Scope 1 and Scope 2 emissions per rupee of turnover	Tonnes of CO ₂ / rupees	0.000033	0.000038
Total Scope 1 and Scope 2 emission intensity (CO ₂ (in tonnes)/ production in tonne)	Tonnes of CO ₂	1.30	1.54

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - Yes. CareEdge Advisory has evaluated and reconfirmed Energy Consumption and Carbon Footprints.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes. The Company has measured its Carbon Footprints for Scope 1 and 2 emissions. Next year Company has a plan to measure Scope 3 emissions. Once the same is done, the roadmap for the GHG reduction will be articulated using the following techniques/initiatives:

- Focus on Energy and Process Efficiency
- Energy Transition for De-carbonisation
- Improving the raw material quality
- Material circularity through increased usage of scrap
- Alternative fuel sources.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0.00	0.00
E-waste (B)	2.29	0.00
Bio-medical waste (C)	0.10	0.10
Construction and demolition waste (D)	0.00	0.00
Battery waste (E)	18.02	0.00
Radioactive waste (F)	0.00	0.00
Other Hazardous waste (Oil-soaked cotton waste, DG filters, paint cans, chemical cans, paint residue, oil sludge, DG chimney soot, coolant oil and used oil). Please specify, if any. (G)	41.80	3.37
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	508735.11	505375.61
Total (A+B + C + D + E + F + G + H)	508797.32	505379.08
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	0.00	0.00
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
Total	0.00	0.00
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0.55	1.33
(ii) Landfilling	169621.33	145912.61
(iii) Other disposal operations	337957.61	349514.89
Total	507579.49	495428.83

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency- Yes. CareEdge Advisory has evaluated and reconfirmed waste generation details.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes

Our waste management approach is based on the philosophy of Reduce, Reuse and Recycle. With our efforts, we contribute to a circular economy and convert waste into resources. Solid wastes generated from various units are being utilised 100%.

- a) Slag generated from Blast Furnace is being sent to cement industries.
- b) Flue dust of SMS and GCP sludge from the blast furnace is being utilised in the sinter plant.
- c) Coke breeze is used in the sinter plant.
- d) SMS slag is used for road compacting/concreting after metal recovery.
- e) Fly ash and Bed ash are used in brick plants.
- f) Char & Dolochar generated from DRI are being used in power plants as fuel.

No such hazardous chemical or toxic chemical is being used only the lubricant oil/transformer oil, grease is used. The generated waste/spent oil is being sold to the authorised recycler only.

10. If the entity has operations/ offices in/ around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

Sl. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
1	Chhotedongar Iron Ore Mine, Village Chhotedongar, Tehsil & District Narayanpur, State - Chhattisgarh	Open Cast Iron Ore Mining	Yes
2	Metabodeli Iron Ore Mine, Village Metabodeli, Tehsil Bhanupratappur, District Kanker, State - Chhattisgarh	Open Cast Iron Ore Mining	Yes

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web-link
Expansion and Modernisation of existing integrated steel Plant with Expansion & Modernisation of Existing Steel Plant Blast Furnace – 0.75 MnTPA to 2.00 MnTPA (0.75 MnTPA to 1 MnTPA through modernisation) Sinter Plant – 0.80 MnTPA to 2.80 MnTPA, Pellet Plant – 1.5 MnTPA to 3.0 MnTPA, Coke Oven -0.20 MnTPA to 1.10 MnTPA, Air Separation unit (Oxygen Plant) – 510 TPD to 1500 TPD, Steel Melt Shop -1.20 MnTPA to 2.40 MnTPA, Rolling Mill – 1.20 MnTPA to 2.40 MnTPA, Cement Grinding unit–2.40 MnTPA, Producer Gas Plant -1,16,000 Nm ³ /hr., Power Plant – 26 MW to 130 MW and DRI Plant to 0.35 MnTPA.	EIA Notification 2006	14 th September, 2006	Yes	Yes	https://enviscecb.org/ph_464.html

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N).

Yes.

If not, provide details of all such non-compliances, in the following format:

Sl. No.	Specify the law/ regulation/ guidelines which was not complied with	Provide details of the noncompliance	Any fines/ penalties/ action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
1	All Complied	NA	0	NA

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23	FY 2021-22
From renewable sources		
Total electricity consumption (A)	-	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	-	-
From Non-renewable sources		
Total electricity consumption (D) - GJ	7,27,391	7,47,385
Total fuel consumption (E) - GJ	2,97,88,288	3,04,09,090
Energy consumption through other sources (F)	-	-
Total energy consumed from non renewable sources (D+E+F) - GJ	3,05,15,679	3,11,56,475

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Yes. CareEdge Advisory has evaluated and reconfirmed Energy Consumption and Carbon Footprints.

2. Provide the following details related to water discharged:

Parameter	FY 2022-23	FY 2021-22
(i) To Surface Water		
No treatment		
With treatment – please specify level of treatment		
(ii) To Groundwater		
No treatment		
With treatment – please specify level of treatment		
(iii) To Seawater		
No treatment		
With treatment – please specify level of treatment		
(iv) Sent to third-parties		
No treatment		
With treatment – please specify level of treatment		
(v) Others		
No treatment		
With treatment – please specify level of treatment		
Total Water discharged (in kilolitres)		

All plants of the company are zero discharge plants.

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility/plant located in areas of water stress, provide the following information:

- (i) Name of the area - Not Applicable
- (ii) Nature of operations - Not Applicable
- (iii) Water withdrawal, consumption and discharge in the following format - Not Applicable

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater/desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed/turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
No treatment		
With treatment – please specify level of treatment		
(ii) Into Groundwater		
No treatment		
With treatment – please specify level of treatment		
(iii) Into Seawater		
No treatment		
With treatment – please specify level of treatment		
(iv) Sent to third-parties		
No treatment		
With treatment – please specify level of treatment		
(v) Others		
No treatment		
With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

None of the plants of the company are located in water stress areas.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)		Not available	Not available
Total Scope 3 emissions per rupee of turnover		Not available	Not available
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		Not available	Not available

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

The said mines are not located in ecologically sensitive areas. Mines are located in a forest area and for which Forest Clearance has been obtained from Forest Department. No endangered flora and fauna are found in this area.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/ effluent discharge/ waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sl. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Installed Waste Water treatment Plant with RO of 70 cum/hr capacity	To minimise water consumption WWTP with RO has been installed for the treatment of waste water and to make it reusable in the process again.	Approximately 1700 cum water per day is recycled and reused in the process which reduces the fresh water consumption.
2.	Installed 7 Nos. of STP of 5 KLD capacity each	For treatment of domestic effluent, STP plants have been installed. The treated sewage water is being used in horticulture/plantations	The treated sewage water is being used in horticulture/plantations which reduces fresh water consumption.
3.	Installed 1 Nos. of ETP 110 CMD	For the treatment of trade effluent, ETP plants have been installed. The treated water is being reused.	The treated water is being reused which reduces the fresh water consumption.
4.	Installed 1 Nos. of STP 40 CMD	For the treatment of domestic effluent, an STP plant has been installed. The treated water is being reused.	The treated water is being reused for gardening purposes after treatment.
5.	Installed 2 Nos. of STP 60 CMD	For the treatment of waste water, STP plants have been installed. The treated water is being reused.	The treated water is being reused which reduces the fresh water consumption.

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web-link.

Yes. The On-Site Emergency Plan/Disaster Control Plan is a statutory requirement under Section 41- B of the Indian Factories Act,1948, which provides for the compulsory disclosure of information for the Factory involving a hazardous process/ area/ materials, by the Occupier of a Factory to The Chief Inspector of Factories.

JNIL has an approved Onsite Emergency/Disaster Control Plan.

The disaster control procedure lays down the efforts to be made to prevent fatal accidents, physical harm or injury to personnel, and damage to equipment facilities or materials. It requires a coordinated effort of all employees to control and eliminate a disastrous situation. The objectives of preparing this plan are to provide the factory authority to take appropriate and effective actions in the event of an emergency situation in order to:-

- Protect factory personnel inside and public outside the factory.
- Protect property and minimise loss.
- Protect the work environment and outside environment.
- Effective rescue and proper treatment of casualties.
- Bring the situation under control.
- Ensure rapid return to normal operation.
- Preserve relevant records and equipment for subsequent inquiry.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard

Not available.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Not available.

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**Essential Indicators****1. a) Number of affiliations with trade and industry chambers/ associations.**

The Company is affiliated with ten trade and industry chambers/ associations.

b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sl. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	Confederation of Indian Industry	National
2.	Alloy Steel Producers Association of India	National
3.	Federation of Indian Mineral Industries	National
4.	Export Credit Guarantee Corporation of India Limited	National
5.	Engineering Export Promotion Council of India	National
6.	The Institute of Indian Foundrymen	National
7.	Sponge Iron Manufacturers Association	National
8.	Pellet Manufacturers Association of India	National
9.	MIDC Industries Association	State
10.	Vidarbha Industries Association	State

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
Nil	Nil	Nil

Leadership Indicators**1. Details of public policy positions advocated by the entity:**

Sr. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly/ Others – please specify)	Web Link, if available
1	The Company from time to time shares its concerns and views related to the challenges faced by Steel and Casting Industry and discusses feasible solutions through meetings with various National Forums for ease of doing business and bringing transparency in regulatory disclosures.				

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development**Essential Indicators****1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web-link
Not Applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sl. No	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

The Company has a CSR Policy. This CSR policy is a guideline to the CSR team which is deeply intertwined with communities and panchayats, wherein there are continuous one-to-one interactions between communities and the team. The team interacts with communities and stakeholders on the ground to implement the Corporate Social Responsibility initiatives of the Company. This enables continuous feedback on work done to flow back to the team, including any grievances that communities may have. In most cases, the concerns are addressed swiftly to the satisfaction of the relevant community. The team ensures project execution as per plan and Company allocates a budget to implement these social programmes.

CSR team members also regularly interact with community members during their visits to villages where Company runs various Corporate Social Responsibility programmes. There is an in-built mechanism in the working of the teams where the field staff, the programme team and the Unit Heads regularly speak with individuals and groups within the communities, as well as with various stakeholders, to ensure that any grievances reach the attention at the senior most level and get appropriately redressed. This is further supported through regular interactions between the communities and other stakeholders.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/small producers	21.71%	9.12%
Sourced directly from within the district and neighbouring districts	53.89%	49.84%

Leadership Indicators**1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Details of negative social impact identified	Corrective action taken
Not Applicable	Not Applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sl. No.	State	Aspirational District	Amount spent (In INR)
1.	Chhattisgarh	Kanker	1.40 crores
2.	Chhattisgarh	Narayanpur	1.61 crores

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No)

No.

(b) From which marginalised/vulnerable groups do you procure?

No.

(c) What percentage of total procurement (by value) does it constitute?

No.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sl. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
				Not Applicable

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
		Not Applicable

6. Details of beneficiaries of CSR Projects: -

Sl. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1.	Health Care, Sanitation & Drinking Water Facilities	56,530	
2.	Education and training	1,036	
3.	Sports	200	
4.	Women empowerment	547	90%
5.	Environmental sustainability	35,400	
6.	Promotion and development of traditional art and culture, Community Welfare	18,000	
7.	Rural development projects	78,300	

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company has a procedure in place for handling customer complaints under "JNIL/CC/IMSP" and for customer satisfaction measurement under "MKTSL/IMSP/02".

The modality for the above is already defined in the system and effectively implemented.

2. Turnover of products and/ services as a percentage of turnover from all products/ service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable as Company's business is B2B (Business to Business) and products are manufactured as per the requirement of the customers.
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	Nil	0	0	Nil
Advertising	0	0		0	0	
Cyber-security	0	0		0	0	
Delivery of Products	0	0		0	0	
Restrictive Trade Practices	0	0		0	0	
Unfair Trade Practices	0	0		0	0	
Other	0	0		0	0	

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls		
Forced recalls	Nil	Not Applicable

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, www.necoindia.com/corporate-governance.php

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/ action taken by regulatory authorities on safety of products/ services

There have been no such instances which have occurred during FY 2022-23.

Leadership Indicators

1. Channels/Platforms where information on products and services of the entity can be accessed (provide web-link, if available).

Foundry Division: <https://www.jayaswalneco.com>

Steel Plant Division: <https://www.necoindia.com>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Test certificate issue along with each & every material supply & Material Safety Data Sheet (MSDS) also provided to the customers as & when required.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

The Company has a mechanism in place for informing about the disruption/discontinuation of essential services.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/ No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes. The product information as per the requirement of customers is displayed along with the product.

The customer satisfaction survey is being taken on a quarterly basis.

5. Provide the following information relating to data breaches:

- a) Number of instances of data breaches along-with impact
Nil.
- b) Percentage of data breaches involving personally identifiable information of customers
Nil.

Independent Auditor's Report

**To The Members of
Jayaswal Neco Industries Limited**

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **JAYASWAL NECO INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), 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 "**Financial Statements**").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its Profit including Other Comprehensive Income, its Cash Flows and the Statement of Changes in Equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SA") specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the

Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

Emphasis of Matter

We draw your attention to the

- a) Note no. 2.07 to the Financial Statements, regarding the attachment of the properties of the Company to the extent of Rs. 30,758.39 Lakhs by the Directorate of Enforcement in earlier years, which has been contested by the Company and presently stayed.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for the year ended March 31, 2023. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matters below, our description of how our audit addressed the matter is provided in that context.

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

Key Audit Matters

1) Inventories

As of March 31, 2023, inventories appear in the Financial Statements for an amount of Rs. 128359.54 Lakhs constitutes 21.20 % of the total assets of the Company. Inventories are valued at the lower of cost and net realizable value

The Company may recognize an inventory allowance if inventory items are damaged, if the selling price has declined, or if the estimated costs to completion or to be incurred to make the sale have increased.

We considered this matter as key audit matter due to the:

- Significance of the inventories balance.
- Complexities involved in determining the cost of inventories in view of type of materials, multiple integrated manufacturing process, locations and obsolete inventories.

Refer note no. 1(C)(VI) and 7 to the Financial Statements.

How our audit addressed the key audit matter

Our audit procedure included, among others:

- Reviewing the Company's process and procedure for physical verification of the Inventories, identification of non-moving and obsolete items and accounting for the same.
- Obtaining the physical inventory count reports of the Management as per verification plan and discussing with the Management about the Control checks performed by them.
- 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 the Management to prevent or detect possible errors in valuation of inventories.

Key Audit Matters

2) Litigation and Regulatory Claims

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, Arbitration with the vendors / customers, other litigation with Government authorities, etc. The amount of litigation may be significant and estimates of the amounts of provisions or contingent liabilities are subject to significant Management judgment. (Refer Note No. 2.07, 2.08, 3.03, 3.04, 28.01, 37 and 50.01 to the Financial Statements)

Due to complexity involved in these litigations 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.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these Financial Statements that give a true and fair view of the Financial Position, Financial Performance including Other Comprehensive Income, Cash Flows and the Statement Of

How our audit addressed the key audit matter

- Analyzing the Company's assessment of net realizable value and calculations for stock obsolescence.
- Verifying the completeness of disclosure in the Financial Statements as per Ind AS 2.
- Obtaining representation letter from the management as per SA 580 (revised) – Written representations.

Our audit procedure included the following:

- Assessing the procedures implemented by the Company to identify and gather the risks it is exposed to.
- Obtaining an understanding of the risk analysis performed by the Company, with related supporting documentation, and studying written statements from internal legal experts, where applicable.
- Discussion with the management on the development in these litigations during the year.
- Enquiring from the Company's legal counsel and studying the responses as received from them.
- Verification that the accounting and / or disclosure as the case may be in the Financial Statements made by the Company is in accordance with the assessment of Company's 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.

Changes in Equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that

an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Financial Statements comply with the accounting standards specified under section 133 of the Act;
 - e) On the basis of written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls with reference to Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended,

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

- h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information

and according to the explanations given to us and as represented by the management:

- i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements as referred to in Note No. 2.07, 2.08, 3.03, 3.04, 28.01, 37 and 50.01 to the Financial Statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) Management has represented to us that, to the best of its knowledge and belief, as disclosed in the notes to the Financial Statements, during the year no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) Management has represented to us that, to the best of its knowledge and belief, as disclosed in the notes to the Financial Statements, during the year no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in

writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (c) Based on our audit procedure conducted that have been considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the representation given by the management under paragraph (2) (h) (iv) (a) & (b) contains any material misstatement.
- v. The Company has not declared or paid any dividend during the year and has also not proposed dividend for the year.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For **Chaturvedi & Shah LLP**

Chartered Accountants
(Registration No. : 101720W/W100355)

Anuj Bhatia

Partner
Membership No. 122179
UDIN: 23122179BGQWTT8423

Mumbai

Date: **May 23, 2023**

“Annexure A” to The Independent Auditors’ Report

(Referred to in Paragraph 1 under the heading of “Report on other legal and regulatory requirements” of our report of even date to the members of JAYASWAL NECO INDUSTRIES LIMITED on the Financial Statements for the year ended March 31, 2023)

- i) In respect of its Property, Plant and Equipment and Intangible Assets:
- a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment on the basis of available information.
- (B) The Company has maintained proper records showing full particulars of intangible assets on the basis of available information.
- b) As explained to us, Property, Plant & Equipment have been physically verified by the management in a phased
- periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification as compared with the available records.
- c) According to the information and explanations provided to us and the records produced before us, title deeds in respect of immovable properties disclosed as Property, Plant and Equipment (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) in the Financial Statements are in the name of the Company, except following Properties

Description of property	Gross carrying value Rs. in Lakhs	Held in the name of	Whether promoter, director or their relative or employee	Property indicate range, where appropriate	Reason for not being held in the name of the Company
Leasehold Land	1534.99	Corporate Ispat Alloys Limited	No	01.04.2008	Steel division from Corporate Ispat Alloys Limited was demerged and acquired by the Company. Due to legal complications the transfer of property is not feasible.
Freehold Land	24.30	Jayaswal Chemicals Private Limited	No	01.04.1996	The title deeds were in the name of Jayaswals Neco Limited (earlier known as Jayaswal Chemicals Private Limited) erstwhile Company that was amalgamated with Jayaswal Neco Industries Limited under the Companies Act, 1956. Subsequent to the year ended, the transfer process for the same has been completed.

- d) According to information and explanations given to us and books of account and records produced before us, Company has not revalued its Property, Plant and Equipment or Intangible Assets or both during the year.
- e) According to information and explanations and representation made to us by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. a) As explained to us and on the basis of the records produced before us, in our opinion, physical verification of the inventories, except for inventories in transit for which management confirmation has been received, have been conducted at reasonable intervals by the management and having regard to the size and nature of business of the Company and nature of its inventory, the coverage and procedures of such verification by the management is appropriate. As explained to us and on the basis of the records examined by us, the value of the discrepancies noticed on physical verification by management did not exceed 10% or more in aggregate of each class of inventory.
- b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility
- from banks or financial institutions, Therefore, the provisions of clause (ii) (b) of paragraph 3 of the Order are not applicable to the Company.
- iii. With respect to investments made in or any guarantee or security provided or any loans or advances in the nature of loans, secured or unsecured, granted during the year by the Company to Companies, Firms, Limited Liability Partnerships or any other parties:
- a) As per the information and explanations given to us and books of account and records produced before us, during the year Company has not provided any guarantee or security or has not granted any loans or advances in the nature of loan, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or any other entities.
- b) In our opinion and according to information and explanations given to us and on the basis of our audit procedures, during the year, the investments made are, prima facie, not prejudicial to Company’s interest.
- c) According to the books of account and records produced before us, in the earlier years, the Company granted a loan with the schedule of repayment of principal and payment of interest thereon. In view of the financial crisis of the loanee, whole of the loan along with interest was provided for. During the year, these amounts have been written off.

