

JAYASWAL NECO INDUSTRIES LIMITED

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, 236251, 325682, 325683, 325684,

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



06th October, 2016

To,
Manager (Listing),
National Stock Exchange of India,
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (E), Mumbai

Manager (Listing),
Department of Corporate Services,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400001

Subject: Submission of Annual Report for the Financial Year 2015-16.

Dear Sir/Madam,

Pursuant to Regulation 34 (1) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, we attached herewith a soft copy of the Annual Report for the financial year 2015-16.

Thanking you,

For JAYASWAL NECO INDUSTRIES LIMITED

Ashutosh Mishra
Company Secretary & Compliance officer
Membership No.: A23011

Encl.: A/a

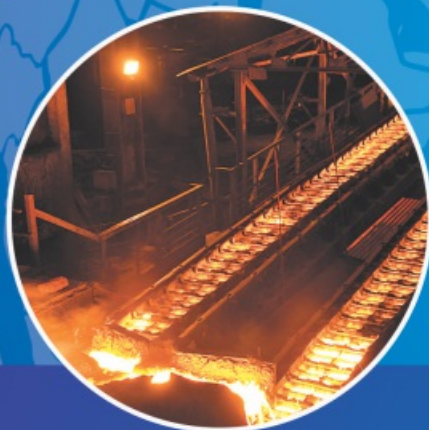
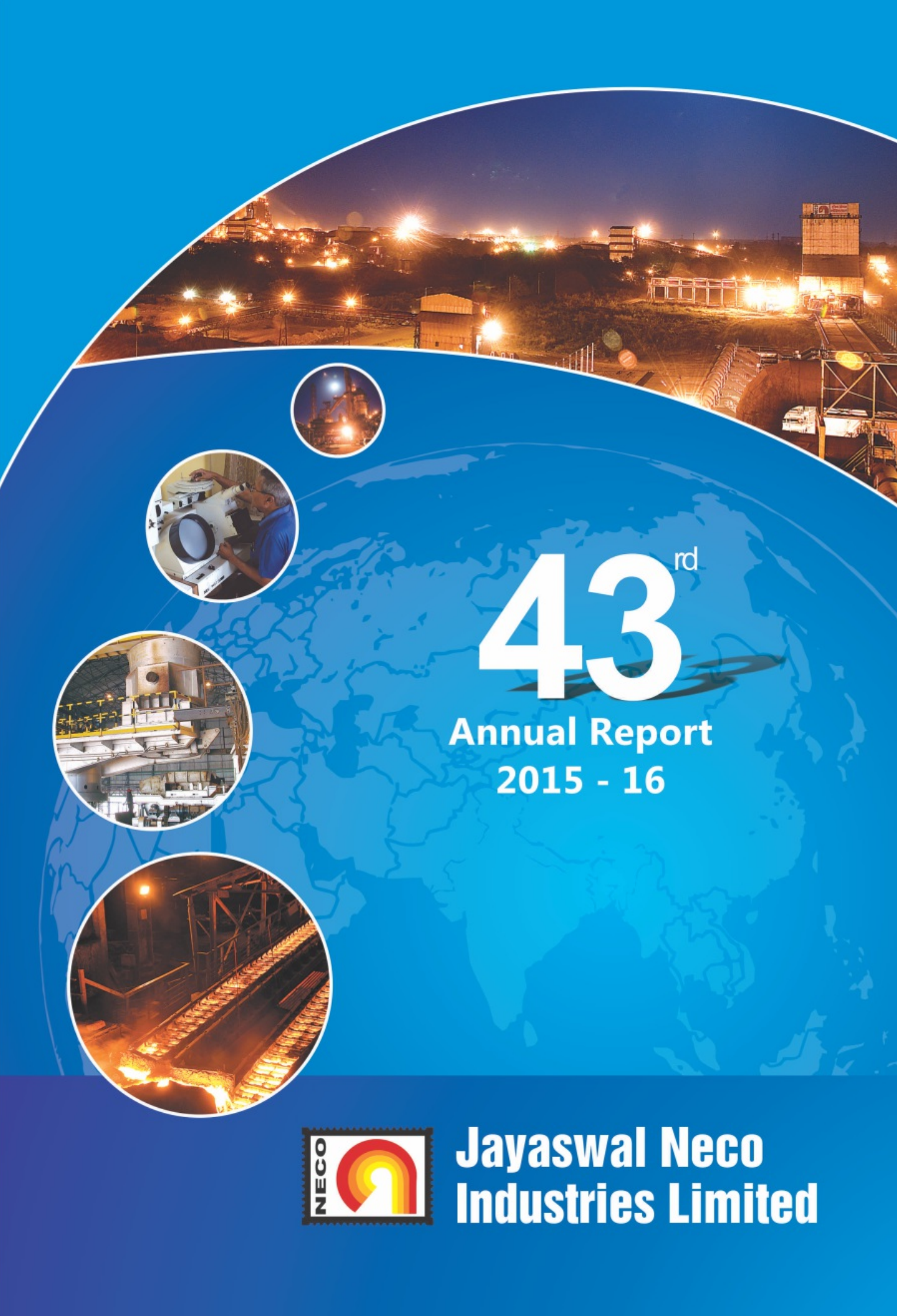
BRANCH OFFICES :