- d) Subsequent to the written off the amounts as mentioned in the clause (iii) (c) above, as on March 31, 2023, no loan given by the Company was outstanding as at March 31, 2023. Therefore, the provisions of clause (iii) (d) of paragraph 3 of the Order are not applicable to the Company.
- e) In our opinion and according to information and explanation given to us and the books of account and records produced before us, during the year, no loan or advance in the nature of loan granted has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties, therefore, the provisions of clause (iii) (e) of paragraph 3 of the Order are not applicable to the Company.
- f) In our opinion and according to information and explanation given and records produced before us, during the year, the Company has not granted any loans or advances in the nature of loans, therefore, the provisions of clause (iii) (f) of paragraph 3 of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 & 186 of the Act as applicable, in respect of making investments during the year. During the year Company has not granted loans and not provided any guarantee and security.
- v. According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) (d) of the Act, as applicable and are of the opinion that, prima facie, the prescribed accounts and records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us, in respect of statutory dues:
- The Company has generally been regular in depositing undisputed statutory dues, including Goods and Services Tax, provident fund, employees' state insurance, income-tax, duty of customs, duty, cess and any other statutory dues to the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as at March 31, 2023 for a period of more than six months from the date they became payable.

- a) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Nature of Dues	Statute	Period Involved	Amount (Rs. in lakhs) (*)	Forum where dispute is pending
Custom Duty	Custom Act, 1962	2014-2016	78.56	CESTAT
		2004-2005	100.00	Commissioner
Excise Duty	Central Excise Act, 1944	2009-2015	285.78	CESTAT
Service Tax	Finance Act, 1994	2004-2008, 2011-2014 and 2016-18	583.05	CESTAT
		2015-2018	17.36	Commissioner
		2007 to 2010 & 2011 to 2017	763.44	High Court
Sales Tax / VAT and Entry Tax	Central Sales Tax Act, 1956 and Sales Tax Acts of various states	1996-97 & 2002-03	13.63	Deputy Commissioner
		2017-18	202.69	Additional Commissioner
		2016-17	49.19	Joint Commissioner
Railway Charges	Railway Act	2011	200.00	High Court
Electricity Duty	Electricity Act	2015 to 2022	6037.51	Supreme Court
Cross Subsidy	Electricity Act	2010	249.00	Supreme Court
Stamp Duty	India Stamp Act	2016	67.00	High Court
Gram Panchayat	Gram Panchayat	2015 - 2023	62.91	Gram Panchayat
Total			8710.12	

*Net of amount paid under protest

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

ix. a) Based on our audit procedures and information and explanations given by the Management, the Company has not defaulted in repayment of loans or borrowing to any lenders except default of interest on unsecured loan from a related party as detailed below:

Nature of borrowing	Name of lender	Amount not paid on due date (Rs. in Lakhs)	Whether principal or interest	No. of days delay or unpaid	Remarks, if any
Current - Inter Corporate Deposits	Maa Usha Urja Limited	292.05	Interest	1,125	

b) In our opinion, and according to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) In our opinion, and according to the information and explanations given to us and records examined by us, during the year Company has not taken any loans. Therefore, the provisions of clause (ix)(c) of paragraph 3 of the Order are not applicable to the Company.

d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the Financial Statements of the Company, we report that, prima facie, no funds raised on short-term basis have been used during the year for long-term purposes by the Company.

e) The Company does not have any subsidiary, associate (having beneficiary interest in it) or joint venture. Therefore, the provisions of clause (ix)(e) of paragraph 3 of the Order are not applicable to the Company.

f) The Company does not have any subsidiary, associate (having beneficiary interest in it) or joint venture. Therefore, the provisions of clause (ix)(f) of paragraph 3 of the Order are not applicable to the Company.

x. a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments). Therefore, the provisions of clause (x)(a) of paragraph 3 of the Order are not applicable to the Company.

b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible). Therefore, the provisions of clause (x)(b) of paragraph 3 of the Order are not applicable to the Company.

xi. a) Based on the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and on the basis of information and explanations given by the management, no fraud by the Company or on the Company has been noticed or reported during the year.

b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Act has been filed by auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

xii. In our opinion, Company is not a nidhi Company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Act and their details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

xiv. a) In our opinion, and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.

b) We have considered the internal audit reports of the Company issued till date, for the period under audit.

xv. According to the information and explanations provided by the management, the Company has not entered into any non-cash transaction with directors or persons connected with them as referred to in Section 192 of the Act. Therefore, the provisions of clause (xv) of paragraph 3 of the Order are not applicable to the Company.

xvi. a) In our opinion and according to the information and explanations provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

b) In our opinion, and according to the information and explanations provided to us and on the basis of our audit procedures, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year as per the Reserve bank of India Act, 1934.

c) In our opinion, and according to the information and explanations provided to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

d) In our opinion, and according to the information and explanations provided to us, the Group does not have any Core Investment Company (CIC).

xvii. In our opinion, and according to the information and explanations provided to us, the Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Therefore, provisions of clause (xviii) of paragraph 3 of the Order are not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, draw your attention to note no. 18.01 to the Financial Statements, regarding

extended refinancing date of December 15, 2023 by which the company has to refinance its outstanding debt. Based on the representation given by the management, the Company is in the process of getting its outstanding debt refinanced within the stipulated time and the company is reasonably confident of achieving the same. We also state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. With respect to CSR contribution under section 135 of the Act:

a) According to the information and explanations given to us and on the basis of our audit procedures, the Company has fully spent the required amount towards CSR and there is no unspent amount for the year that were required to be transferred to a Fund specified in Schedule VII in compliance with second proviso to sub-section 5 of section 135 of the Act.

b) According to the information and explanations given to us, the Company does not have any on-going projects. Therefore, the provisions of clause (xx) (b) of paragraph 3 of the Order are not applicable to the Company.

For **Chaturvedi & Shah LLP**

Chartered Accountants

(Registration No. : 101720W/W100355)

Anuj Bhatia

Partner

Membership No. 122179

UDIN: 23122179BGQWT8423

Mumbai

Date: **May 23, 2023**

“Annexure B” to The Independent Auditors’ Report

(Referred to in paragraph 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date to the members of JAYASWAL NECO INDUSTRIES LIMITED on the Financial Statements for the year ended March 31, 2023)

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

We have audited the internal financial controls with reference to Financial Statements of **JAYASWAL NECO INDUSTRIES LIMITED** (“the Company”) as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls 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 Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors’ judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system with reference to these financial statements.

Meaning of Internal Financial Controls With Reference To These Financial Statements

A company’s internal financial control with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company ; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the Financial statements.

Inherent Limitations of Internal Financial Controls With Reference To These Financial Statements

Because of the inherent limitations of internal financial controls with reference to these financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to these financial statements to future periods are subject to the risk that the internal financial control with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **Chaturvedi & Shah LLP**

Chartered Accountants

(Registration No. : 101720W/W100355)

Anuj Bhatia

Partner

Membership No. 122179

UDIN: 23122179BGQWTT8423

Mumbai

Date: **May 23, 2023**

Balance Sheet

as at 31st March, 2023

Particulars	Note No.	(Rs. in lakhs)	
		As at 31.03.2023	As at 31.03.2022
I. ASSETS :			
1) Non-current Assets			
(a) Property, Plant and Equipment	2	350307.66	373246.56
(b) Capital Work in Progress	2	7406.03	5423.65
(c) Intangible Assets	3	3291.70	1189.21
(d) Intangible Assets under Development	3	1999.95	4063.90
(e) Financial Assets			
(i) Other Financial Assets	4	817.43	734.20
(f) Non Current Tax Assets (Net)	5	652.28	596.42
(g) Deferred Tax Assets (Net)	22	12979.90	-
(h) Other Non Current Assets	6	4348.70	4619.14
		381803.65	389873.08
2) Current Assets			
(a) Inventories	7	128359.54	120760.01
(b) Financial Assets			
(i) Investments	8	0.52	0.21
(ii) Trade Receivables	9	46857.87	45748.63
(iii) Cash and Cash Equivalents	10	7201.02	18187.14
(iv) Bank Balances other than (iii) above	11	21065.39	30360.22
(v) Loans	12	-	-
(vi) Other Financial Assets	13	260.99	166.55
(c) Current Tax Assets (Net)	14	414.91	467.93
(d) Other Current Assets	15	19386.98	26454.37
		223547.22	242145.06
3) Assets Held for Sale			
	46	-	226.12
			226.12
TOTAL ASSETS		605350.87	632244.26
II. EQUITY AND LIABILITIES:			
Equity			
(a) Equity Share Capital	16	97099.10	97099.10
(b) Other Equity	17	108682.53	86240.22
		205781.63	183339.32
Liabilities			
1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	2578.63	343625.40
(ia) Lease Liabilities	19	462.19	465.57
(ii) Other Financial Liabilities	20	1.66	1.66
(b) Provisions	21	31.65	28.67
(c) Deferred Tax Liabilities (Net)	22	-	6373.79
		3074.13	350495.09
2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	338306.96	40323.72
(ia) Lease Liabilities	24	50.70	81.96
(ii) Trade Payables	25		
Total Outstanding dues of Micro Enterprises and Small Enterprises		2014.37	3221.50
Total outstanding dues of Creditors other than Micro enterprises and Small Enterprises		29963.87	23888.60
(iii) Other Financial Liabilities	26	13238.26	16889.38
(b) Other Current Liabilities	27	3589.30	5685.77
(c) Provisions	28	9331.65	8318.92
		396495.11	98409.85
TOTAL EQUITY AND LIABILITIES		605350.87	632244.26
Significant Accounting Policies	1		
Notes to the Financial Statements	2 to 52		

As per our Report of even date

For **CHATURVEDI & SHAH LLP**
Chartered Accountants
(Registration No. : 101720W/W100355)

ANUJ BHATIA
Partner
Membership No. : 122179

ARVIND JAYASWAL
Managing Director
DIN : 00249864

ASHISH SRIVASTAVA
Company Secretary
Membership No.: A20141

For and on behalf of Board of Directors

RAMESH JAYASWAL
Joint Managing Director
DIN : 00249947

KAPIL SHROFF
Chief Financial Officer

Nagpur
23rd May, 2023

Statement of Profit and Loss

for the year ended 31st March, 2023

Particulars	Note No.	(Rs. in lakhs)	
		For the year ended 31.03.2023	For the year ended 31.03.2022
1 Revenue from Operations	29	634285.85	595854.90
2 Other Income	30	2207.11	628.02
3 Total Income (1+2)		636492.96	596482.92
4 EXPENSES			
Cost of Materials Consumed		325519.23	264477.31
Purchase of Stock in Trade		14338.99	14097.93
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	31	(2694.38)	(7589.06)
Employee Benefits Expense	32	27673.03	25437.23
Finance Costs	33	45302.24	45863.28
Depreciation and Amortisation Expense	34	26570.81	26099.21
Other Expenses	35	191254.14	169461.68
Total Expenses		627964.06	537847.58
5 Profit Before Exceptional Items and Tax (3-4)		8528.90	58635.34
6 Exceptional Items - Loss/(Gain)	50	5118.91	(172449.95)
7 Profit Before Tax (5-6)		3409.99	231085.29
8 Tax Expenses :			
Deferred Tax	22	(19271.27)	6357.75
Income Tax for Earlier Years		(6.11)	(1.02)
		(19277.38)	6356.73
9 Profit for the Year (7-8)		22687.37	224728.56
10 Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Remeasurement (Loss) /Gain on Defined Benefit Plans		(327.48)	63.73
Tax Effect on above	22	82.42	(16.04)
(ii) Items that will be reclassified to profit or loss			
		-	-
Total Other Comprehensive Income (Net of Tax)		(245.06)	47.69
Total Comprehensive Income for the Year (9+10)		22442.31	224776.25
11 Earnings per Equity Share of Rs. 10/- each			
a) Basic after Exceptional items	36	2.34	28.40
b) Basic before Exceptional items		2.86	6.60
c) Diluted after Exceptional items		2.34	23.57
d) Diluted before Exceptional items		2.86	5.81
Significant Accounting Policies	1		
Notes to the Financial Statements	2 to 52		

As per our Report of even date

For **CHATURVEDI & SHAH LLP**
Chartered Accountants
(Registration No. : 101720W/W100355)

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For and on behalf of Board of Directors

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Joint Managing Director
DIN : 00249947

KAPIL SHROFF
Chief Financial Officer

Nagpur
23rd May, 2023

Statement of Changes in Equity

for the year ended 31st March, 2023

A. Equity Share Capital

Particulars	(Rs. in lakhs)				
	Balance as at 01.04.2021	Changes during the year	Balance as at 31.03.2022	Changes during the year	Balance as at 31.03.2023
Equity Share Capital	63862.58	33236.52	97099.10	-	97099.10

B. Other Equity

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				Re-measurements of Defined Benefit Plans
Balance as at 1 st April, 2021	1518.42	7762.89	96345.81	16700.87	5100.37	(328216.12)	21.47	643.39	(200122.90)	
Total Comprehensive Income for the year	-	-	-	-	-	224728.56	-	47.69	224776.25	
Less: Issue of Equity Shares	(897.78)	-	-	-	-	-	-	-	(897.78)	
Add: Issue of Equity Shares on Preferential Basis	-	-	62484.65	-	-	-	-	-	62484.65	
Balance as at 31 st March, 2022	620.64	7762.89	158830.46	16700.87	5100.37	(103487.56)	21.47	691.08	86240.22	
Balance as at 1 st April, 2022	620.64	7762.89	158830.46	16700.87	5100.37	(103487.56)	21.47	691.08	86240.22	
Total Comprehensive Income for the year	-	-	-	-	-	22687.37	-	(245.06)	22442.31	
Balance as at 31st March, 2023	620.64	7762.89	158830.46	16700.87	5100.37	(80800.19)	21.47	446.02	108682.53	

As per our Report of even date

For **CHATURVEDI & SHAH LLP**
Chartered Accountants
(Registration No. : 101720W/W100355)

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Membership No.: A20141

For and on behalf of Board of Directors

RAMESH JAYASWAL
Joint Managing Director
DIN : 00249947

KAPIL SHROFF
Chief Financial Officer

Nagpur
23rd May, 2023

Statement of Cash Flows

for the year ended 31st March, 2023

Particulars	(Rs. in lakhs)	
	For the year ended 31.03.2023	For the Year ended 31.03.2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax as per the Statement of Profit and Loss	3409.99	231085.29
ADJUSTED FOR		
Depreciation and Amortisation Expense	26570.81	26099.21
Exceptional Items (Refer Note No. 50)	5118.91	(172449.95)
(Gain) / Loss on Sale / Discard of Property, Plant and Equipment (Net) & Assets held for sale	(541.73)	99.78
Impairment provision of Capital Work-In-Progress	323.02	-
Gain on Financial Instruments measured at Fair Value through Profit or Loss (Net)	(0.31)	(0.15)
Account Written Back	(405.54)	-
Interest Income	(723.05)	(381.67)
Finance Costs	45302.24	45863.28
Unrealised (Gain)/Loss on Foreign Currency Transaction (Net)	(10.94)	14.12
Bad Debts / Advances written off	1515.86	2824.88
Reversal of Credit Impaired Trade Receivables / Advances (Net)	(1612.26)	(2637.21)
Reversal for Expected Credit Loss on Trade Receivables	(3.72)	(69.26)
Operating Profit Before Working Capital Changes	78943.28	130448.32
ADJUSTMENTS FOR		
Trade and Other Receivables	6899.83	(24178.46)
Inventories	(7599.53)	(30784.51)
Trade and Other Payables	767.79	10898.52
Cash Generated from operations before exceptional items	79011.37	86383.87
Exceptional Items	(5118.91)	-
Cash Generated from operations after exceptional items	73892.46	86383.87
Direct Taxes (Paid) / Refund	3.27	(350.79)
NET CASH FLOW FROM OPERATING ACTIVITIES	73895.73	86033.08
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment, Capital work in progress, Intangible Assets and Intangible assets under development	(6609.67)	(3029.85)
Sale of Property, Plant and Equipment & Assets held for sale	256.80	24.47
Interest Income	690.28	412.66
NET CASH USED IN INVESTING ACTIVITIES	(5662.59)	(2592.72)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Lease Liability	(86.33)	(22.30)
Repayment of Non Current Borrowings	(73945.40)	(66242.30)
Finance Costs	(14399.13)	(6961.21)
Margin Money (Net)	9211.60	(21102.63)
NET CASH USED IN FINANCING ACTIVITIES	(79219.26)	(94328.44)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(10986.12)	(10888.08)
NET CASH AND CASH EQUIVALENTS (OPENING BALANCE)	18187.14	29075.22
Effect of Exchange rate on Cash and Cash Equivalents	(0.27)	(0.19)
Balance of Cash and Cash Equivalents	7201.29	18187.33
CASH AND CASH EQUIVALENTS (CLOSING BALANCE)	7201.02	18187.14
(Refer Note No. 10.01)		

Statement of Cash Flows

for the year ended 31st March, 2023

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

Particulars	(Rs. in lakhs)	
	31.03.2023	31.03.2022
Opening Balance of Liabilities arising from Financing Activities	384496.65	382893.82
Less : Changes from Cash Flow from Financing Activities (Net)	(74031.73)	(66264.60)
Add / (Less) : Changes in Fair Value	30933.56	(30716.29)
Less : Inter-Corporate Deposits Written back and Upfront Debt Waiver	-	(17092.77)
Less : Conversion to Equity Shares	-	(1595.24)
Less: Conversion of Inter-Corporate Deposits to Equity Shares	-	(1015.48)
Add : Interest accrued and due converted into Term Loan as per Debt Restructuring Terms	-	118287.21
Closing Balance of Liabilities arising from Financing Activities	341398.48	384496.65

- (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 and on behalf of Board of Directors

For **CHATURVEDI & SHAH LLP**
Chartered Accountants
(Registration No. : 101720W/W100355)

ARVIND JAYASWAL
Managing Director
DIN : 00249864

RAMESH JAYASWAL
Joint Managing Director
DIN : 00249947

ANUJ BHATIA
Partner
Membership No. : 122179

ASHISH SRIVASTAVA
Company Secretary
Membership No.: A20141

KAPIL SHROFF
Chief Financial Officer

Nagpur
23rd May, 2023

Notes to the Financial Statements

for the year ended 31st March, 2023

NOTE 1:

A. CORPORATE INFORMATION:

Jayaswal Neco Industries Limited ("the Company") is domiciled and incorporated in India under the provisions of the Companies Act, 1956 and its shares are listed on the BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE'). The registered office of the Company is situated at F-8, MIDC Industrial Area, Hingna Road, Nagpur - 440016, Maharashtra, India and manufacturing facilities are located in the states of Chhattisgarh and Maharashtra, in India.

The Company is engaged in manufacture and supply of pig iron, sponge iron, pellet, steel and Iron & steel castings.

The financial statements of the Company for the year ended 31st March, 2023 were approved and adopted by Board of Directors in their meeting dated 23rd May, 2023.

B. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS:

The financial statements of the Company have been prepared on a going concern basis and to comply with the Indian Accounting Standards (Ind AS), including the rules under the relevant provisions of the Companies Act, 2013.

The financial statements have been prepared on a historical cost basis except certain financial assets and liabilities, assets held for sale and defined benefit plans measured at fair value.

Financial Statements are presented in Indian Rupees (Rs.), which is the Company's functional and presentation currency. All amounts are rounded to the nearest lakhs and two decimals thereof, except as stated otherwise.

C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(I) PROPERTY, PLANT AND EQUIPMENT (PPE):

PPE are stated at cost net of recoverable taxes, less accumulated depreciation and impairment loss, if any. Such cost includes purchase price, borrowing cost and any other cost directly attributable to bringing the asset to its working condition for its intended use, the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

In case of Property, Plant and Equipment, the Company has availed the carrying value as deemed cost on the date of Ind AS transition i.e. 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 recognized in the Statement of Profit and Loss when the asset is derecognized.