"NECO HOUSE" D-307, Defence Colony,
NEW DELHI - 110 024. (INDIA)
PHONES : 011-32041695
FAX NO. : 011-24642190

301, TULSIANI CHAMBERS
NARIMAN POINT, MUMBAI 400 021 (INDIA)
P.H. : (022) 4213-4813,
(022) : 22832381 FAX : (022) 22832367

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

178-A, LIGHT INDUSTRIAL AREA,
BHILAI - 490026 CHHATISGARH, INDIA
PHONES : 0788-2282845
FAX : 0788-2286679



43rd

Annual Report
2015 - 16



**Jayaswal Neco
Industries Limited**



Jayaswal Neco Industries Limited

IMPORTANT NOTICE TO MEMBERS . . .

In furtherance of the Green Initiative in Corporate Governance, service of documents like Report and Accounts, Notices etc. through electronic mode i.e., email by the Company will be a valid compliance under Section 20 as well as Section 101 of the Companies Act, 2013 and Rules made thereunder.

To support this initiative, shareholders who are yet to register their e-mail addresses are requested to furnish/register their Email Id's at necoindia.gogreen@sharexindia.in alongwith their Folio No./DP ID and Client ID and No of shares held by them, with the Company or with the Registrar and Share Transfer Agent [Sharex Dyanamic (India) Private Limited], to enable the Company to send all Notices, periodical statements, Annual Report etc of the Company through electronic mode.