Depreciation on PPE

- a) Depreciation on the PPE is provided to the extent of depreciable amount on the Straight Line Method over the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in respect of following assets where the useful life is different than those prescribed in Schedule II as per technical evaluation:

Particulars	Useful life considered for depreciation
Various plants at its Integrated Steel Complex and Flat product making facilities at Raipur	Over 40 years
Certain Plant and equipments including Furnace Sand Plants, Moulding Machines etc. at Automotive Casting Division (II) Nagpur.	Over 30 years

The Management believes that the useful lives as given above represent the period over which management expects to use these assets.

- b) PPE acquired under finance lease is depreciated on a straight line basis over the lease term.
- c) The leasehold land is amortized over the lease period.
- d) Depreciation on PPE which are added / disposed off during the year is provided on pro-rata basis with reference to the date of addition / deletion. Freehold land is not depreciated.
- e) The residual values, useful lives and method of depreciation of PPE are reviewed at each reporting date and adjusted prospectively, if appropriate.

(II) INTANGIBLE ASSETS:

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization and accumulated impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use.

In case of Intangible Assets, the Company has availed the carrying value as deemed cost on the date of Ind AS transition i.e. 1st April, 2015.

Notes to the Financial Statements

for the year ended 31st March, 2023

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(III) MINING RIGHTS / MINE DEVELOPMENT EXPENDITURE:

Mining rights / mine development expenditure includes leases, costs incurred for acquiring / developing properties / rights up to the stage of commercial production. If the exploration activities are found to be not fruitful, the expenditure on such exploratory work included in mine development expenditure is written off in the year in which it is decided to abandon the project.

Mining rights / Mine development expenditure are depreciated over the useful life of the mine or lease period whichever is shorter.

(IV) LEASES:

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset.

Company as a Lessee

The Company will recognize a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(V) IMPAIRMENT OF NON-FINANCIAL ASSETS – PPE AND INTANGIBLE ASSETS:

The Company assesses at each reporting date as to whether there is any indication that any PPE and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognized in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

Notes to the Financial Statements

for the year ended 31st March, 2023

(VI) INVENTORIES:

The inventories 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 comprises 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 weighted average method. By-products are measured at net realisable value. The cost of Work-In-Progress and Finished Goods is determined on absorption costing method.

(VII) CASH AND CASH EQUIVALENT:

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

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

(VIII) NON-CURRENT ASSETS HELD FOR SALE:

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when a sale is highly probable from the date of classification, management are committed to the sale and the asset is available for immediate sale in its present condition. Non-current assets are classified as held for sale from the date these conditions are met and are measured at the lower of carrying amount and fair value less cost to sell. Any resulting impairment loss is recognized in the statement of profit and loss as a separate line item. On classification as "held for sale" the assets are no longer depreciated. Assets and liabilities classified as "held for sale" are presented separately as current items in the Balance Sheet.

(IX) FINANCIAL INSTRUMENTS:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial Assets -Initial recognition and measurement

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value

on initial recognition. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost. Purchase and sale of financial assets are recognized using trade date accounting. However, trade receivables that do not contain a significant financing component are measured at transaction price.

(ii) Financial Assets -Subsequent measurement

a) Financial Assets carried at amortized cost (AC)

Financial assets are measured at amortized cost if it is held within a business model whose objective is to hold asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial Assets measured at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling of financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial Assets measured at fair value through profit and loss (FVTPL)

A financial asset which is not classified in any of the above categories is measured at FVTPL.

(iii) Financial Assets - Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or
- 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

Notes to the Financial Statements

for the year ended 31st March, 2023

- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognized from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 months ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

(v) Financial Liabilities - Initial recognition and measurement

All financial liabilities are recognized initially at fair value, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

(vi) Financial Liabilities - Subsequent measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(vii) Financial Liabilities - Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another, from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

(viii) Reclassification of Financial Assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an

activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

(ix) Offsetting of Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the asset and settle the liability simultaneously. The legally enforceable rights must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or counterparty.

(X) FAIR VALUE MEASUREMENT:

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy.

(XI) PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS AND COMMITMENTS

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of

Notes to the Financial Statements

for the year ended 31st March, 2023

the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognized in the statement of profit and loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognized. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognized as an asset.

Decommissioning Liability

The Company records a provision for decommissioning costs towards site restoration activity related to leasehold land. The decommissioning costs are provided at the present value of future expenditure using a current pre tax rate expected to be incurred to fulfill decommissioning obligations and are recognized as part of the cost of the underlying assets. Any change in the present value of the expenditure, other than unwinding of discount on the provision, is reflected as adjustment to the provision and the corresponding assets. The change in the provision due to the unwinding of discount is recognized in the statement of Profit and Loss.

(XII) CURRENT AND NON-CURRENT CLASSIFICATION:

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

The Company has presented non-current assets and current assets, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by Ministry of Corporate Affairs (MCA).

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or

- 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:

- Expected to be settled in normal operating cycle,
- Held primarily for the purpose of trading,
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are treated as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has identified twelve months as its normal operating cycle.

(XIII) FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION:

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

In case of an asset, expense or income where a non-monetary advance is paid/received, the date of transaction is the date on which the advance was initially recognized. If there were multiple payments or receipts in advance,

Notes to the Financial Statements

for the year ended 31st March, 2023

multiple dates of transactions are determined for each payment or receipt of advance consideration.

(XIV) FINANCIAL DERIVATIVES:

The Company uses derivative financial instruments such as forward currency contracts to hedge its foreign currency risks. Derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each period. Any gain or loss arising from changes in the fair value of derivative is taken directly to statement of profit and loss.

(XV) REVENUE RECOGNITION:

Sale of Goods and Services:

The Company derives revenues primarily from sale of products comprising of pig iron, sponge iron, pellet, steel and Iron & steel casting.

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. Generally, control is transferred 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 towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of volume discounts and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Revenue from rendering of services is recognized over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Contract balances

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made by the customer. Contract liabilities are recognized as revenue when the Company performs under the contract.

Other Income

Incentives on exports and other Government incentives related to operations are recognized in the statement of profit and loss after due consideration of certainty of utilization/receipt of such incentives.

Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend

Dividend income is recognized when the right to receive dividend is established.

(XVI) EMPLOYEE BENEFITS EXPENSE:

Short Term Employee Benefits:

Short-term employee benefits are recognized as an expense in the Statement of Profit and Loss 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.

Notes to the Financial Statements

for the year ended 31st March, 2023

Post-Employment Benefits

Defined Contribution Plans

Contribution to Provident Fund, a defined contribution plan, is made in accordance with the statute, and is recognized as an expense in the year in which employees have rendered services.

Defined Benefit Plans

The cost of providing gratuity, a defined benefit plan, is determined using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Other costs are accounted in statement of profit and loss.

Re-measurements of defined benefit plan in respect of post-employment and other long-term benefits are charged to the other comprehensive income in the year in which they occur. Re-measurements are not reclassified to statement of profit and loss in subsequent periods.

(XVII) BORROWING COSTS:

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporary deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period. All other borrowing costs are expensed in the period in which they occur.

(XVIII) CUSTOMS:

Liability on account of Customs Duty on Imported materials in transit or in bonded warehouse is accounted in the year in which the goods are cleared from customs.

(XIX) EARNING PER SHARE:

Basic earnings per share is computed using the net profit or loss 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 or loss for the year attributable to the shareholders and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

(XX) TAXES ON INCOME:

Tax expense represents the sum of current tax (including income tax for earlier years) and deferred tax. Tax is recognized in the statement of profit and loss, except to the extent that it relates to items recognized directly in equity or other comprehensive income, in such cases the tax is also recognized directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognized in equity or other comprehensive income is also recognized in equity or other comprehensive income.

Current tax provision is computed for income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are off set, and presented as net.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the applicable tax rates. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

D SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying

Notes to the Financial Statements

for the year ended 31st March, 2023

disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

i. Depreciation / Amortization and useful lives of Property Plant and Equipment (PPE) / Intangible Assets:

PPE/intangible assets are depreciated/amortized over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation/amortization for future periods are revised if there are significant changes from previous estimates.

ii. Decommissioning Liabilities:

The Liability for decommissioning costs is recognized when the Company has obligation to perform site restoration activity. In determining the fair value of such provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the site and the expected timing of those costs. The expected cost to be incurred at the end of the lease term is based on the estimates provided by the internal technical experts.

iii. 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.

iv. 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.

v. 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.

vi. Impairment of non-Financial Assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent to those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

vii. 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.

viii. 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.

ix. Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. Since the

Notes to the Financial Statements

for the year ended 31st March, 2023

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.

x. 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.

xi. Determination of lease term & discount rate:

Ind AS 116- "Leases" requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

E STANDARDS ISSUED BUT NOT EFFECTIVE

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified The Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 1, 2023:

Ind AS 101 – First-time Adoption of Indian Accounting Standards

Ind AS 102 – Share-based Payment

Ind AS 103 – Business Combinations

Ind AS 107 – Financial Instruments Disclosures

Ind AS 109 – Financial Instruments

Ind AS 115 – Revenue from Contracts with Customers

Ind AS 1 – Presentation of Financial Statements

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

Ind AS 12 – Income Taxes

Ind AS 34 - Interim Financial Reporting

Application of above amended standards are not expected to have any significant impact on the company's financial statements.

Notes to the Financial Statements

for the year ended 31st March, 2023

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	Right to Use Assets (Office Building)	Total
COST / DEEMED COST											
Balance as at 1 st April, 2021	1928.54	3358.20	40946.55	730.09	503472.30	1468.59	432.10	198.11	99.32	-	552633.80
Additions	-	-	24.13	-	948.10	-	56.72	11.22	29.45	23.93	1093.55
Disposals / Adjustments	-	24.35	-	-	410.47	-	1.02	-	0.25	-	436.09
Transfer to Assets Held for Sale (Refer Note No. 46)	1.57	-	299.38	-	39.41	-	-	-	-	-	340.36
Balance as at 31 st March, 2022	1926.97	3333.85	40671.30	730.09	503970.52	1468.59	487.80	209.33	128.52	23.93	552950.90
Additions	-	-	75.79	-	2903.52	-	67.09	41.33	194.99	-	3282.72
Disposals / Adjustments	-	2.51	-	-	15.45	-	2.97	1.11	1.21	-	23.25
Balance as at 31st March, 2023	1926.97	3331.34	40747.09	730.09	506858.59	1468.59	551.92	249.55	322.30	23.93	556210.37
ACCUMULATED DEPRECIATION / AMORTISATION / IMPAIRMENT											
Depreciation and Amortisation Balance as at 31 st March, 2021	137.54	-	8260.41	151.23	131091.92	582.52	291.40	110.77	66.18	-	140691.97
Impairment Balance as at 31 st March, 2021	-	-	2001.13	-	10737.87	730.59	-	-	-	-	13469.59
Depreciation Expense for the year	22.40	-	1393.30	23.75	24351.76	10.54	45.19	12.20	10.18	2.99	25872.31
Disposals / Adjustments	-	-	-	-	214.88	-	0.41	-	-	-	215.29
Transfer to Assets Held for Sale (Refer Note No. 46)	0.15	-	77.08	-	37.01	-	-	-	-	-	114.24
Depreciation and Amortisation Balance as at 31 st March, 2022	159.79	-	9576.63	174.98	155191.79	593.06	336.18	122.97	76.36	2.99	166234.75
Impairment Balance as at 31 st March, 2022	-	-	2001.13	-	10737.87	730.59	-	-	-	-	13469.59
Depreciation Expense for the year	22.38	-	1481.94	23.75	24435.14	144.94	49.43	13.10	25.02	11.97	26207.67
Disposals / Adjustments	-	-	-	-	5.81	-	2.71	0.59	0.19	-	9.30
Depreciation and Amortisation Balance as at 31st March, 2023	182.17	-	11058.57	198.73	179621.12	738.00	382.90	135.48	101.19	14.96	192433.12
Impairment Balance as at 31st March, 2023	-	-	2001.13	-	10737.87	730.59	-	-	-	-	13469.59
Net Carrying Value											
Balance as at 31 st March, 2022	1767.18	3333.85	29093.54	555.11	338040.86	144.94	151.62	86.36	52.16	20.94	373246.56
Balance as at 31st March, 2023	1744.80	3331.34	27687.39	531.36	316499.60	0.00	169.02	114.07	221.11	8.97	350307.66

Notes to the Financial Statements

for the year ended 31st March, 2023

2.01 Title deeds of Immovable Properties not held in the name of the Company:

i) As at 31st March, 2023

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Property Plant and Equipment	Leasehold Land	1534.99	Corporate Ispat Alloys Limited	No	01.04.2008	Steel division from Corporate Ispat Alloys Limited was demerged and acquired by the company. Due to legal complications the transfer of property is not feasible.
	Freehold Land	24.30	Jayaswal Chemicals Private Limited	No	01.04.1996	The title deeds were in the name of Jayaswals Neco Limited (earlier known as Jayaswal Chemicals Private Limited) erstwhile Company that was amalgamated with Jayaswal Neco Industries Limited under the Companies Act, 1956. Subsequent to the year ended, the transfer process has been completed.

ii) As at 31st March, 2022

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

Notes to the Financial Statements

for the year ended 31st March, 2023

2.02 Buildings include cost of building aggregating to Rs. 125.82 lakhs (Previous Year : Rs. 125.82 lakhs) constructed on Land, ownership of which does not vest with the Company.

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

2.04 Refer Note No. 37D for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.

	(Rs. in lakhs)	
	As at 31.03.2023	As at 31.03.2022
CAPITAL WORK-IN-PROGRESS INCLUDES		
Building under Construction	153.98	67.51
Plant and Equipment under installation	27157.15	24938.22
Pre-operative Expenses (Refer Note No. 2.06)	23765.01	23765.01
Impairment	(43670.11)	(43347.09)
TOTAL	7406.03	5423.65

(a) CWIP AGEING (NET OF IMPAIRMENT) AS AT 31ST MARCH 2023 AND 31ST MARCH 2022 ARE AS FOLLOWS :

CWIP as on 31.03.2023	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	3016.47	8.07	82.49	-	3107.03
Projects temporarily suspended	-	-	-	4299.00	4299.00
TOTAL	3016.47	8.07	82.49	4299.00	7406.03

CWIP as on 31.03.2022	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Year	2-3 Years	More than 3 Years	
Projects in progress	935.66	165.31	23.68	-	1124.65
Projects temporarily suspended	-	-	-	4299.00	4299.00
TOTAL	935.66	165.31	23.68	4299.00	5423.65

(b) THE EXPECTED COMPLETION OF THE AMOUNTS LYING IN CAPITAL WORK IN PROGRESS WHICH ARE DELAYED ARE AS BELOW:

CWIP as on 31.03.2023	To be completed in				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects temporarily suspended					
Bilha Bilaspur Project (Refer Note no. 2.10)	-	-	-	4299.00	4299.00
TOTAL	-	-	-	4299.00	4299.00

CWIP as on 31.03.2022	To be completed in				Total
	Less than 1 Year	1-2 Year	2-3 Years	More than 3 Years	
Projects temporarily suspended					
Bilha Bilaspur Project (Refer Note no. 2.10)	-	-	-	4299.00	4299.00
TOTAL	-	-	-	4299.00	4299.00

Notes to the Financial Statements

for the year ended 31st March, 2023

2.06 Pre-operative Expenses

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

Particulars	(Rs. in lakhs)	
	31.03.2023	31.03.2022
Pre-operative Expenses upto Previous Year	23795.52	23795.52
Less : Charged to the Statement of Profit and Loss	-	-
TOTAL	23795.52	23795.52

2.07 In the earlier years, the Directorate of Enforcement by way of two attachments had provisionally attached the Plant and Machinery under installation at Dagori Integrated Steel Plant situated at Bilha, Bilaspur (Chhattisgarh) and certain property, plant and equipment at Steel Plant Division, Siltara, Raipur to the extent of Rs. 30758.39 Lakhs for alleged misuse of coal raised from Gare Palma IV/4 coal block in Chhattisgarh.

The Adjudicating Authority had confirmed the above provisional attachments. Subsequently, the Appellate Authority stayed both the attachments on an appeal filed by the Company where the matter has been put up for hearing on 23rd August 2023. The Company has a good case on merits, is likely to succeed in refuting the allegations and does not expect any material liability on the Company on this account.

2.08 In the earlier years, after completion of investigation the CBI had filed Charge-Sheet against the Company and Mr. Ramesh Jayaswal, Jt. Managing Director (JMD) alleging misrepresentation and violation of the terms and conditions of the Gare IV/4 Coal Block Allotment Letter and the executed Mining Lease.

The aforesaid action was in connection with FIR of Central Bureau of Investigation (CBI), Economic Offence Wing, New Delhi registered on 22nd May 2014 against the Company and unknown Public Servants in connection with the allotment of Gare IV/4 Coal Block situated in the State of Chhattisgarh.

On 30th May 2019, the Special CBI Court, New Delhi, took cognizance of the matter and issued summons against the Company and Mr. Ramesh Jayaswal – JMD. The summons was received by the Company in June, 2019. The Company and Mr. Ramesh Jayaswal had been charged for the offence under Section 120-B/420/406 of the Indian Penal Code.

The Company strongly refutes all the allegations. The Company believes it has a good case on merits and is confident that the Company and Mr. Ramesh Jayaswal –JMD would be able to defend themselves before the authorities during the course of trial.

2.09 During the year, active development of project of DRI and Captive Power Plant at Bilaspur, Chhattisgarh remained suspended and accordingly the Company has not capitalised Borrowing Costs as per Ind AS - 23.

2.10 CWIP includes Bilha Bilaspur project amounting to Rs. 47969.11 Lakhs (Previous Year Rs. 47646.09 Lakhs) had been put under abeyance on account of cancellation of the captive coal mines of the Company by the Honourable Supreme Court of India. The Company had recognised an impairment provision of Rs. 43670.11 Lakhs (Previous Year Rs. 43347.09 Lakhs) for the same in accordance with the Indian Accounting Standards (Ind AS) 36 – 'Impairment of Assets' and the Project remained suspended during the year.

2.11 In accordance with the Indian Accounting Standard (Ind AS) 36 on "Impairment of Assets", during the year, the management carried out an exercise of identifying the assets that may have been impaired in accordance with the said Ind AS. On the basis of a review carried out by the management, there was no further impairment loss on property, plant and equipment and Capital Work in Progress during the year ended 31st March, 2023.

2.12 There are no projects under capital work in progress (CWIP) whose completion is overdue except as stated above and in Note no. 2.09 and 2.10.

Notes to the Financial Statements

for the year ended 31st March, 2023

NOTE : 3 INTANGIBLE ASSETS*

Particulars	(Rs. in lakhs)				
	Software	Technical Know-How	Indefeasible Right to Use	Mining Rights	Total
Cost / Deemed Cost					
Balance as at 1 st April, 2021	120.58	337.21	1.30	2055.19	2514.28
Additions	638.25	-	-	-	638.25
Disposals / Adjustments	-	-	-	-	-
Balance as at 31st March, 2022	758.83	337.21	1.30	2055.19	3152.53
Additions	246.10	-	-	2219.53	2465.63
Disposals / Adjustments	-	-	-	-	-
Balance as at 31st March, 2023	1004.93	337.21	1.30	4274.72	5618.16
Accumulated Amortisation					
Balance as at 1 st April, 2021	112.89	169.07	1.20	1453.26	1736.42
Amortisation Expense for the year	20.83	28.15	0.08	177.84	226.90
Disposals / Adjustments	-	-	-	-	-
Depreciation and Amortisation Balance as at 31st March, 2022	133.72	197.22	1.28	1631.10	1963.32
Amortisation Expense for the year	136.44	28.15	-	198.55	363.14
Disposals / Adjustments	-	-	-	-	-
Balance as at 31st March, 2023	270.16	225.37	1.28	1829.65	2326.46
Net Carrying Value					
Balance as at 31 st March, 2022	625.11	139.99	0.02	424.09	1189.21
Balance as at 31st March, 2023	734.77	111.84	0.02	2445.07	3291.70

* 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.

INTANGIBLE ASSETS UNDER DEVELOPMENT	(Rs. in lakhs)	
	As at 31.03.2023	As at 31.03.2022
Mining Rights	1969.44	4033.39
Pre-operative Expenses (Refer Note No. 2.06)	30.51	30.51
TOTAL	1999.95	4063.90

(a) INTANGIBLE ASSETS UNDER DEVELOPMENT AGEING AS AT 31ST MARCH 2023 AND 31ST MARCH 2022 ARE AS FOLLOWS :

Intangible assets under development as on 31.03.2023	Amount in Intangible assets under development for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	48.67	356.25	-	-	404.92
Projects temporarily suspended (Refer Note no. 3.03)	-	-	-	1595.03	1595.03
TOTAL	48.67	356.25	-	1595.03	1999.95

Intangible assets under development as on 31.03.2022	Amount in Intangible assets under development for a period of				Total
	Less than 1 Year	1-2 Year	2-3 Years	More than 3 Years	
Projects in progress	638.16	288.33	1542.38	-	2468.87
Projects temporarily suspended (Refer Note no. 3.03)	-	-	-	1595.03	1595.03
TOTAL	638.16	288.33	1542.38	1595.03	4063.90

Notes to the Financial Statements

for the year ended 31st March, 2023

(b) The Company does not have any intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan except as mentioned in Note No.3.03.

3.03 The Intangible Assets under Development include Rs. 1520.75 Lakhs towards Metabodeli Mines (50 Hectares) and Rs. 46.88 Lakhs towards the Ramdongri Mines and Rs. 27.40 Lakhs towards Sonadehi Mines; in case of Metabodeli Mines, the Company had challenged the validity of Section 10 A (2) (c) of the MMDR Amendment Act, 2015 and Rule 8 (4) of the MCR, 2016 before the Hon'ble Chhattisgarh High Court which was pleased to pass an interim order dated 12th January, 2017, keeping the application of the company alive for consideration. Presently, the matter has been transferred to the Hon'ble Supreme Court where the interim order of the Hon'ble High Court continues to be alive.

In case of Ramdongri Mines, the State Government of Maharashtra had granted Mining Lease in favor of the Company on 17th August, 2004. The said order was challenged by an aggrieved party before the Mines Tribunal first and then before the Hon'ble Bombay High Court, Nagpur Bench, Nagpur. On 17th November, 2022, the Petitioner has withdrawn the petition filed before the Hon'ble High Court. Now the company is perusing the matter with the Government authorities for completion of procedural formalities for execution of the Mining Lease.

The company has challenged the 2021 Amendment to the MMDR Act, 1957, before the Hon'ble Chhattisgarh High Court, vide Writ Petition No. 3696 of 2021, wherein, after hearing the parties, the Hon'ble High Court was pleased to grant interim stay on 6th October, 2021. Vide the above referred Writ Petition, the company has included Sonadehi, Devpura and Metabodeli Mines while challenging the provisions of Amendment of MMDR Act, 2021.

In view of the Central Government's clarification to the State Government as regards the eligibility of the Prospecting license holder for the grant of Mining Lease, the Company opines that its case with respect to the Metabodeli Mines

falls Under Section 10 A (2) (b) and not under clause (C) thereof, as advised by the State Government in the past.

That in view of above, the company filed Writ Petition No. 2757 of 2020, before the Hon'ble Chhattisgarh High Court, to ensure that the Mining Lease over the subject area is granted in favor of the Company in terms of Section 10 A (2) (b) of the MMDR Act, 1957, upon completion of all the conditions contained therein. Presently the matter is pending for consideration before the Hon'ble High Court.

The Company is also of the view that the Company's above cases are already pending under Section 10A (2) (c) of the Mining Act and the matters are subjudice, therefore the amendments done in Section 10A (2) (b) will not have any impact on the status of the Mines. Further the amendment under the Mining Act in the second Proviso of Section 10A (2) (b) provides that "the holder of a reconnaissance permit or prospecting license whose rights lapsed under the first proviso, shall be reimbursed the expenditure incurred towards reconnaissance or prospecting operations in such a manner as may be prescribed by the Central Government"; accordingly, the Company does not envisage any losses on account of the above amendment.

3.04 The Company had filed Mining Lease applications for Rowghat Iron Ore Deposit, Bastar, Chhattisgarh. The Chhattisgarh State Government (SG) had rejected the same by a common order which was challenged by the Company. The SG had filed a complaint before the Ministry of Mines which had referred the matter to the Chief Vigilance Officer (CVO), which couldn't make out any case against the Company. The revision petition of the Company was allowed and subsequently the Hon'ble Delhi High Court also confirmed the order. The Hon'ble Delhi High Court had specifically observed that the Company had successfully undertaken prospecting operations in the area.

Subsequently in 2012, SG filed a fresh complaint containing the same allegations before the Chief Vigilance Commission (CVC). The Central Bureau of Investigation (CBI) on the directions of the CVC had registered an FIR against the Company alleging certain irregularities. Post completion of the investigations by CBI, the Chargesheet was filed by the CBI before Special CBI Court Nagpur. The Company doesn't expect any financial effect of the above matter under litigation.

Notes to the Financial Statements

for the year ended 31st March, 2023

NOTE : 4 OTHER NON CURRENT FINANCIAL ASSETS

Particulars	(Rs. in lakhs)	
	As at 31.03.2023	As at 31.03.2022
Fixed Deposits with Banks held as Margin Money	817.43	734.20
TOTAL	817.43	734.20

NOTE : 5 NON-CURRENT TAX ASSETS (NET)

Particulars	(Rs. in lakhs)	
	As at 31.03.2023	As at 31.03.2022
Advance Payment of Income-Tax (Net)	652.28	596.42
TOTAL	652.28	596.42

NOTE : 6 OTHER NON CURRENT ASSETS

(Unsecured, Considered Good unless stated otherwise)

Particulars	(Rs. in lakhs)	
	As at 31.03.2023	As at 31.03.2022
Capital Advances	619.87	-
Security Deposits with Government and others		
Considered Good	3699.68	4560.88
Credit Impaired	16.74	5.54
	3716.42	4566.42
Less : Provision for Credit Impaired	16.74	5.54
	3699.68	4560.88
Prepaid Expenses	29.15	58.26
TOTAL	4348.70	4619.14

NOTE : 7 INVENTORIES

Particulars	(Rs. in lakhs)	
	As at 31.03.2023	As at 31.03.2022
Raw Materials	55953.13	53089.98
Raw Materials-in-Transit	1157.51	1165.50
Work-in-Progress	5082.91	3539.86
Finished Goods	40851.65	40563.54
Finished Goods-in-Transit	5803.37	4940.13
Stock in Trade	24.58	24.60
Stores, Spares and Consumables	19486.39	17436.40
TOTAL	128359.54	120760.01

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

7.02 For Inventories hypothecated as security refer Note No. 18.

Notes to the Financial Statements

for the year ended 31st March, 2023

NOTE : 8 CURRENT INVESTMENTS

Particulars	Number of Shares / Units		Rs. Face Value	(Rs. in lakhs)	
	31.03.2023	31.03.2022		As at 31.03.2023	As at 31.03.2022
Investment designated at Fair Value through Profit and Loss					
In Equity Shares - Fully Paid Up (Quoted)					
Datar Switchgears Limited	2200	2200	10	0.00	0.00
Antarctica Limited	53000	53000	1	0.29	0.00
Elbee Services Limited	1400	1400	10	0.00	0.00
Triveni Sheet Glass Limited	1000	1000	10	0.22	0.20
In Equity Shares - Fully Paid Up (Unquoted)					
Essar Steel Limited	-	60	10	-	0.00
Saraswat Co-operative Bank Limited	50	-	10	0.01	0.01
TOTAL				0.52	0.21

8.01	Aggregate Amount of Quoted Investments	0.51	0.20
8.02	Aggregate Market Value of Quoted Investments	0.51	0.20
8.03	Aggregate Amount of Unquoted Investments	0.01	0.01

NOTE : 9 TRADE RECEIVABLES

(Unsecured)

Particulars	(Rs. in lakhs)	
	As at 31.03.2023	As at 31.03.2022
Trade Receivable		
Considered Good	47167.55	46136.69
Significant Increase in Credit Risk	119.20	44.54
Credit Impaired	1243.18	1491.66
	48529.93	47672.89
Less : Provision for Credit Impaired	1243.18	1491.66
Less : Provision for Expected Credit Loss	428.88	432.60
TOTAL	46857.87	45748.63

Notes to the Financial Statements

for the year ended 31st March, 2023

9.01 Trade Receivables Ageing Schedule

Particulars	Not Due	Outstanding for following periods from due date of payment as on 31.03.2023					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
		(Rs. in lakhs)					
Undisputed Trade receivables – considered good	28612.42	15415.81	2525.24	612.87	-	1.21	47167.55
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	55.89	63.31	119.20
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	324.93	324.93
Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	17.69	39.77	860.79	918.25
Sub Total	28612.42	15415.81	2525.24	630.56	95.66	1250.24	48529.93
Less: Allowance for Credit Impaired	-	-	-	17.69	39.77	1185.72	1243.18
Less: Expected Credit Loss	-	-	-	-	-	-	428.88
TOTAL	28612.42	15415.81	2525.24	612.87	55.89	64.52	46857.87

Particulars	Not Due	Outstanding for following periods from due date of payment as on 31.03.2022					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
		(Rs. in lakhs)					
Undisputed Trade receivables – considered good	30865.09	14391.89	596.65	179.59	103.47	-	46136.69
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	44.54	44.54
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	336.71	336.71
Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	0.28	141.18	17.87	995.62	1154.95
Sub Total	30865.09	14391.89	596.93	320.77	121.34	1376.87	47672.89
Less: Allowance for Credit Impaired	-	-	0.28	141.18	17.87	1332.33	1491.66
Less: Expected Credit Loss	-	-	-	-	-	-	432.60
TOTAL	30865.09	14391.89	596.65	179.59	103.47	44.54	45748.63

NOTE : 10 CASH AND CASH EQUIVALENTS

Particulars	(Rs. in lakhs)	
	As at 31.03.2023	As at 31.03.2022
Balances with Banks in Current Accounts	7177.44	18162.96
Cash on hand	23.58	24.18
TOTAL	7201.02	18187.14

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

Particulars	(Rs. in lakhs)	
	As at 31.03.2023	As at 31.03.2022
Balances with Banks in Current Accounts	7177.44	18162.96
Cash on hand	23.58	24.18
TOTAL	7201.02	18187.14

Notes to the Financial Statements

for the year ended 31st March, 2023

NOTE : 11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	(Rs. in lakhs)	
	As at 31.03.2023	As at 31.03.2022
Fixed Deposits with Banks Pledged as Margin Money	21065.39	30360.22
TOTAL	21065.39	30360.22

NOTE : 12 CURRENT LOANS

(Unsecured)

Particulars	(Rs. in lakhs)	
	As at 31.03.2023	As at 31.03.2022
Financial Assets Measured at Amortised Cost		
Loans to Related Party (Refer Note No. 39)		
Considered Good	-	-
Credit Impaired (Refer Note No. 12.01)	-	738.30
	-	738.30
Less : Provision for Credit Impaired (Refer Note No. 12.01)	-	738.30
	-	-
TOTAL	-	-

12.01 During the year the Company has written off the Loans given to Jayaswal Neco Urja Private Limited of Rs. 738.30 Lakhs and Interest Receivable thereon of Rs. 157.93 Lakhs as there is no possibility of recovery of the same. In the earlier years, the company had made full provision of the Loan amount and Interest due thereon.

NOTE : 13 OTHERS CURRENT FINANCIAL ASSETS

(Unsecured, Considered Good unless stated otherwise)

Particulars	(Rs. in lakhs)	
	As at 31.03.2023	As at 31.03.2022
Security Deposits		
Considered Good	129.47	67.81
Considered Doubtful	35.06	35.06
	164.53	102.87
Less : Provision for Doubtful	35.06	35.06
	129.47	67.81
Interest Receivables		
Considered Good	131.52	98.74
Considered Doubtful (Refer Note No 12.01)	-	157.93
	131.52	256.67
Less : Provision for Doubtful (Refer Note No. 12.01)	-	157.93
	131.52	98.74
TOTAL	260.99	166.55

NOTE : 14 CURRENT TAX ASSETS (NET)

Particulars	(Rs. in lakhs)	
	As at 31.03.2023	As at 31.03.2022
Advance Payment of Income-Tax (Net)	414.91	467.93
TOTAL	414.91	467.93

Notes to the Financial Statements

for the year ended 31st March, 2023

NOTE : 15 OTHER CURRENT ASSETS

Particulars	(Rs. in lakhs)	
	As at 31.03.2023	As at 31.03.2022
Advances to Suppliers		
Unsecured Considered Good	11967.54	24958.44
Considered Doubtful	1630.19	2112.96
	13597.73	27071.40
Less : Provision for Doubtful	1630.19	2112.96
	11967.54	24958.44
Prepaid Expenses	503.63	260.91
Other Receivables*	6915.81	1235.02
TOTAL	19386.98	26454.37

* Mainly includes GST & Mines Receivables, VAT Refund Receivable, Export Incentive and others.

NOTE : 16 EQUITY SHARE CAPITAL

Particulars	(Rs. in lakhs)	
	As at 31.03.2023	As at 31.03.2022
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		
97,09,98,244 (Previous Year 97,09,98,244) Equity Shares of Rs. 10/- each fully paid up	97099.82	97099.82
Less : Allotment Money Unpaid (from other than Directors)	0.72	0.72
TOTAL	97099.10	97099.10

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

Particulars	As at 31.03.2023		As at 31.03.2022	
	No. of Shares	Amount (Rs. in lakhs)	No. of Shares	Amount (Rs. in lakhs)
Shares outstanding at the beginning of the year	97,09,98,244	97099.82	63,86,33,063	63863.30
Add: Issue of Equity Share	-	-	33,23,65,181	33236.52
Shares outstanding at the end of the year	97,09,98,244	97099.82	97,09,98,244	97099.82

16.02 During the year ended 31st March, 2022, pursuant to the Restructuring Support Agreement (RSA) and Shareholders' Agreement (SHA), on 28th October 2021, the Company had issued and allotted 30,52,81,848 equity shares to Assets Care & Reconstruction Enterprise Ltd (ACRE) acting in its capacity as trustee of various trusts ("ACRE Trusts") and 2,70,83,333 equity shares to the Promoters / Promoter Group (face value of Rs. 10 each) at the issue price of Rs. 28.80 per share aggregating to Rs. 95721.17 Lakhs.

Accordingly, Rs. 87921.17 Lakhs of the total borrowings from ACRE Trusts and Rs. 5800.00 Lakhs of Advance against Share Application Money and Rs. 2000.00 Lakhs of Inter Corporate Deposits of the Promoters / Promoter Group in the Company were converted into equity shares of the Company.

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

Name of Shareholders	As at 31.03.2023		As at 31.03.2022	
	No of Shares held	Percentage held	No of Shares held	Percentage held
Jayaswal Holdings Private Limited	5,30,98,951	5.47	5,30,98,951	5.47
Asset Care And Reconstruction Enterprise Limited	30,52,81,848	31.44	30,52,81,848	31.44

Notes to the Financial Statements

for the year ended 31st March, 2023

16.04 Shares held by promoters and promoter group in the company

Sr. No.	Promoter's Name	No. of Shares as on 31.03.2023	% of total shares	No. of Shares as on 31.03.2022	% of total shares	% Change during the Year
1	Basant Lall Shaw	1,03,12,850	1.06	1,03,12,850	1.06	-
2	Arvind Jayaswal	23,97,920	0.25	23,97,920	0.25	-
3	Ramesh Jayaswal	23,97,920	0.25	23,97,920	0.25	-
4	Nisha Jayaswal	25,000	0.00	25,000	0.00	-
5	Rita Jayaswal	25,000	0.00	25,000	0.00	-
6	Neco Valves And Pumps Private Limited	8,64,000	0.09	8,64,000	0.09	-
7	Neco Leasing And Finance Private Limited	8,99,500	0.09	8,99,500	0.09	-
8	Jayaswal Neco Steel And Mining Limited	1,93,26,389	1.99	1,93,26,389	1.99	-
9	Jayaswal Neco Infrastructures Private Limited	3,92,46,611	4.04	3,92,46,611	4.04	-
10	Apex Spinning Mills Private Limited	3,80,77,378	3.92	3,80,77,378	3.92	-
11	Jayaswal Neco Power Private Limited	3,73,96,167	3.85	3,73,96,167	3.85	-
12	Anurag Sales And Services Private Limited	3,89,31,000	4.01	3,89,31,000	4.01	-
13	Avon Sales And Services Private Limited	3,90,95,000	4.03	3,90,95,000	4.03	-
14	Jayaswal Neco Energy Private Limited	4,44,19,500	4.58	4,44,19,500	4.58	-
15	Jayaswal Neco Metallics Private Limited	4,47,03,555	4.60	4,47,03,555	4.60	-
16	Nine Star Plastic Packaging Services Private Limited	4,79,40,433	4.94	4,79,40,433	4.94	-
17	Karamveer Impex Private Limited	4,72,29,000	4.86	4,72,29,000	4.86	-
18	Jayaswal Holdings Private Limited	5,30,98,951	5.47	5,30,98,951	5.47	-
TOTAL		46,63,86,174	48.03	46,63,86,174	48.03	-

16.05 Rights of Equity Shareholders

The Company has only one class of equity shares having a face value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the equity shareholders will be entitled to receive any of remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

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

Notes to the Financial Statements

for the year ended 31st March, 2023

NOTE : 17 OTHER EQUITY

Particulars	(Rs. in lakhs)	
	As at 31.03.2023	As at 31.03.2022
Equity Component of Compound Financial Instruments		
Balance as per last Balance Sheet	620.64	1518.42
Less: Converted to Equity Shares	-	897.78
	620.64	620.64
Capital Reserve		
Balance as per last Balance Sheet	7762.89	7762.89
Securities Premium		
Balance as per last Balance Sheet	158830.46	96345.81
Add: Issue of Equity Shares on Preferential Basis	-	62484.65
	158830.46	158830.46
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	(103487.56)	(328216.12)
Add : Profit for the year	22687.37	224728.56
	(80800.19)	(103487.56)
Revaluation Reserve		
Balance as per last Balance Sheet	21.47	21.47
Other Comprehensive Income (OCI)		
Balance as per last Balance Sheet	691.08	643.39
Add : Movement in OCI (Net) during the year	(245.06)	47.69
	446.02	691.08
TOTAL	108682.53	86240.22

NATURE AND PURPOSE OF RESERVES

Capital Reserve

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

Securities Premium

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

General Reserve

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

Capital Redemption Reserve

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

Retained Earnings

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

Revaluation Reserve

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

Other Comprehensive Income

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

Equity Component of Compound Financial Instruments

The Company had received the Interest free Inter Corporate Deposits from the Promoters and under Ind AS the difference between the Fair Value and Transaction Value is recognised as Equity Component of Compound Financial Instruments under Other Equity.