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

BOARD OF DIRECTORS	:	Shri Basant Lall Shaw	Chairman
		Shri B. K. Agrawal	Independent Director
		Shri M. M. Vyas	Independent Director
		Shri P. K. Bhardwaj	Executive Director and CFO
		Shri S. N. Singh	Independent Director
		Shri P. K. Das	Director (IDBI Bank Nominee)
		Shri D. K. Sahni	Independent Director
		Smt. Raji Nathani	Independent Director
		Shri Arvind Iyer	Independent Director
		Shri M. P. Singh	Executive Director (Steel)
		Shri Ramesh Jayaswal	Joint Managing Director
		Shri Arbind Jayaswal	Managing Director
COMPANY SECRETARY & COMPLIANCE OFFICER	:	Shri Ashutosh Mishra	
BANKERS	:	Andhra Bank	Punjab National Bank
		Bank of India	State Bank of Bikaner and Jaipur
		Bank of Maharashtra	State Bank of Hyderabad
		Central Bank of India	State Bank of India
		ICICI Bank Limited	State Bank of Patiala
		IDBI Bank Limited	State Bank of Travancore
		Indian Overseas Bank	UCO Bank
		Oriental Bank of Commerce	Union Bank of India
AUDITORS	:	M/s. Chaturvedi & Shah, Chartered Accountants, Mumbai.	M/s. Agrawal Chhallani & Co. Chartered Accountants, Nagpur.
REGISTERED OFFICE	:	F-8, MIDC Industrial Area, Hingna Road, Nagpur - 440 016. CIN: L28920MH1972PLC016154 Tel No.: 07104 - 237276, 237471, 237472 Fax No.: 07104 - 237583, 236255 E-mail: contact@necoindia.com Website : www.necoindia.com	
REGISTRAR & TRANSFER AGENT	:	Sharex Dynamic (India) Private Limited Unit 1, Luthra Ind. Premises, Andheri Kurla Road, Safed Pool, Andheri (E), Mumbai - 400072. Ph. Nos. 022-28515606, 022-28515644, Fax No. 022-28512885 Email: sharexindia@vsnl.com	
WORKS	:	1. Steel Plant Division - Siltara Growth Centre, Raipur (CG). 2. Centricast Division-MIDC Area, Hingna Road, Nagpur (MH). 3. Automotive Castings Division -Butibori, Nagpur (MH). 4. Construction Castings Division - Light Industrial Area, Bhilai & Anjora (CG). 5. Engineering Castings Division - MIDC Area, Hingna Road, Nagpur (MH).	



NOTICE

NOTICE is hereby given that 43rd Annual General Meeting (AGM) of the Members of **Jayaswal Neco Industries Limited** will be held on **Thursday, the 29th day of September, 2016 at 12.30 P.M.** at the Registered Office of the Company at F-8, MIDC Industrial Area, Hingna Road, Nagpur-440016 (MH) to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statement of the Company for the financial year ended 31st March, 2016 and the reports of the Board of Directors and Auditors thereon.
2. To consider and adopt the Audited Consolidated Financial Statement of the Company for the financial year ended 31st March, 2016 and the report of the Auditors thereon.
3. To appoint a Director in place of Shri Basant Lall Shaw (DIN: 00249729), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Pramod Kumar Bhardwaj (DIN: 03451077), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
5. To appoint M/s. Pathak H. D. & Associates, Chartered Accountants, Mumbai (Registration No. 107783W), as the Statutory Auditors of the Company in place of retiring Auditor M/s. Chaturvedi & Shah, Chartered Accountants, Mumbai (Registration No. 101720W) and fix their remuneration and in this connection 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 139 of the Companies Act, 2013 and rules made thereunder and pursuant to recommendation of Audit Committee of the Board of Directors, M/s. Pathak H. D. & Associates, Chartered Accountants, Mumbai (Registration No. 107783W), be and are hereby appointed as the Auditors of the Company from the conclusion of this Meeting (43rd AGM) to hold such office for a period of 5(Five) years till the conclusion of the Annual General Meeting (48th AGM) (subject to ratification of their appointment at every AGM) of the Company to be held for the financial year 2020-21 at such remuneration as shall be fixed by the Board of Directors of the Company."

6. To ratify the appointment of Auditors M/s. Agrawal Chhallani & Co., Chartered Accountants, Nagpur (Registration No. 100125W) and fix their remuneration and in this connection 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 139 of the Companies Act, 2013 and rules made thereunder and pursuant to recommendation of Audit Committee of the Board of Directors, the appointment of M/s. Agrawal Chhallani & Co., Chartered Accountants, Nagpur (Registration No. 100125W), as the Auditors of the Company be and is hereby ratified to hold such office from the conclusion of this Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS

7. RE-APPOINTMENT OF SHRI S. N. SINGH 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the members be and is hereby given to the re-appointment of Shri S. N. Singh (DIN: 00398484) as an Independent Director of the Company not liable to retire by rotation with effect from 22nd September, 2016 to hold office for 5 (Five) consecutive years for a term up to 21st September, 2021."