Notes to the Financial Statements

for the year ended 31st March, 2023

NOTE : 18 NON CURRENT BORROWINGS

Particulars	(Rs. in lakhs)	
	As at 31.03.2023	As at 31.03.2022
Secured		
Term Loans		
- From Asset Reconstruction Company (ARC) (Refer Note No.18.01, 18.02, 18.03 and 18.04)	-	340231.49
Unsecured		
Sales Tax Deferral (Under Package Scheme of Incentives) (Refer Note No. 18.05)	2578.63	3393.91
TOTAL	2578.63	343625.40

18.01 As per the terms of the Restructuring Support Agreement (RSA) dated 23rd August 2021, the Company has to refinance its outstanding amount of Term Loans (Refer Note No. 23) and Interest Accrued but not due on Borrowings (Refer Note No. 26) of Assets Care & Reconstruction Enterprise Limited (ACRE) acting in its capacity as trustee of various trusts (ACRE Trusts) on or before 15th December 2023. The Company has the potential and is confident that it will refinance the term loans on or before the extended date of Refinancing i.e 15th December, 2023 as per the terms of RSA. Over and above the scheduled debt servicing, the company has already made prepayment as cash sweep of its term loans of Rs. 60884.60 Lakhs for the period from 1st April 2020 to 31st March 2023 to reduce its debt obligations significantly.

However as on 31st March, 2023, in view of IND AS-1 (Presentation of Financial Statements), as the Company does not have an unconditional right to defer the settlement of the liability beyond twelve months from the reporting period of 31st March, 2023 and the liability is due for refinance on 15th December, 2023, hence the entire Term loans from ACRE Trusts has now been shown under the head "Current Liabilities".

If the above amount would have been continued to be classified as non-current, the Company's Non-Current Borrowings would have been higher by Rs. 315688.18 Lakhs and consequently the current borrowing would have been lower to that extent.

18.02 The Term Loans from the ACRE Trusts referred to in Note no. 23 & 26 aggregating to Rs. 339288.18 Lakhs (including Rs. 4200.00 lakhs of Interest Accrued but not due shown under the head Other Current Financial Liabilities) are guaranteed by an unconditional and irrevocable personal guarantee provided by Mr. Basant Lall Shaw (Chairman of Company), Mr. Arvind Jayaswal (Managing Director of Company) and Mr. Ramesh Jayaswal (Joint Managing Director of Company). Further the entire Term Loans from the ACRE Trusts are secured by way of pledge of the entire Equity Shares of the Company held by the Promoters and Promoter Group Companies.

18.03 Term loans from the ACRE Trusts referred to in Note no. 23 & 26 aggregating to Rs. 339288.18 Lakhs (including Rs. 4200.00 lakhs of Interest Accrued but not due shown under the head Other Current Financial Liabilities) are secured by way of:

- a pari passu first charge / equitable mortgage on all the immovable properties of the Company (excluding the ED Attached Assets – Dagori (Bilaspur) and the CIAL Assets acquired under merger), including but not limited to the immovable properties of the Company.
- a pari passu first charge / equitable mortgage on the Neco Ceramics Land and other immovable assets, if any.
- a pari passu first charge on all the present and future movable fixed assets of the Company (excluding the ED Attached Assets – Dagori (Bilaspur)), including but not limited to its movable plant and machinery, machinery spares, tools and accessories and movables (except current assets), including but not limited to goodwill, undertaking, uncalled capital and intellectual property rights, present and future howsoever and whosoever in the possession of the Company.
- a pari passu second charge on all the present and future current assets of the Company, including but not limited to raw materials, finished and semi-finished goods, book debts, revenue and receivables, claims, consumable stores and marketable securities.

18.04 Term loans from ACRE Trusts referred to in Note no. 23 & 26 aggregating to Rs. 339288.18 Lakhs (including Rs. 4200.00 lakhs of Interest Accrued but not due shown under the head Other Current Financial Liabilities) are to be repaid/refinanced as per the sanction terms as under:

Rs. 195688.18 Lakhs is to be Refinanced by 15th December 2023 (Extended date of refinance).

Rs. 120000.00 Lakhs is to be Refinanced by 15th December 2023 (Extended date of refinance).

Rs. 19400.00 Lakhs is repayable in monthly instalments of Rs. 2300.00 Lakhs till the extended date of refinancing as per the terms and conditions of the RSA and the balance outstanding will be waived off in case the refinancing is done before 15th December, 2023 (Extended date of refinance).

Rs. 4200.00 Lakhs of Interest Accrued but not due shown under the head Other Current Financial Liabilities, is to be Refinanced by 15th December 2023 (Extended date of refinance).

Notes to the Financial Statements

for the year ended 31st March, 2023

Maturity Profile of Term Loans is as under:

Particulars	Financial Year	(Rs. in lakhs)	
		Amount	
	2023-2024	19400.00	
Principal Term Loans from ACRE Trusts	Repayment/ Debt Waiver		
	Refinance	By 15 th December, 2023 (Extended date of refinance)	315688.18

18.05 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, 2023 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. 3559.50 lakhs (Previous Year : Rs. 4327.95 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.

NOTE : 19 LEASE LIABILITIES

Particulars	(Rs. in lakhs)	
	As at 31.03.2023	As at 31.03.2022
Finance Lease Obligations	462.19	465.57
TOTAL	462.19	465.57

19.01 In respect of Property, Plant and Equipment acquired on finance lease, the minimum lease rentals outstanding as on 31st March, 2023 are as follows:

a. In relation to Leasehold Land

Particulars	(Rs. in lakhs)	
	31.03.2023	31.03.2022
Minimum Lease Payments		
(i) Payable not later than 1 year	43.55	73.03
(ii) Payable later than 1 year and not later than 5 years	197.04	190.52
(iii) Payable later than 5 years	3787.12	3837.19
Total Minimum Lease Payments	4027.71	4100.74
Less : Future Finance Charges	3524.56	3574.47
Present Value of Minimum Lease Payments	503.15	526.27
Present Value of Minimum Lease Payments		
(i) Payable not later than 1 year	40.96	70.44
(ii) Payable later than 1 year and not later than 5 years	145.21	139.93
(iii) Payable later than 5 years	316.98	315.90
Total Present Value of Minimum Lease Payments	503.15	526.27

General description of Lease terms :

- Lease Rentals are charged on the basis of agreed terms.
- Assets are taken on lease for a period of 5 to 99 years.

Notes to the Financial Statements

for the year ended 31st March, 2023

b. In relation to Right of Use Asset

Particulars	(Rs. in lakhs)	
	31.03.2023	31.03.2022
(i) Opening Balance	21.26	-
(ii) Add: Addition during the Year	-	23.93
(iii) Add: Finance cost accrued during the Year	1.78	0.63
(iv) Less: Payment of lease liabilities	13.30	3.30
Closing Balance	9.74	21.26
The following is the contractual maturity profile of lease liabilities:		
(i) Less than one year	10.20	13.30
(ii) One year to Five years	-	10.20
(iii) More than five years	-	-
TOTAL	10.20	23.50

19.02 As on 31st March, 2023, the Company has overdue of Lease Obligations of Rs. Nil (Previous Year : Rs. 29.48 lakhs) and Interest of Rs. Nil (Previous Year : Rs. 0.52 lakhs) included in Current Maturities of Lease Obligations and Interest Accrued and Due in Note No. 24 and 26 respectively.

NOTE : 20 OTHER NON-CURRENT FINANCIAL LIABILITIES

Particulars	(Rs. in lakhs)	
	As at 31.03.2023	As at 31.03.2022
Security Deposits	1.66	1.66
TOTAL	1.66	1.66

NOTE : 21 NON CURRENT PROVISIONS

Particulars	(Rs. in lakhs)	
	As at 31.03.2023	As at 31.03.2022
Provision for Assets Retirement Obligations	31.65	28.67
TOTAL	31.65	28.67

NOTE : 22 INCOME TAX

22.01 The Major Components of Tax Expenses / (Income) are as follows :

Particulars	(Rs. in lakhs)	
	For the year ended 31.03.2023	For the year ended 31.03.2022
Recognised in the Statement of Profit and Loss		
Deferred Tax - Relating to Origination and Reversal of Temporary Differences	(19271.27)	6357.75
Income Tax for Earlier Years	(6.11)	(1.02)
Total Tax Expenses / (Income)	(19277.38)	6356.73

Notes to the Financial Statements

for the year ended 31st March, 2023

22.02 Reconciliation between Tax (Expenses) / Incomes and Accounting Profit/(Loss) multiplied by Tax Rate for the year ended 31st March, 2023 and 31st March, 2022:

Particulars	(Rs. in lakhs)	
	For the year ended 31.03.2023	For the year ended 31.03.2022
Accounting Profit/(Loss) before Tax	3409.99	231085.29
Applicable tax rate (in %)	25.17	25.17
Computed Tax (Expenses) / Income	(858.23)	(58159.55)
Tax effect on account of :		
Property, Plant and Equipment and Intangible Assets	(74.00)	10959.33
Expenses / Income not allowed	(301.91)	(99.01)
Items disallowed u/s 43B of the Income Tax Act, 1961	(648.14)	(27757.30)
Utilisation/credit of unrecognised tax losses	21153.55	68676.86
Fair Value	-	21.92
Income Tax for Earlier Years	6.11	1.02
Income Tax (Expenses) / Incomes recognised in the Statement of Profit and Loss	19277.38	(6356.73)

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

Particulars	(Rs. in lakhs)			
	Balance Sheet		Statement of Profit and Loss Including OCI	
	As at 31.03.2023	As at 31.03.2022	For the year ended 31.03.2023	For the year ended 31.03.2022
Property, Plant and Equipment and Intangible Assets	34578.30	33374.03	1204.27	(9264.91)
Financial Instruments - Liabilities	(1024.94)	6503.61	(7528.55)	7611.39
Financial Instruments - Assets	(1.02)	(1.10)	0.08	0.04
Items disallowed under the Income Tax Act, 1961	(2411.45)	(2147.05)	(264.40)	30737.03
Provision for Doubtful Debts/Expected Credit Loss	(844.15)	(1251.86)	407.71	681.17
Provision for Non-moving Inventories	(229.35)	(162.97)	(66.38)	-
Unabsorbed Depreciation	(43039.32)	(29933.65)	(13105.67)	19803.01
Assets Retirement Obligations	(7.97)	(7.22)	(0.75)	(0.68)
Deferred Tax Assets not recognised	-	-	-	(43193.26)
TOTAL	(12979.90)	6373.79	(19353.69)	6373.79

22.04 Reconciliation of Deferred Tax Assets (Net):

Particulars	(Rs. in lakhs)	
	As at 31.03.2023	As at 31.03.2022
Opening Balance at the beginning of the year (Deferred Tax Liabilities)	(6373.79)	-
Deferred Tax (Expense) / Income recognised in the Statement of Profit and Loss	19271.27	(6357.75)
Deferred Tax (Expense) / Income recognised in OCI	82.42	(16.04)
Closing Balance at the end of the year TOTAL	12979.90	(6373.79)

22.05 Deferred tax includes credit for the year ended 31st March, 2023 of Rs. 21727.38 Lakhs, on account of settlement of interest liability related to earlier years payable to lenders, by way of issuance of equity shares by the company to ACRE pursuant to Debt restructuring claimed as deductible expenses in the return of income for the FY 2021-2022 (AY 2022-23).

Notes to the Financial Statements

for the year ended 31st March, 2023

NOTE : 23 CURRENT BORROWINGS

Particulars	(Rs. in lakhs)	
	As at 31.03.2023	As at 31.03.2022
Secured		
Current Maturities of Long term borrowings (Refer Note No. 18)	335088.18	37151.77
Unsecured		
Current Maturities of Sales Tax Deferral	980.87	934.04
Inter Corporate Deposits taken from :		
Related Party (Refer Note No. 39)	2237.91	2237.91
TOTAL	338306.96	40323.72

23.01 As on 31st March, 2023, the Company has overdue Interest on unsecured loan of Rs. 292.05 lakhs (Previous Year : Rs. 292.05 Lakhs) included in Interest Accrued and Due in Note No. 26 for a period of less than 4 years.

NOTE : 24 LEASE LIABILITIES

Particulars	(Rs. in lakhs)	
	As at 31.03.2023	As at 31.03.2022
Finance Lease Obligations	50.70	81.96
TOTAL	50.70	81.96

NOTE : 25 TRADE PAYABLES

Particulars	(Rs. in lakhs)	
	As at 31.03.2023	As at 31.03.2022
Micro, Small and Medium Enterprises	3785.19	3696.01
Others	28193.05	23414.09
TOTAL	31978.24	27110.10

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

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

Particulars	(Rs. in lakhs)	
	As at 31.03.2023	As at 31.03.2022
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	3785.19	3696.01
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	7.33	40.25
(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	7.33	40.25
(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	-	-

Notes to the Financial Statements

for the year ended 31st March, 2023

25.02 Trade Payables Ageing

Particulars	Not Due	Outstanding for following periods from due date of payment as on 31.03.2023				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
		(i) Undisputed dues- MSME	1668.52	2116.39	0.28	
(ii) Undisputed dues- Others	9499.38	17591.15	194.14	100.24	808.14	28193.05
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
TOTAL	11167.90	19707.54	194.42	100.24	808.14	31978.24

(Rs. in lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment as on 31.03.2022				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
		(i) Undisputed dues- MSME	283.07	3376.46	26.84	
(ii) Undisputed dues- Others	1077.94	21092.02	256.93	128.45	858.75	23414.09
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
TOTAL	1361.01	24468.48	283.77	138.09	858.75	27110.10

(Rs. in lakhs)

NOTE : 26 OTHERS CURRENT FINANCIAL LIABILITIES

Particulars	(Rs. in lakhs)	
	As at 31.03.2023	As at 31.03.2022
Interest Accrued but not due on Borrowings	4200.00	4200.00
Interest Accrued and due	299.38	332.82
Other Payables*	8738.88	12356.56
TOTAL	13238.26	16889.38

* Mainly includes Provision for Expenses, Payable to Employees and Others

NOTE : 27 OTHER CURRENT LIABILITIES

Particulars	(Rs. in lakhs)	
	As at 31.03.2023	As at 31.03.2022
Advances from Customers	2739.46	3074.92
Statutory Liabilities	849.84	2085.85
Others*	-	525.00
TOTAL	3589.30	5685.77

*Includes advance against Assets held for Sale

NOTE : 28 CURRENT PROVISIONS

Particulars	(Rs. in lakhs)	
	As at 31.03.2023	As at 31.03.2022
Provision for Employee Benefits	3030.34	2416.29
Provision for Energy Development Cess (Refer Note No. 28.01)	5904.56	5505.88
Other Provisions*	396.75	396.75
TOTAL	9331.65	8318.92

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

Notes to the Financial Statements

for the year ended 31st March, 2023

28.01 During the year 2005, the Government of Chhattisgarh published the Chhattisgarh Upkar (Sansodhan) Adhiniyam, 2004, according to which the Company is liable to pay energy development cess @10 paise per unit generated from its captive power plants. The levy of energy development cess has been disputed by the Company and the matter is pending before the Hon'ble Supreme Court of India.

The Office of the Chief Electrical Inspector, Government of Chhattisgarh, had sent demands for the energy development cess since the Hon'ble Supreme Court of India vide its interim order dated 2nd November 2007, permitted the department to raise the bill, however it directed that no coercive steps shall be taken by the State to recover the dues till further orders.

The legislative competence of the Government of Chhattisgarh is not under challenge. The Company had been legally advised in the past that it is highly unlikely that the provision by which the State Government has imposed energy development cess will be struck down by the Hon'ble Supreme Court of India. In view of the above and as a matter of prudence, the Company has made a provision of energy development cess aggregating to Rs. 5904.56 Lakhs till 31st March 2023.

NOTE : 29 REVENUE FROM OPERATIONS

Particulars	(Rs. in lakhs)	
	For the year ended 31.03.2023	For the year ended 31.03.2022
Sale of Products	632786.27	594259.85
Sale of Services / Job Work Income	412.47	1244.93
Other Operating Revenues - Sale of Scrap	1087.11	350.12
TOTAL	634285.85	595854.90

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

Particulars	(Rs. in lakhs)	
	For the year ended 31.03.2023	For the year ended 31.03.2022
Iron and Steel Castings	52836.40	46948.61
Pig Iron / Skull	22746.98	28878.02
Billets / Rolled Products	407526.30	363331.99
Sponge Iron	77358.49	63971.34
Pellet	60691.76	84318.71
Job Work / Commission	412.47	1244.93
Others	12713.45	7161.30
TOTAL	634285.85	595854.90

29.02 Revenue disaggregation by geography is as follows:

Particulars	(Rs. in lakhs)	
	For the year ended 31.03.2023	For the year ended 31.03.2022
India	630612.39	585098.16
Outside India	3673.46	10756.74
TOTAL	634285.85	595854.90

29.03 Reconciliation of Revenue from Operations with Contract Price:

Particulars	(Rs. in lakhs)	
	For the year ended 31.03.2023	For the year ended 31.03.2022
Contract Price	637468.98	602945.81
Reduction towards variables considerations components *	3183.13	7090.91
TOTAL	634285.85	595854.90

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

Notes to the Financial Statements

for the year ended 31st March, 2023

NOTE : 30 OTHER INCOME

Particulars	(Rs. in lakhs)	
	For the year ended 31.03.2023	For the year ended 31.03.2022
Interest Income from Financial Assets measured at Amortised Cost		
- Fixed Deposits with Banks	723.05	381.67
- Others	154.23	92.66
Profit on Sale of Property, Plant and Equipment (Net)	541.73	-
Gain on Financial Instruments measured at Fair Value through Profit and Loss (Net)	0.31	0.15
Account Written Back	405.54	-
Export Incentives	66.86	130.51
Other Miscellaneous Receipts	315.39	23.03
TOTAL	2207.11	628.02

NOTE : 31 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	(Rs. in lakhs)	
	For the year ended 31.03.2023	For the year ended 31.03.2022
Closing Inventories		
Finished Goods	40851.65	40563.54
Finished Goods in Transit	5803.37	4940.13
Work-in-Progress	5082.91	3539.86
Stock in Trade	24.58	24.60
	51762.51	49068.13
Opening Inventories		
Finished Goods	40563.54	29826.08
Finished Goods in Transit	4940.13	8581.84
Work-in-Progress	3539.86	3046.46
Stock in Trade	24.60	24.69
	49068.13	41479.07
(Increase) / Decrease in Inventories TOTAL	(2694.38)	(7589.06)

NOTE : 32 EMPLOYEE BENEFITS EXPENSE

Particulars	(Rs. in lakhs)	
	For the year ended 31.03.2023	For the year ended 31.03.2022
Salaries, Wages and Allowances	24726.86	22920.45
Contribution to Provident and Other Funds	1903.26	1779.17
Welfare and Other Amenities	1042.91	737.61
TOTAL	27673.03	25437.23

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

(a) Contribution to Defined Contribution Plan, recognised as expense for the year are as under

Particulars	(Rs. in lakhs)	
	2022-23	2021-22
Employer's Contribution to Provident Fund, ESIC and Other Funds	1399.16	1321.60

Notes to the Financial Statements

for the year ended 31st March, 2023

(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 31.03.2023	As at 31.03.2022
Actuarial Assumptions		
Mortality Table (LIC)	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2006-08) Ult
Salary growth	7.18% & 7.19%	7.25% & 6.98%
Discount rate	7.25% & 6.98%	6.82% & 6.86%
Attrition age	5.00% & 2.50%	2.50%

Particulars	(Rs. in lakhs)	
	As at 31.03.2023	As at 31.03.2022
Movement in Present Value of Defined Benefit Obligations		
Defined Benefit Obligations at the beginning of the year	5794.19	5351.97
Current Service Cost	478.45	448.97
Interest Cost	405.09	355.88
Benefit Paid	(375.40)	(273.56)
Actuarial Loss / (Gain)	288.32	(89.07)
Defined Benefit Obligations at the end of the year	6590.65	5794.19
Movement in Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	5333.82	4844.83
Interest Income	382.89	347.27
Employer Contribution	304.50	440.62
Benefit Paid	(375.40)	(273.56)
Remeasurement Loss arising from return on Plan Assets	(39.16)	(25.34)
Fair Value of Plan Assets at the end of the year	5606.65	5333.82
Expense recognised in the Statement of Profit and Loss		
Current Service Cost	478.45	448.97
Interest on Defined Benefit Obligations	405.09	355.88
Interest Income	(382.89)	(347.27)
Total included in "Remuneration and Benefits to Employees"	500.65	457.57
Remeasurements (recognised in Other Comprehensive Income)		
Effect of changes in financial assumptions	288.32	(89.07)
Loss on Plan Assets (excluding Interest Income)	39.16	25.34
Total remeasurements included in OCI	327.48	(63.73)

Notes to the Financial Statements

for the year ended 31st March, 2023

(c) Fair Value of Plan Assets

Particulars	(Rs. in lakhs)	
	Gratuity (Funded)	
	As at 31.03.2023	As at 31.03.2022
Life Insurance Corporation of India (LIC)	5606.65	5333.82

(d) Net Defined Benefit Obligations / (Assets) reconciliation

Particulars	(Rs. in lakhs)	
	Gratuity (Funded)	
	As at 31.03.2023	As at 31.03.2022
Present Value of Obligations at the end of the year	6590.65	5794.19
Less : Fair Value of Plan Assets at the end of the year	5606.65	5333.82
Net Obligations recognised at the end of the year	984.00	460.37

(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.

32.02 Sensitivity Analysis

Particulars	Change in Assumption	(Rs. in lakhs)	
		As at 31.03.2023	As at 31.03.2022
		Effect on Gratuity Increase / (Decrease)	
Discount Rate	+1%	(471.95)	(536.93)
Discount Rate	-1%	537.33	625.54
Salary Increase Rate	+1%	514.41	548.19
Salary Decrease Rate	-1%	(460.69)	(493.36)
Attrition Rate	+1%	(35.10)	(42.95)
Attrition Rate	-1%	39.14	52.08

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of Defined Benefit Obligation has been calculated using the Projected Unit Credit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognised in the Balance Sheet.

32.03 Expected payments towards contributions to gratuity in future years :

Year Ended	(Rs. in lakhs)
	Expected Payment
31 st March, 2024	525.70
31 st March, 2025	512.21
31 st March, 2026	619.55
31 st March, 2027	495.26
31 st March, 2028	587.91
31 st March, 2029 to 31 st March, 2033	3131.16

Notes to the Financial Statements

for the year ended 31st March, 2023

32.04 Risk Exposures

These plans typically expose the company to Actuarial risks as Investment Risk, Interest Rate risk, Longevity risk and Salary risk.

Investment Risk The present value of the defined benefit plan obligation is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest Rate Risk A decrease in the bond interest rate will increase the plan obligation; however, this will be partially offset by an increase in the return on the plan debt investments.

Longevity Risk The present value of the defined benefit plan Obligation is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's obligation.

Salary Risk The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's obligation.

NOTE : 33 FINANCE COSTS

Particulars	(Rs. in lakhs)	
	For the year ended 31.03.2023	For the year ended 31.03.2022
Interest Expenses on Financial Liabilities measured at Amortised Cost	45069.17	45673.85
Other Borrowing Cost	233.07	189.43
TOTAL	45302.24	45863.28

NOTE : 34 DEPRECIATION AND AMORTISATION EXPENSE

Particulars	(Rs. in lakhs)	
	For the year ended 31.03.2023	For the year ended 31.03.2022
Depreciation of Property, Plant and Equipment (Refer Note No. 2)	26207.67	25872.31
Amortisation of Intangible Assets (Refer Note No. 3)	363.14	226.90
TOTAL	26570.81	26099.21

NOTE : 35 OTHER EXPENSES

Particulars	(Rs. in lakhs)	
	For the year ended 31.03.2023	For the year ended 31.03.2022
Manufacturing Expenses		
Consumables, Stores and Spares Consumed	76459.88	58342.04
Power and Fuel	40481.34	34076.10
Repairs and Maintenance -		
Buildings	130.37	83.68
Plant and Equipments	14353.76	25721.06
Others	1.33	1.09
Royalty and Cess	13815.17	9577.61
Internal Material Movement	10134.19	8490.06
Lease Rent	830.50	840.00
Other Manufacturing Expenses	1993.26	1830.17
	158199.80	138961.81
Selling and Distribution Expenses		
Advertisement and Publicity	12.35	13.10
Commission	177.36	120.90
Sales Promotion Expenses	77.22	52.60
Freight and Forwarding	16557.04	16826.16
	16823.97	17012.76

Notes to the Financial Statements

for the year ended 31st March, 2023

Particulars	(Rs. in lakhs)	
	For the year ended 31.03.2023	For the year ended 31.03.2022
Administrative Expenses		
Rent	362.11	238.93
Rates and Taxes	724.15	108.27
Insurance	790.10	576.03
Loss on Foreign Currency Fluctuation (Net)	1511.17	51.47
Printing and Stationery	18.19	50.14
Communication	86.10	82.66
Travelling and Conveyance	1365.73	1109.76
Vehicle Maintenance	249.82	196.90
Legal and Professional Charges	2836.15	2327.59
Director sitting Fees	10.75	11.95
Payment to Auditors (Refer Note No. 35.01)	92.61	85.61
Security Expenses	735.22	600.78
Miscellaneous	2366.48	2661.63
	11148.58	8101.72
Other Expenses		
Bank Charges and Commission	21.50	24.47
Bad Debts / Advances written off	1515.86	2824.88
Less : Provision written back	1771.96	2349.37
	(256.10)	475.51
Cash Discount	4605.35	4749.34
Provision / (Reversal) for Credit Impaired Trade Receivable / Advances (Net off)	159.70	(287.84)
Reversal for Expected Credit Loss on Trade Receivable	(3.72)	(69.26)
Corporate Social Responsibility Expenditure	218.78	386.69
Loss on Sale / Discard of Property, Plant and Equipment (Net)	-	99.78
Impairment of Capital Work-In-Progress	323.02	-
Donations	13.26	6.70
	5081.79	5385.39
TOTAL	191254.14	169461.68

35.01 Break-up of Payment to Auditors :

Particulars	(Rs. in lakhs)	
	For the year ended 31.03.2023	For the year ended 31.03.2022
For Statutory Audit	75.35	75.35
For Quarterly Review Fees	9.00	9.00
For Out of Pocket Expenses	8.26	1.26
TOTAL	92.61	85.61
Cost Audit Fees	1.44	1.44
Tax Audit Fees	8.25	8.25

Notes to the Financial Statements

for the year ended 31st March, 2023

NOTE : 36 EARNINGS PER SHARE

Particulars	(Rs. in lakhs except per equity share data)		
		For the year ended 31.03.2023	For the year ended 31.03.2022
Basic Earnings Per Share			
Profit for the year after Exceptional items	(A)	22687.37	224728.56
Profit for the year before Exceptional items	(B)	27806.28	52278.61
Weighted average number of Equity Shares (Nos.)	(C)	970998244	791361199
Basic Earnings Per Share of Rs. 10/- each after Exceptional items	Rs. (A) / (C)	2.34	28.40
Basic Earnings Per Share of Rs. 10/- each before Exceptional items	Rs. (B) / (C)	2.86	6.60
Diluted Earnings Per Share			
Amount available for calculation of Diluted EPS after Exceptional items	(A)	22687.37	228892.43
Amount available for calculation of Diluted EPS before Exceptional items	(B)	27806.28	56442.48
Weighted average number of Equity Shares (Nos.)		970998244	791361199
Add : Potential number of Equity Shares (Nos)		-	179637045
No. of shares used for calculation of Diluted EPS	(C)	970998244	970998244
Diluted Earnings Per Share of Rs. 10/- each after Exceptional items	Rs. (A) / (C)	2.34	23.57
Diluted Earnings Per Share of Rs. 10/- each before Exceptional items	Rs. (B) / (C)	2.86	5.81

NOTE : 37 CONTINGENT LIABILITIES AND COMMITMENTS

(to the extent not provided for)

Particulars	(Rs. in lakhs)	
	For the year ended 31.03.2023	For the year ended 31.03.2022
A I GUARANTEES		
a. Guarantees given by the Company's Bankers (Bank guarantees are provided under contractual / legal obligation)	1833.66	1850.38
TOTAL	1833.66	1850.38
II LETTERS OF CREDIT OUTSTANDING		
a. Letters of Credit opened in favour of Suppliers (Cash flow is expected on receipt of material from suppliers)	11638.61	24764.72
b. Liability in respect of Bills Discounted	460.17	747.53
TOTAL	12098.78	25512.25
III OTHER CONTINGENT LIABILITIES		
Claims against the Company not acknowledged as debts		
a. Disputed Excise Duty and Service Tax	907.68	265.60
b. Disputed Sales Tax	1494.17	1266.28
c. Disputed Customs Duty	184.79	184.79
d. Other Disputed Demands (Mainly related to demand of Electricity Duty and Stamp Duty)	6984.04	6408.01
e. Third Party Claims (Matters are pending before various forums)	254.72	4911.24
TOTAL	9825.40	13035.92

B Management is of the view that above litigations will not impact significantly the financial position of the Company.

C The Company had received Show Cause notices from the Excise and Goods and Service Tax (GST) department which mainly relate to demand of duty for sale of exempted goods and denial of credit on structural steel, new plants, railway receipt, bank expenses and outward freight, Demand on CAMPA fund and Royalty etc. The Company has also received a Show Cause notice from the Additional Director General, DGGI, which relates to demand of service tax on amount received against the cancellation of three coal mines/block. The Company does not foresee any losses on this account.

Notes to the Financial Statements

for the year ended 31st March, 2023

Particulars	(Rs. in lakhs)	
	For the year ended 31.03.2023	For the year ended 31.03.2022
D Capital Commitments :		
Estimated amount of contracts remaining to be executed on Capital Accounts and not provided for (Net of Advances)	1322.88	3131.95

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, 2023 and in respect of Assets / Liabilities as at 31st March, 2023.

Information about Primary (Product wise) segments :

Particulars	(Rs. in lakhs)					
	Steel	Iron & Steel Castings	Others	Unallocated	Eliminations	Total
1. REVENUE						
External Sales	574633.97	59651.70	0.18	-	-	634285.85
	(544858.98)	(50994.55)	(1.37)	(-)	(-)	(595854.90)
Inter-segment Sales	5263.35	-	-	-	(5263.35)	-
	(5421.20)	(-)	(-)	(-)	(-5421.20)	(-)
Total Revenue	579897.32	59651.70	0.18	-	(5263.35)	634285.85
	(550280.18)	(50994.55)	(1.37)	(-)	(-5421.20)	(595854.90)
2. RESULTS						
Segment Results	50834.15	2479.53	0.17	-	-	53313.85
	(105342.31)	(-408.51)	(1.28)	(-)	(-)	(104935.08)
Less: Unallocated Corporate Expenses	-	-	-	798.21	-	798.21
	(-)	(-)	(-)	(823.57)	(-)	(823.57)
Less: Unallocated Depreciation	-	-	-	4.70	-	4.70
	(-)	(-)	(-)	(4.70)	(-)	(4.70)
Operating Profit / (-) Loss	50834.15	2479.53	0.17	(802.91)	-	52510.94
	(105342.31)	(-408.51)	(1.28)	(-828.27)	(-)	(104106.81)
Less : Finance Cost	-	-	-	45302.24	-	45302.24
	(-)	(-)	(-)	(45863.28)	(-)	(45863.28)
Add : Unallocated Interest Income	-	-	-	723.05	-	723.05
	(-)	(-)	(-)	(381.67)	(-)	(381.67)
Add : Unallocated Income	-	-	-	597.15	-	597.15
	(-)	(-)	(-)	(10.14)	(-)	(10.14)
Less : Exceptional Items	-	-	-	5118.91	-	5118.91
	(-)	(-)	(-)	(-172449.95)	(-)	(-172449.95)
Less : Tax Expenses / (Income)	-	-	-	(19277.38)	-	(19277.38)
(Including Deferred Tax)	(-)	(-)	(-)	(-6356.73)	(-)	(-6356.73)
Net Profit / (-) Loss	50834.15	2479.53	0.17	(30626.48)	-	22687.37
	(105342.31)	(-408.51)	(1.28)	(132506.94)	(-)	(224728.56)
3. OTHER INFORMATION						
Segment Assets	533950.74	27903.46	24.58	-	-	561878.78
	(556987.81)	(24332.88)	(38.80)	(-)	(-)	(581359.49)
Unallocated Corporate Assets	-	-	-	43472.09	-	43472.09
	(-)	(-)	(-)	(50884.77)	(-)	(50884.77)
Total Assets	533950.74	27903.46	24.58	43472.09	-	605350.87
	(556987.81)	(24332.88)	(38.80)	(50884.77)	(-)	(632244.26)
Segment Liabilities	47929.56	5656.83	-	-	-	53586.39
	(48126.51)	(5290.20)	(-)	(-)	(-)	(53416.71)

Notes to the Financial Statements

for the year ended 31st March, 2023

Particulars	(Rs. in lakhs)					
	Steel	Iron & Steel Castings	Others	Unallocated	Eliminations	Total
Unallocated Corporate Liabilities	-	-	-	345982.85	-	345982.85
	(-)	(-)	(-)	(395488.23)	(-)	(395488.23)
Total Liabilities	47929.56	5656.83	-	345982.85	-	399569.24
	(48126.51)	(5290.20)	(-)	(395488.23)	(-)	(448904.94)
Capital Expenditure	5961.75	647.92	-	-	-	6609.67
	(2709.46)	(320.39)	(-)	(-)	(-)	(3029.85)
Depreciation	25563.10	1003.01	-	4.70	-	26570.81
	(25018.40)	(1076.11)	(-)	(4.70)	(-)	(26099.21)
Non-cash Expenses other than Depreciation	(565.66)	60.00	-	-	-	(505.66)
	(-)	(190.08)	(-)	(-)	(-)	(190.08)

Note : Figures in brackets represent previous year's 2021-22 amounts.

B. Segment Identification, Reportable Segments and definition of each segment :

i. Reportable Segments :

The Company's operating segments are established on the basis of those components that are evaluated regularly by the Chief Operating Decision Maker, in deciding how to allocate resources and in assessing performance. These have been identified and reported taking into account the differing risks and returns, nature of products, the organisational structure and the internal reporting system of the Company.

ii. Primary / Secondary Segment Reporting Format :

- The risk-return profile of the Company's business is determined predominantly by the nature of its products. Accordingly, the business segments constitute the Primary Segments for disclosure of segment information.
- Since all the operations of the Company are predominantly conducted within India, there are no separate reportable geographical segments.
- No Non-Current Assets of the Company is located outside India as on 31st March, 2023 and 31st March 2022.
- No single customer has accounted for more than 10% of the Company revenue for the year ended 31st March, 2023 and 31st March, 2022.

iii. Segment Composition :

- Steel Segment is engaged in manufacture and sale of Pig Iron, Billets, Rolled Products including Alloy Steel, Sponge Iron and includes its captive Power Plants at its unit located at Siltara, Raipur and Mining activities in the state of Chhattisgarh and Maharashtra.
- Iron and Steel Castings Segment comprises of manufacture and sale of Engineering and Automotive Castings with production facilities at Nagpur in Maharashtra and Anjora in Chhattisgarh.
- Other Segment comprises of trading of PVC pipes.
- Unallocated comprises of income, expenses, assets and liabilities which can not be directly identified to any of the above segments.

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 year, are as detailed below:

Notes to the Financial Statements

for the year ended 31st March, 2023

A. List of Related Parties :

I. Associate Company

Maa Usha Urja Limited

II. Key Management Personnel and their Relatives

Key Management Personnel

Shri B.L. Shaw
Shri Arvind Jayaswal
Shri Ramesh Jayaswal
Shri P.K.Bhardwaj (upto 24.02.2023)
Shri Vikash Kumar Agarwal (upto 13.01.2023)
Shri M.P. Singh
Shri Kapil Shroff (from 25.02.2023)

Relatives of Key Management Personnel

Shri Avneesh Jayaswal
Shri Anshul Bhardwaj

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

Other Related Parties

Apex Spinning Mills Private Limited	Jayaswal Neco Energy Private Limited
Jayaswal Neco Infrastructures Private Limited	Jayaswal Neco Urja Private Limited
Jayaswal Neco Metallica Private Limited	Neco Defence Systems Private Limited
Jayaswal Neco Steel and Mining Limited	Neco Heavy Engineering and Castings Limited
Jayaswal Neco Power Private Limited	Nine Star Plastic Packaging Services Private Limited
The Jayaswal Basant Lall Shaw Family Trust	NSSL Private Limited
Shashi Enterprises	Synergy CapCorp India Private Limited *
Neco Mining Company Private Limited	Neco Deserttech Defence Private Limited

* Nominee Director is able to exercise significant influence

B. Transactions and Balances with Related Parties :

(Rs. in lakhs)

Nature of Transactions	Name of the Related Parties	2022-23	2021-22
Transactions with Associate :			
Lease Rent	Maa Usha Urja Limited	610.50	600.00
Transactions with Other Related Parties:			
Purchase of Property, Plant and Equipment	Neco Heavy Engineering and Castings Limited	207.73	3.82
	Neco Defence Systems Private Limited	7.69	-
	NSSL Private Limited	22.73	19.91
Sale of Property, Plant and Equipment	Neco Deserttech Defence Private Limited	2.57	-
Sale of Products	NSSL Private Limited	11204.67	10944.23
	Neco Heavy Engineering and Castings Limited	992.47	689.97
Purchase of Goods and Services	NSSL Private Limited	11392.19	11453.21
	Neco Heavy Engineering and Castings Limited	674.94	533.71
Purchase of Goods (Overburden Cost)	Neco Mining Company Private Limited	17010.92	3450.46
Other Manufacturing Expenses	NSSL Private Limited	204.37	103.18
	Neco Heavy Engineering and Castings Limited	732.59	497.87
Consultancy Charges	Synergy CapCorp India Private Limited	767.02	324.73
Rent / Lease Rent	The Jayaswal Basant Lall Shaw Family Trust	101.46	92.40
	Shashi Enterprises	17.32	16.10
	Shri Arvind Jayaswal	11.62	10.65
	Shri Ramesh Jayaswal	11.62	10.65

Notes to the Financial Statements

for the year ended 31st March, 2023

(Rs. in lakhs)

Nature of Transactions	Name of the Related Parties	2022-23	2021-22
Security Deposits Given:			
	The Jayaswal Basant Lall Shaw Family Trust	2.31	-
	Shri Arvind Jayaswal	0.50	-
	Shri Ramesh Jayaswal	0.50	-
Interest Expense	Apex Spinning Mills Private Limited	-	4.34
	Nine Star Plastic Packaging Services Private Limited	-	8.68
	Jayaswal Neco Infrastructures Private Limited	-	17.34
	Jayaswal Neco Energy Private Limited	-	17.34
	Jayaswal Neco Metallica Private Limited	-	21.68
	Jayaswal Neco Steel and Mining Limited	-	17.34
Shares Allotted	Apex Spinning Mills Private Limited	-	800.00
	Nine Star Plastic Packaging Services Private Limited	-	1050.00
	Jayaswal Neco Infrastructures Private Limited	-	1400.00
	Jayaswal Neco Power Private Limited	-	300.00
	Jayaswal Neco Energy Private Limited	-	1350.00
	Jayaswal Neco Metallica Private Limited	-	1150.00
	Jayaswal Neco Steel and Mining Limited	-	1750.00
Sitting Fees	Shri B.L. Shaw	1.00	1.50
Managerial Remuneration	Shri Arvind Jayaswal	168.65	122.16
	Shri Ramesh Jayaswal	168.65	122.16
	Shri P.K.Bhardwaj	49.02	44.34
	Shri M.P. Singh	80.00	65.84
	Shri Avneesh Jayaswal	53.09	53.10
	Shri Kapil Shroff	7.25	-
	Shri Vikash Kumar Agarwal	29.87	32.32
	Shri Anshul Bhardwaj	1.38	2.62
Bad Debts (Already Provided Earlier)			
Current - Loans (Refer Note No. 12.01)	Jayaswal Neco Urja Private Limited	738.30	-
Interest Receivables (Refer Note No. 12.01)	Jayaswal Neco Urja Private Limited	157.93	-
Reimbursement of Expenses to the Company	Neco Heavy Engineering and Castings Limited	11.14	8.34
	NSSL Private Limited	11.14	26.81

(Rs. in lakhs)

Nature of Transactions	Name of the Related Parties	As at 31.03.2023	As at 31.03.2022
Balances with Associate :			
Current Borrowings -Inter Corporate Deposits	Maa Usha Urja Limited	2237.91	2237.91
Trade payables	Maa Usha Urja Limited	340.86	336.80
Interest Accrued and due	Maa Usha Urja Limited	292.05	292.05
Balance with Other Related Parties :			
Trade Payables and Other Payable	NSSL Private Limited	196.51	33.23
	Neco Heavy Engineering and Castings Limited	104.64	39.05
	Neco Defence Systems Private Limited	3.45	-
	Synergy CapCorp India Private Limited	63.69	66.73
	Neco Mining Company Private Limited	1492.98	259.65
Deposit Given	The Jayaswal Basant Lall Shaw Family Trust	25.41	23.10
	Shashi Enterprises	3.00	3.00
	Shri Arvind Jayaswal	2.90	2.40
	Shri Ramesh Jayaswal	2.90	2.40

Notes to the Financial Statements

for the year ended 31st March, 2023

Nature of Transactions	Name of the Related Parties	(Rs. in lakhs)	
		As at 31.03.2023	As at 31.03.2022
Current - Loans (Refer Note No. 12.01)	Jayaswal Neco Urja Private Limited	-	738.30
Interest Receivables (Refer Note No. 12.01)	Jayaswal Neco Urja Private Limited	-	157.93
Provision for Doubtful Advance (Including Interest Receivables) (Refer Note No. 12.01)	Jayaswal Neco Urja Private Limited	-	896.22
Trade Receivables and Other Receivable	Neco Heavy Engineering and Castings Limited	275.67	389.11
	Neco Deserttech Defence Private Limited	3.03	-
Rent / Lease Rent Payable	Shri Arvind Jayaswal	0.87	0.87
	Shri Ramesh Jayaswal	0.87	0.87

C. Compensation to Key Managerial Personnel of the Company

Nature of Transaction	(Rs. in lakhs)	
	2022-23	2021-22
Short Term Employee Benefits	503.44	387.53
Post-employment Benefits	7.57	7.06
TOTAL	511.01	394.59

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:

Particulars	(Rs. in lakhs)	
	For the year ended 31.03.2023	For the year ended 31.03.2022
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 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. 218.78 lakhs (Previous Year : Rs. Nil)
- Expenditure incurred related to Corporate Social Responsibility is Rs. 377.63 lakhs (Previous Year : Rs. 386.69 lakhs).
 - Expenditure carried forward to the Financial Year 2023-24 is Rs. 158.85 lakhs (Previous Year : Nil).
- The amount of Shortfall at the end of the year out of the amount required to be spent by the company during the FY 2022-23: Nil
- Total amount of Previous years shortfall: Nil
- Reason for shortfall: Not Applicable

Notes to the Financial Statements

for the year ended 31st March, 2023

f. Details of Expenditure incurred towards CSR given below:

Particulars	(Rs. in lakhs)	
	For the year ended 31.03.2023	For the year ended 31.03.2022
Rural Development Projects	196.05	208.55
Environmental Sustainability	55.38	26.89
Education and Training	21.42	10.51
Health Care, Sanitation and providing Drinking Water	60.00	103.22
Promotion and Development of Traditional Art and Culture, Community Welfare	32.04	31.02
Others	12.74	6.50
TOTAL	377.63	386.69

g. There are no related party transactions included in above CSR expenditure.

NOTE : 42 PROVISIONS

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

Particulars	Assets Retirement Obligations	Provision for Credit Impaired / Doubtful on Trade Receivables / Advances	Provision for Expected Credit Loss on Trade Receivables	Provision for Energy Development Cess	(Rs. in lakhs)
					Provision for Entry Tax and Cess
As at 1 st April, 2021	25.97	7178.66	501.86	5121.84	396.75
Provision during the year	2.70	120.81	-	384.04	-
Provision reversed during the year	-	(538.35)	(69.26)	-	-
Provision written off during the year	-	(2219.67)	-	-	-
As at 31 st March, 2022	28.67	4541.45	432.60	5505.88	396.75
Provision during the year	2.98	159.70	-	398.68	-
Payment during the year	-	(195.04)	-	-	-
Provision reversed during the year	-	(1580.94)	(3.72)	-	-
As at 31st March, 2023	31.65	2925.17	428.88	5904.56	396.75

NOTE : 43 FAIR VALUES

43.01 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 31.03.2023	As at 31.03.2022
Financial Assets designated at Fair Value through Profit and Loss :		
- Investments	0.52	0.21
TOTAL	0.52	0.21

Notes to the Financial Statements

for the year ended 31st March, 2023

b) Financial Assets / Liabilities designated at Amortised Cost:

Particulars	As at 31.03.2023		As at 31.03.2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets :				
Financial Assets designated at Amortised Cost :				
- Trade Receivables	46857.87	46857.87	45748.63	45748.63
- Cash and Cash Equivalents	7201.02	7201.02	18187.14	18187.14
- Bank Balances other than Cash and Cash Equivalents	21065.39	21065.39	30360.22	30360.22
- Loans	-	-	-	-
- Others	1078.42	1078.42	900.75	900.75
TOTAL	76202.70	76202.70	95196.74	95196.74
Financial Liabilities :				
Financial Liabilities designated at Amortised Cost :				
- Borrowings	340885.59	340885.59	383949.12	383949.12
- Lease Liabilities	512.89	512.89	547.53	547.53
- Trade Payables	31978.24	31978.24	27110.10	27110.10
- Other Financial Liabilities	13239.92	13239.92	16891.04	16891.04
TOTAL	386616.64	386616.64	428497.79	428497.79

43.02 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 Non-Interest bearing and Concessional Interest bearing Secured Non-current Borrowings is calculated based on discounted cash flows using a lending rate. They are classified as level 2 fair values in the fair value hierarchy due to the inclusion of observable inputs. The Fair Value of Security Deposits are approximate at their carrying amount due to interest bearing features of these instruments.
- Fair values of Investment in equity are derived from quoted market prices in active markets.
- The Fair Value of the remaining financial instruments is determined using discounted cash flow analysis.
- The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

43.03 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.

Notes to the Financial Statements

for the year ended 31st March, 2023

- 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:

Particulars	As at 31.03.2023		
	Level 1	Level 2	Level 3
Financial Assets			
Financial Assets designated at Fair Value through Profit and Loss :			
Investments	0.51	-	0.1#

Particulars	As at 31.03.2022		
	Level 1	Level 2	Level 3
Financial Assets			
Financial Assets designated at Fair Value through Profit and Loss :			
Investments	0.20	-	0.1#

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 : 44 Financial Risk Management - Objective and Policies

The Company is exposed to Market Risk, Credit Risk and Liquidity Risk. Risk management is carried out by the company under the policy and plan as approved by the Board of Directors. The Risk management plan defines how risks associated with the Company will be identified, analysed, and managed. It outlines how risk management activities will be performed, recorded, and monitored by the Company. The basic objective of risk management plan is to implement an integrated risk management approach to ensure that all significant areas of risks are identified, understood and effectively managed, to promote a shared vision of risk management and encourage discussions on risks at all levels of the organization to provide a clear understanding of risk / benefit trade-offs, to deploy appropriate risk management methodologies and tools for use in identifying, assessing, managing and reporting on risks, and to determine the appropriate balance between cost and control of risk and deploy appropriate resources to manage / optimise key risks. The activities are developed to provide feedback to management and other interested parties (e.g. Audit committee, Board etc.) by way of Action taken report. The results of these activities ensure that risk management plan is effective in the long term.

44.01 Market Risk and Sensitivity:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise three types of risks: Foreign Currency Rate risk, Interest Rate risk and other Price risks, such as Commodity price risk. Financial instruments affected by market risk include Loans and Borrowings, Deposits and Investments.

The sensitivity analysis relates to the position as at 31st March, 2023 and 31st March, 2022.

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, 2023 and 31st March, 2022.

Notes to the Financial Statements

for the year ended 31st March, 2023

(a) Foreign Currency Exchange Risk and Sensitivity:

Foreign Currency Exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in Foreign Currency Exchange rates. The Company's exposure to the risk of changes in foreign currency exchange rates relates primarily to the Company's operating activities. The Company transacts forex business primarily in USD, SEK and EURO. The Company has foreign currency trade payables and trade receivables and is therefore, exposed to foreign currency exchange risk. The Company regularly reviews and evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies and plan.

The following table demonstrates the sensitivity in the USD, SEK, GBP and EURO to the Indian Rupee with all other variables held constant. The impact on the Company's Profit Before Tax (PBT) due to changes in the fair values of monetary assets and liabilities is given below:

Unhedged Foreign currency exposure as at 31 st March, 2023	Currency	Amount in FC	(Rs. in lakhs)
Trade Receivable	USD	1413798	1162.38
Trade Receivable	EURO	164674	147.56
Trade Payable	USD	(13709509)	(11266.47)
Trade Payable	EURO	(78247)	(69.97)
Trade Payable	SEK	(650000)	(51.42)
Trade Payable	GBP	(14800)	(15.01)

Unhedged Foreign currency exposure as at 31 st March, 2022	Currency	Amount in FC	(Rs. in lakhs)
Trade Receivable	USD	1077422	816.76
Trade Receivable	EURO	134635	113.98
Trade Payable	USD	(237809)	(180.52)
Trade Payable	EURO	(62631)	(52.87)
Trade Payable	SEK	(650000)	(52.59)

Foreign Currency sensitivity

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

Particulars	2022-23		2021-22	
	2% Increase - Profit / (Loss)	2% Decrease - Profit / (Loss)	2% Increase - Profit / (Loss)	2% Decrease - Profit / (Loss)
USD	(202.08)	202.08	12.72	(12.72)
EURO	1.55	(1.55)	1.22	(1.22)
SEK	(1.03)	1.03	(1.05)	1.05
GBP	(0.30)	0.30	-	-
Increase / (Decrease) in Profit Before Tax	(201.86)	201.86		
Increase / (Decrease) in Profit Before Tax			12.89	(12.89)

(b) Interest Rate Risk and Sensitivity:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is having current borrowings in the form of Term Loan. There is a fixed rate of interest in case of Term Loans and hence, there is no interest rate risk associated with these borrowings upto the date of Refinancing. However, the company has to mitigate the Interest rate risk by negotiating with the new lenders for debt refinancing basis robust debt servicing performance under the debt restructuring.

(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), 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.

Notes to the Financial Statements

for the year ended 31st March, 2023

The Company prices its Iron and Steel products as per the accepted market practices.

The Company primarily purchases its raw materials (other than captively sourced material) in the open market from third parties or approved suppliers on contract basis. The Company is therefore subject to fluctuations in prices for the purchase of non-coking and coking coal and other raw material inputs. The Company purchased substantially large part of its coal requirement from third parties and approved vendors in the open market during the year ended 31st March, 2023. The company's major requirement of the Iron ore and fines (major raw materials) is fulfilled from its captive Iron ore mines hence, the commodity price risk of raw materials has been reduced to a great extent.

The Company aims to sell its products at prevailing market prices. Similarly, the Company procures key raw materials like 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 Coking Coal.

Particulars	2022-23		2021-22	
	5% Increase - (Decrease) in PBT	5% Decrease - Increase in PBT	5% Increase - (Decrease) in PBT	5% Decrease - Increase in PBT
Iron Ore / Fines	-	-	(4254.89)	4254.89
Coal / Coke	(11244.40)	11244.40	(6960.59)	6960.59
Increase / (Decrease) in Profit Before Tax	(11244.40)	11244.40		
Increase / (Decrease) in Profit Before Tax			(11215.48)	11215.48

44.02 Credit Risk

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

a) Trade Receivables:

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

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

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

Particulars	31st March 2023		31st March 2022	
	Gross Carrying Amount	Loss Allowance	Gross Carrying Amount	Loss Allowance
Trade Receivables	48529.93	1672.06	47672.89	1924.26
TOTAL	48529.93	1672.06	47672.89	1924.26

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

Particulars	31st March 2023	31st March 2022
	Opening Balance	1924.26
Reverse during the year	(252.20)	(2452.29)
Closing Balance	1672.06	1924.26

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

Notes to the Financial Statements

for the year ended 31st March, 2023

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.

44.03 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 to meet its need for fund.

With implementation of the debt restructuring, the cash flow position of the Company, financial leverage levels, Liquidity position have improved and have resulted in elimination of the financial stress. Restructuring has also led to realignment of debt to sustainable level, the Company has been doing prompt servicing of debt dues as per the Debt Restructuring from the cut-off date of 31st March, 2020. (Refer Note No. 18).

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

Particulars	Maturity				Total
	On Demand	Less than 1 Year	1 to 5 Years	More than 5 years	
As at 31st March, 2023					
Non Current Borrowings	-	-	2578.63	-	2578.63
Lease Liabilities (Non Current)	-	-	145.21	316.98	462.19
Other Financial Liabilities (Non Current)	-	-	1.66	-	1.66
Current borrowings (Refer Note No. 18.01)	2237.91	336069.05	-	-	338306.96
Lease Liabilities	-	50.70	-	-	50.70
Trade Payables	-	31978.24	-	-	31978.24
Other Financial Liabilities	-	13238.26	-	-	13238.26
TOTAL	2237.91	381336.25	2725.50	316.98	386616.64
As at 31st March, 2022					
Non Current Borrowings	-	-	343625.40	-	343625.40
Lease Liabilities (Non Current)	-	-	149.67	315.90	465.57
Other Financial Liabilities (Non Current)	-	-	1.66	-	1.66
Current borrowings	2237.91	38085.81	-	-	40323.72
Lease Liabilities	-	81.96	-	-	81.96
Trade Payables	-	27110.10	-	-	27110.10
Other Financial Liabilities	-	16889.38	-	-	16889.38
Total	2237.91	82167.25	343776.73	315.90	428497.79

44.04 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, it strictly adheres to the delivery schedules to meet the needs of its customers.

Notes to the Financial Statements

for the year ended 31st March, 2023

NOTE : 45 CAPITAL RISK MANAGEMENT

For the purpose of Company's capital management, capital includes issued capital, all other equity reserves and debt. The primary objective of the Company's capital management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using gearing ratio, which is Net debt divided by the Total Capital Employed (Equity plus Net Debt). Net debt is non-current and current debts as reduced by cash and cash equivalents, other bank balances, non-current bank deposits and current investments. Equity comprises all components including other comprehensive income.

The Company monitors its capital employed using Gearing ratio, which is Net debt divided by Total Capital Employed (Equity plus Net Debt)

Particulars	(Rs. in lakhs)	
	As at 31.03.2023	As at 31.03.2022
Total Debt	341398.48	384496.65
Less : Cash and cash equivalent	7201.02	18187.14
Less : Other Bank Balances	21065.39	30360.22
Less : Non current Bank Deposits	817.43	734.20
Less : Current Investments	0.52	0.21
Net Debt	312314.12	335214.88
Equity	205781.63	183339.32
Total Capital Employed (Equity plus Net Debt)	518095.75	518554.20
Gearing ratio	60.28%	64.64%

NOTE : 46 ASSETS HELD FOR SALE:

Description of the assets held for sale	(Rs. in lakhs)	
	As at 31.03.2023	As at 31.03.2022
Leasehold Land	-	1.42
Buildings	-	222.30
Plant and Equipment	-	2.40
TOTAL	-	226.12

46.01 The Company was having 5.946 acres leasehold Industrial land in the Light Industrial Area, Bhilai, situated in the Village Chhawani of Tehsil Durg, of the Durg District (Construction Casting Division, Bhilai). The Bhilai Plant setup on this land is not in operations. The Company had entered into an Agreement to Sell on 20th December 2021 for the sale of the Immovable Properties related to Bhilai Plant to an identified buyer. Accordingly, the Company had received part consideration amounting to Rs. 525.00 Lakhs upto 31st March 2022 as per the executed agreement. The Company has received the remaining consideration of Rs. 250.00 Lakhs in the financial year ended 31st March 2023 and has submitted all the necessary documents to District Trade & Industrial Centre (DIC) Bhilai for transfer of the said leasehold land. In view of above, the Company has recognised sale of such leasehold land in the financial year ending 31st March 2023.

NOTE : 47 DETAILS OF LOAN GIVEN, INVESTMENT MADE AND CORPORATE GUARANTEE GIVEN COVERED U/S 186(4) OF THE COMPANIES ACT, 2013

Sr. No.	Particulars	(Rs. in lakhs)	
		As at 31.03.2023	As at 31.03.2022
I	Loan Given		
	Jayaswal Neco Urja Private Limited (Refer Note No. 12.01)	-	738.30

The above Loan has been given for business purpose.

Notes to the Financial Statements

for the year ended 31st March, 2023

NOTE : 48 KEY FINANCIAL RATIOS

Sr. No.	Particulars	Numerator	Denominator	As at 31.03.2023	As at 31.03.2022	% Variance	Reason for Variance (If more than 25%)
i)	Current ratio (times)	Current Assets	Current Liabilities	0.56	2.46	-77.11%	The ratio has significantly decreased due to increase in Current Liabilities on account of classification of entire amount of Principal Term Loan Outstanding as Current. (Refer Note No. 18.01)
ii)	Debt equity ratio (times)	Total Debts	Average Total Equity [(Opening Total Equity + Closing Total Equity)/2]	1.66	2.10	-20.89%	
iii)	Debt Service Coverage Ratio (times)	Earnings available for debt service (Net profit after taxes+ depreciation and amortization+ finance cost+ non cash operating items+other adjustment)	Debt service	0.79	1.14	-30.99%	The ratio has declined due to (1) lower level of earnings on account of heavy increase in raw material prices with respect to coal & non-coking coal. (2) increase in principal repayment (including cash sweep) in FY23 to ACRE.
iv)	Return on equity ratio (%)	Net Profit/ (Loss) after taxes*	Average Total Equity [(Opening Total Equity + Closing Total Equity)/2]	11.66%	954.69%	-98.78%	The Return on Net Worth has significantly decreased from 954.69% in FY22 to 11.66% in FY23 with variance of 98.78%. The Ratio has significantly decreased on account of (1) significant rise in Average Net Worth in FY23 as compared FY22. (2) net profit in FY22 was on higher side on account of Exceptional Income, which is result of Implementation of Debt Restructuring in the books of accounts in FY22. (3) decrease in Net Profit in FY23 due to heavy increase in prices of raw material with respect to coal & non-coking coal and (4) further, steel markets are stabilized in FY23 to certain extent as compared to FY22 wherein there was unprecedented growth witnessed in Steel Sector.
v)	Inventory Turnover ratio (times)	Revenue from operations	Average Inventory (Opening balance+ Closing balance)/2	5.09	5.66	-9.99%	
vi)	Trade receivables turnover ratio (times)	Revenue from operations	Average trade receivable (Opening balance+ Closing balance)/2	13.70	15.18	-9.77%	

Notes to the Financial Statements

for the year ended 31st March, 2023

Sr. No.	Particulars	Numerator	Denominator	As at 31.03.2023	As at 31.03.2022	% Variance	Reason for Variance (If more than 25%)
vii)	Trade payables turnover ratio (times)	Purchases	Average trade payable (Opening balance+ Closing balance)/2	14.26	16.00	-10.88%	
viii)	Net capital turnover ratio (times)	Revenue from operations	Working capital (Current assets - current liabilities)	(3.67)	4.14	-188.61%	The ratio has significantly decreased due to increase in Current Liabilities on account of classification of entire amount of Principal Term Loan Outstanding as Current. (Refer Note No. 18.01)
ix)	Net profit ratio (%)	Net Profit/ (Loss) after tax*	Revenue from operations	3.58%	37.72%	-90.52%	The Ratio has significantly decreased mainly on account of (1) net profit in FY22 was on higher side on account of Exceptional Income, which is result of Implementation of Debt Restructuring in the books of accounts in FY22. (2) decrease in Net Profit in FY23 due to heavy increase in prices of raw material with respect to coal & non-coking coal and (3) further, steel markets are stabilized in FY23 to certain extent as compared to FY22 wherein there was unprecedented growth witnessed in Steel Sector.
x)	Return on capital employed (%)	Profit before interest and taxes	Capital Employed= Tangible Net Worth + Total Debts+ Deferred Tax Liability	10.18%	18.37%	-44.59%	The Ratio has significantly decreased on account of (1) significant rise in Average Net Worth in FY23 as compared FY22. (2) net profit in FY22 was on higher side on account of Exceptional Income, which is result of Implementation of Debt Restructuring in the books of accounts in FY22. (3) decrease in Net Profit in FY23 due to heavy increase in prices of raw material with respect to coal & non-coking coal and (4) further, steel markets are stabilized in FY23 to certain extent as compared to FY22 wherein there was unprecedented growth witnessed in Steel Sector.
xi)	Return on investment (%)	Income of investment	Current investments	59.62%	71.43%	-16.54%	

Notes to the Financial Statements

for the year ended 31st March, 2023

NOTE : 49 RELATIONSHIP WITH STRUCK OFF COMPANIES

Details of the transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956 are as follows:

Name of the struck off company	Nature of transactions with struck off company	(Rs. in lakhs)			
		Balance outstanding as at 31.03.2023	Relationship with the struck off company, if any, to be disclosed	Balance outstanding as at 31.03.2022	Relationship with the struck off company, if any, to be disclosed
M/S Kunj Bhhari Const Private Limited	Trade Receivables	-	No	2.36	No
M/S Springfield Forestry Private Limited	Advance Received from customer	2.15	No	2.12	No
Total		2.15		4.48	

NOTE : 50 EXCEPTIONAL ITEMS INCLUDE

Particulars	(Rs. in lakhs)	
	As at 31.03.2023	As at 31.03.2022
70 TPD Oxygen Plant (Refer Note No. 50.01)	5118.91	-
Net Impact on the Profit & Loss Account (After considering Fair Value Accounting Adjustment)	-	160896.03
Write back of borrowings due to One time settlement of debt dues by one banker with the company	-	1110.25
Write back of an amount payable	-	10443.67
Net Impact on the Profit & Loss Account (After considering Other Adjustment)	5118.91	172449.95

50.01 The Company had entered into a Contract for setting up 70 TPD Oxygen Plant on lease basis and for its operations and maintenance with M/S Goyal MG Gases Pvt Ltd (Lessor) in the year 2002-03. Subsequently in the year 2015-16 dispute arose between both the parties on couple of issues and the matter was referred to the Sole Arbitrator for adjudication of dispute.

On August 4, 2017 and corrected vide its order dated on September 15, 2017, the Sole Arbitrator passed an Arbitral Award against the company. As per the Arbitral Award, the claims of the company were rejected, and the counter claims were allowed. The Company challenged the Arbitral Award before the Hon'ble Delhi High Court under the Arbitration and Conciliation Act 1996. The Hon'ble High Court dismissed the appeals filed by the company vide its judgment dated December 21, 2017 and judgement dated April 5, 2018.

The Company then filed Special Leave Petition (SLP) in the Hon'ble Supreme Court which granted stay on August 6, 2018 on any action subject to the Company depositing an amount of Rs. 800.00 Lakhs before the Registry of Hon. Supreme Court. The said amount of Rs. 800.00 Lakhs was deposited by the Company. On September 06, 2022, the Company's SLP has been dismissed by the Hon'ble Supreme Court. Subsequently, Hon'ble High Court vide its order dated November 28, 2022 directed the Company to honour the arbitral award and pay the award amount along with any Interest thereon as per the directions given in the order.

In view of the above, during the year ended 31st March, 2023, the Company has recognized Rs. 5118.91 Lakhs which has been disclosed as an Exceptional item. In addition to the above, certain matters are yet to achieve finality and which are under consideration of the Hon'ble High Court. The impact of them, if any, will be recognised as and when the same are decided.

50.02 Exceptional items for the year ended 31st March, 2022 represents write back of borrowings etc. of Rs. 20243.14 Lakhs, reversal of excess interest charged from 1st April, 2020 to 31st March, 2021 of Rs. 45517.56 Lakhs (Net of amortisation at effective interest rate) and one-time fair value gain of Rs. 106689.25 Lakhs which is mainly on account of Debt restructuring with Assets Care and Reconstruction Enterprise Limited (ACRE) acting in its capacity as trustee of various trusts which became effective on 23rd May, 2022 from the cut-off date of 31st March, 2020.

Notes to the Financial Statements

for the year ended 31st March, 2023

NOTE : 51 OTHER STATUTORY INFORMATION

51.01 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

51.02 The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall: (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

51.03 The Company has not received any fund from any person(s) or entity(s), including entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

51.04 The Company does not have any such transaction which is not recorded in the books of account surrendered or disclosed as income during the year in the tax assessments under the Income-tax act, 1961.

51.05 No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

51.06 The Company is not declared wilful defaulter by any bank or financial institution or other lender.

51.07 There is no charge or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

51.08 The company does not have any borrowings from banks or financial institutions on the basis of security of current assets.

NOTE : 52 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 and on behalf of Board of Directors

For **CHATURVEDI & SHAH LLP**
Chartered Accountants
(Registration No. : 101720W/W100355)

ARVIND JAYASWAL
Managing Director
DIN : 00249864

RAMESH JAYASWAL
Joint Managing Director
DIN : 00249947

ANUJ BHATIA
Partner
Membership No. : 122179

ASHISH SRIVASTAVA
Company Secretary
Membership No.: A20141

KAPIL SHROFF
Chief Financial Officer

Nagpur
23rd May, 2023

Notice

NOTICE is hereby given that the 50th Annual General Meeting ("AGM") of the Members of Jayaswal Neco Industries Limited ("JNIL") will be held on Tuesday, the 26th day of September, 2023 at 12:30 P.M. through Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS

- To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2023 and the reports of the Board of Directors and Auditors thereon.
- To appoint a Director in place of Shri Arvind Jayaswal (DIN: 00249864), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
- To appoint a Director in place of Shri Ramesh Jayaswal (DIN: 00249947), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

4. Re-appointment of Shri Rajendraprasad Srinivas Mohanka (DIN: 00235850) as an Independent Director.

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

"RESOLVED THAT pursuant to the provisions of 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 Regulation 17(1A) including any other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and on the recommendation of the Nomination and Remuneration Committee and that of the Board of Directors of the Company, Shri Rajendraprasad Srinivas Mohanka (DIN: 00235850), who was appointed as a Non-Executive Independent Director of the Company for a term of five (5) years effective from 27th July, 2018 by the Shareholders and in respect of whom the Company has

received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of the Director and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and the rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second and final term of five (5) years effective from 27th July, 2023 till 26th July, 2028, notwithstanding that he has attained the age of 75 years."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be deemed necessary to give effect to this resolution."

5. To ratify the remuneration of Cost Auditors for the financial year ending 31st March, 2024.

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

"RESOLVED THAT pursuant to the provisions of 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) and on the recommendation of the Audit Committee and approval of the Board of Directors, consent of the Members of the Company be and hereby accorded for the ratification of the payment of remuneration of ₹ 1,75,000/- (Rupees One Lakh Seventy-Five Thousand Only) for Cost Audit and ₹ 9,000/- (Rupees Nine Thousand Only) for XBRL documents preparation plus applicable taxes and reimbursement of out-of-pocket expenses on actual basis to M/s. Manisha & Associates, Cost Accountants, (FRN: 000321), Nagpur, to conduct the audit of the cost records of the Company for the Financial Year ending 31st March, 2024."

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

By Order of the Board of Directors

Ashish Srivastava
Company Secretary & Compliance Officer
Membership No. A20141

Place: Nagpur
Date: 14th August, 2023

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

Notes:

- The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the special businesses above is attached herewith.

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, particulars of Directors seeking re-appointment at this meeting are also annexed hereto.

- Pursuant to the Circular No. 14/2020 dated 8th April, 2020, Circular No.17/2020 dated 13th April, 2020, followed by Circular No. 20/2020 dated 5th May, 2020 and Circular No. 10/2022 dated 28th December, 2022, issued by the Ministry of Corporate Affairs (MCA) and Circular SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023 issued by SEBI and all other relevant circulars issued from time to time, Companies are allowed to hold Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) without physical presence of the Members at the AGM venue. Hence, Members can attend and participate in the ensuing AGM through VC / OAVM in compliance with the aforesaid Circulars, provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Pursuant to the Circular No. 14/2020 dated 8th April, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the Members is not available for this AGM. However, the Body Corporates are entitled to appoint their authorised representatives to attend the AGM through VC / OAVM and participate there at and cast their votes through remote e-voting.
- As the AGM of the Company will be held through VC / OAVM, the route map of the venue of the Meeting is not attached to this notice.
- The Members can join the AGM in the VC / OAVM mode 30 minutes before and within 15 Minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available for 1000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 20th September, 2023 to Tuesday, the 26th September, 2023 (both days inclusive).

- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated 8th April, 2020, 13th April, 2020 and 5th May, 2020, the Company is providing facility of remote e-Voting to its Members in respect of the businesses to be transacted at the AGM. The Company has engaged the services of National Securities Depositories Limited (NSDL) for providing e-voting facility. Instructions and other information relating to remote e-voting are given in the Notice under **Note No. 15**.
- In compliance with the MCA Circulars and SEBI Circular, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report for the financial year 2022-23 will also be available on the Company's website www.necoindia.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of the e-voting agency- National Securities Depository Limited at www.evoting.nsdl.com.
- AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated 8th April, 2020 and MCA Circular No. 17/2020 dated 13th April, 2020 and circular No. 10/2022 dated 28th December, 2022.
- Relevant documents referred to in the accompanying Notice and the Statements are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, during business hours upto the date of the Meeting.
- As per the MCA Circular, Service of documents through electronic mode i.e. e-mail by the Company will be a valid compliance of Section 101 of the Companies Act, 2013. As such the Members who are yet to register are requested to furnish/register their e-mail ID's at mt.helpdesk@linkintime.co.in along with their Folio No. and No. of shares/ Client ID/ DP ID with Depository Participants (DP) for shares held in electronic form or with the Registrar and Share Transfer Agent (Link Intime India Pvt. Ltd.) to enable the Company to send all notices, periodical statements etc. of the Company through electronic mode.
- Voting rights will be in proportion to the shares registered in the name of the Members as on 19th September, 2023 (cut-off date). Only those Members whose names are recorded in the Registers of Members of the Company or in the Register of Beneficial owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or by e-voting at the AGM. Members, who cast their votes by remote e-voting prior to

AGM, may attend the Meeting but will not be entitled to cast their vote again or change their vote subsequently.

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

14. Members are requested to note that SEBI vide Circular No. SEBI/HO/MIRSD/MIRSDPoD-1/P/CIR/2023/37 dated 16th May, 2023 has mandated that Members holding shares in physical mode are required to update the following with the Company/RTA:

- PAN;
- KYC details containing address, mobile number, e-mail address, bank account details;
- Nomination details.

Members holding shares in physical mode, who have not registered their above particulars are requested to register the same with the Company/RTA at the earliest. The forms for updating the same are available at the website of the Company at <https://www.necoindia.com/shareholder-information.php>.

In case a holder of physical securities fails to furnish PAN and KYC details or link their PAN with Aadhaar, in accordance with the aforesaid SEBI circulars, RTA is obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on 31st December, 2025, the RTA/the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and/or the Prevention of Money Laundering Act, 2002.

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

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

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

The remote e-voting period begins on Saturday, 23rd September, 2023 at 9:00 A.M. and ends on Monday, 25th September, 2023 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/Beneficial Owners as on the record date (cut-off date) i.e. 19th September, 2023, may cast their vote electronically. The voting right of Shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 19th September, 2023.


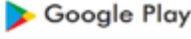


How do I vote electronically using NSDL e-Voting system?

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

Step 1: Access to NSDL e-Voting system

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

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

Type of shareholders	Login Method
	<ol style="list-style-type: none"> Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: center; gap: 20px;">   </div> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 10px;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi/Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by Company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a e-Voting available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at: 022-4886 7000 and 022-2499 7000.
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

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

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

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

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

4. Your User ID details are given below:

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

5. Password details for shareholders other than Individual shareholders are given below:

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail 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 e-mail ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) **"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 etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

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

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser 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: 022-4886 7000 and 022-2499 7000 or send a request to **Ms. Pallavi Mhatre, Senior Manager, NSDL** at evoting@nsdl.co.in.

4. The e-voting period shall commence at 9.00 A.M. on Saturday, 23rd September, 2023 and end at 5.00 P.M. on Monday, 25th September, 2023. During the period, Members of the Company, holding shares either in physical or dematerialised form, as on the cut-off date i.e. 19th September, 2023 may cast their vote electronically. The e-voting module shall be blocked by NSDL for voting thereafter.

5. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. 19th September, 2023 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or helpdesk@nsdl.co.in.

6. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting.

7. Smt. Rachana Daga, Proprietor of M/s. R. A Daga & Co., Company Secretaries, Nagpur, has been appointed by the Board of Directors of the Company to act as the Scrutiniser to scrutinise the voting process (remote e-voting) in a fair and transparent manner and submit a consolidated Scrutiniser's report of the total votes cast to the Chairman. Smt. Rachana Daga has submitted her consent to act as scrutiniser and will be available for the said purpose.

8. The Scrutiniser shall after the conclusion of voting at the AGM, will unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two working days of the conclusion of the AGM, a consolidated Scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman, who shall countersign the same and declare the result of the voting forthwith.

9. The results declared along with the report of the Scrutiniser 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 authorised by him in writing. The results shall

also be immediately forwarded to the Stock Exchanges where the shares of the Company are listed.

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

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by e-mail to contact@necoindia.com.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to contact@necoindia.com. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

3. Alternatively, Shareholder/Members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

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

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

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

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

1. Member will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC / OAVM link" placed under "**Join General meeting**" menu against Company

Place: Nagpur
Date: 14th August, 2023

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

name. You are requested to click on VC / OAVM link placed under Join General Meeting menu. The link for VC / OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

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

By Order of the Board of Directors

Ashish Srivastava
Company Secretary & Compliance Officer
Membership No. A20141

EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**Item No. 4:**

In terms of the provisions of Section 149, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ("the Act") and Rules framed thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Shareholders of the Company, at their 45th Annual General Meeting held on 28th September, 2018, appointed Shri Rajendraprasad Srinivas Mohanka (DIN: 00235850) as Independent Director of the Company, for a period of 5 (five) years upto 26th July, 2023, not liable to retire by rotation.

The Board of Directors and Nomination and Remuneration Committee, considering the expertise, experience and contribution made by Shri Rajendraprasad Mohanka during the first term and based on his performance evaluation, approved his re-appointment as Independent Director for a period of 5 (five) years effective from 27th July, 2023 to 26th July, 2028, subject to the approval of Shareholders at this Annual General Meeting.

Pursuant to the provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended by SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (Listing Regulations), no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of 75 (seventy five) years unless a Special Resolution is passed to that effect. Shri Rajendraprasad Mohanka has attained the age of 75 years on 10th May, 2023 and so his continuance as a director is required to be approved by the Members of the Company by way of Special Resolution as per the above amendment in the Listing Regulations.

The Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a Member proposing the candidature of Shri Rajendraprasad Mohanka for the office of Director of the Company, not liable to retire by rotation.

Shri Rajendraprasad Mohanka is not disqualified from being re-appointed as a Director of the Company in terms of Section 164 of the Act.

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

Further, the Company has also received declaration from Shri Rajendraprasad Mohanka, 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. Shri Rajendraprasad Mohanka has also confirmed that he has registered himself in the database for Independent Directors.

In the opinion of the Board, Shri Rajendraprasad Mohanka, 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 Rajendraprasad Mohanka, as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached as annexure to this Notice. Shri Rajendraprasad Mohanka is not related to any other Director of the Company.

Copy of the letter of appointment of Shri Rajendraprasad Mohanka 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.

Therefore, keeping in view his vast experience and expertise, it will be in the interest of the Company that the appointment of Shri Rajendraprasad Srinivas Mohanka as an Independent Director be approved by the Shareholders. Hence, the Board recommends the resolution set out at item No. 4 of the Notice, for Shareholders' approval as a Special Resolution.

Except, Shri Rajendraprasad Srinivas Mohanka, 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. 5:

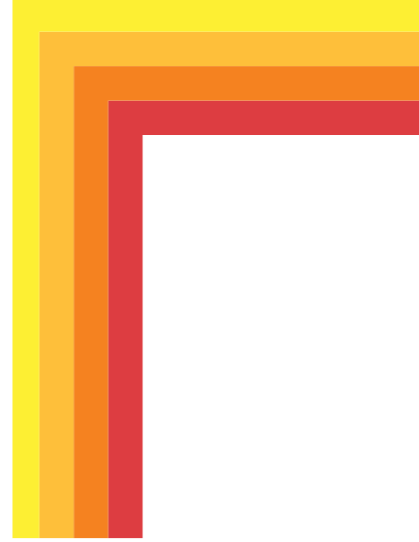
Members are hereby informed that on the recommendation of the Audit Committee, the Board of Directors of your Company re-appointed M/s. Manisha & Associates, Cost Accountants, (FRN. 000321), Nagpur, as Cost Auditors of the Company for the year 2023-24 on the remuneration of ₹ 1,75,000/- for Cost Audit, ₹ 9,000/- for XBRL documents preparation plus applicable taxes and reimbursement of out-of-pocket expenses at actual.

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

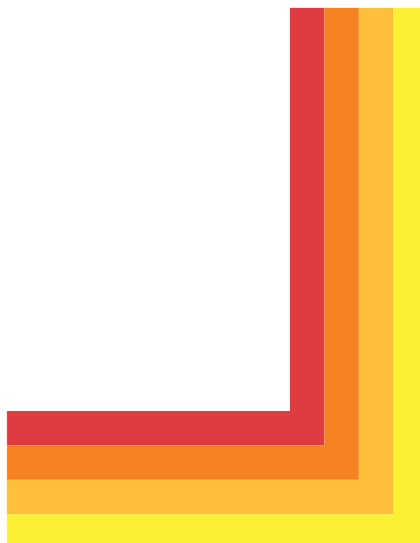
None of the Directors/ Key Managerial Personnel of the Company/ their relatives are in any way, concerned or interested, financially or otherwise, in the said resolution.

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

Notes



Once a Dream,
Now a Reality





Jayaswal Neco Industries Limited



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Jayaswal Neco Industries Limited
CIN - L28920MH1972PLC016154
F-8, MIDC Industrial Area, Hingna Road, Nagpur - 440016
Tel No: (07104) 237276, 237471, 237472
E-mail: contact@necoindia.com Website: www.necoindia.com