8. RE-APPOINTMENT OF SMT. RAJI NATHANI 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the members be and is hereby given to the re-appointment of Smt. Raji Nathani (DIN: 06945777) as an Independent Director of the Company not liable to retire by rotation with effect from 22nd September, 2016 to hold office for 5 (Five) consecutive years for a term up to 21st September, 2021."

9. RE-APPOINTMENT OF SHRI DARSHAN KUMAR SAHNI 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the members be and is hereby given to the re-appointment of Shri Darshan Kumar Sahni (DIN: 00131269) as an Independent Director of the Company not liable to retire by rotation with effect from 22nd September, 2016 to hold office for 5 (Five) consecutive years for a term up to 21st September, 2021."

10. RE-APPOINTMENT OF SHRI ARVIND IYER 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the members be and is hereby given to the re-appointment of Shri Arvind Iyer (DIN: 01375173) as an Independent Director of the Company not liable to retire by rotation with effect from 13th November, 2016 to hold office for 5 (Five) consecutive years for a term up to 12th November, 2021."

11. RE-APPOINTMENT OF SHRI ARBIND JAYASWAL, AS MANAGING DIRECTOR OF THE COMPANY:

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 196, 197 and all other applicable provisions of Companies Act, 2013 read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and further subject to approval of Term Loan lending Institutions and Banks who have lent Term Loans and Working Capital Facilities to the Company and such terms and conditions, as may be stipulated by the Financial Institutions, Banks and other Authorities, if any; while conveying their approval to the aforesaid appointment, as may be agreed to by the Board of Directors and the Appointee in that behalf, the consent of the Company, be and is hereby accorded to the re-appointment of SHRI ARBIND JAYASWAL ("the Appointee") as Managing Director of the Company for a period of 3 years with effect from 1st day of January, 2017 up-to 31st December, 2019, not liable to retire by rotation, on the following terms and conditions including remuneration:

- | | | |
|-----------------------------|---|---|
| a) Designation | : | Managing Director |
| b) Remuneration | : | Rs. 630000 per month in the pay scale of Rs. 300000 - 30000 - 450000 - 45000 - 675000 - 67500 - 1012500 - 101250 - 1518750 |
| c) Allowances | : | House Rent Allowance, Children's Education Allowance, Conveyance Allowance, Ex-gratia Allowance, Personal Pay Allowance as per the rules of the Company. |
| d) Perquisites | : | Contribution to Provident Fund, Gratuity, Leave encashment, Leave Travel Concession, Reimbursement of medical expenses for self and family, Telephone and Car for office use, Club Membership (one) as per the rules applicable to senior cadre personnel of the Company. |
| e) Commission | : | upto 3% of the Net Profits as computed under section 198 of the Companies Act, 2013. |
| f) Minimum Remuneration | : | In the event of losses or inadequate profits, Salary, allowances and perquisites as above. |
| g) Revision of remuneration | : | Revision may be considered by the Board from time to time subject to limits set out in the Companies Act, 2013 and Schedule V thereof. |

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

"RESOLVED FURTHER THAT the draft of the Agreement to be entered into between the Company and the

Appointee setting out the terms and conditions of the said appointment including the remuneration as placed before this Meeting duly initialed by the Chairman for the purpose of identification be and is hereby approved.”

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

12. RE-APPOINTMENT OF SHRI RAMESH JAYASWAL, AS JOINT MANAGING DIRECTOR OF THE COMPANY:

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 196, 197 and all other applicable provisions of Companies Act, 2013 read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and further subject to approval of Term Loan lending Institutions and Banks who have lent Term Loans and Working Capital Facilities to the Company and such terms and conditions, as may be stipulated by the Financial Institutions, Banks and other Authorities, if any; while conveying their approval to the aforesaid appointment, as may be agreed to by the Board of Directors and the Appointee in that behalf, the consent of the Company, be and is hereby accorded to the re-appointment of SHRI RAMESH JAYASWAL (“the Appointee”) as Joint Managing Director of the Company for a period of 3 years with effect from 1st day of January, 2017 up-to 31st December, 2019, liable to retire by rotation, on the following terms and conditions including remuneration:

- | | | |
|-----------------------------|---|---|
| a) Designation | : | Joint Managing Director |
| b) Remuneration | : | Rs. 630000 per month in the pay scale of Rs. 300000 – 30000 – 450000 – 45000 – 675000 - 67500 – 1012500 – 101250 – 1518750 |
| c) Allowances | : | House Rent Allowance, Children's Education Allowance, Conveyance Allowance, Ex-gratia Allowance, Personal Pay Allowance as per the rules of the Company. |
| d) Perquisites | : | Contribution to Provident Fund, Gratuity, Leave encashment, Leave Travel Concession, Reimbursement of medical expenses for self and family, Telephone and Car for office use, Club Membership (one) as per the rules applicable to senior cadre personnel of the Company. |
| e) Commission | : | upto 3% of the Net Profits as computed under section 198 of the Companies Act, 2013. |
| f) Minimum Remuneration | : | In the event of losses or inadequate profits, Salary, allowances and perquisites as above. |
| g) Revision of remuneration | : | Revision may be considered by the Board from time to time subject to limits set out in the Companies Act, 2013 and Schedule V thereof. |

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

“RESOLVED FURTHER THAT the draft of the Agreement to be entered into between the Company and the Appointee setting out the terms and conditions of the said appointment including the remuneration as placed before this Meeting duly initialed by the Chairman for the purpose of identification be and is hereby approved.”

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

13. RE-APPOINTMENT OF SHRI P. K. BHARDWAJ, AS EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER OF THE COMPANY.

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 196, 197 and all other applicable provisions of Companies Act, 2013 read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and further subject to approval of Term Loan lending Institutions and Banks who have lent Term Loans and Working Capital Facilities to the Company and such terms and conditions, as may be stipulated by the Financial Institutions, Banks and other Authorities, if any; while conveying their approval to the aforesaid appointment, as may be agreed to by the Board of Directors and the Appointee in that behalf, the consent of the Company, be and is hereby accorded to the re-appointment of SHRI P. K. BHARDWAJ (“the Appointee”) as Executive Director and Chief Financial Officer of the Company for a period of 3 years with effect from 25th February, 2017 up-to 24th February, 2020, liable to retire by

rotation, on the following terms and conditions including remuneration:

- | | | |
|-----------------------------|---|---|
| a) Period of Appointment | : | 3 years with effect from 25.02.2017 |
| b) Remuneration | : | Rs. 212500 per month in the pay scale of Rs. 100000 – 10000 – 150000 – 12500 – 212500 – 15000 – 287500 – 17500 – 375000 |
| c) Allowances | : | House Rent Allowance, Children's Education Allowance, Conveyance Allowance, Special Allowance, Personal Pay Allowance as per the rules of the Company. |
| d) Perquisites | : | Contribution to Provident Fund, Gratuity, Leave encashment, Leave Travel Concession, Reimbursement of medical expenses for self and family, Telephone and Car for office use etc. as per the rules applicable to senior cadre personnel of the Company. |
| e) Notice Period | : | 3 months from either side. |
| f) Minimum Remuneration | : | In the event of losses or inadequate profits, Salary, Allowances and Perquisites as above. |
| g) Revision of remuneration | : | Revision may be considered by the Board from time to time subject to limits set out in the Companies Act, 2013 and Schedule V thereof. |

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

“RESOLVED FURTHER THAT the draft of the Agreement to be entered into between the Company and the Appointee setting out the terms and conditions of the said appointment including the remuneration as placed before this Meeting duly initialed by the Chairman for the purpose of identification be and is hereby approved.”

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

14. TO APPROVE THE REMUNERATION OF COST AUDITORS FOR THE FINANCIAL YEAR ENDING 31ST MARCH, 2017

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), the consent of the Company be and is hereby accorded for the payment of remuneration of Rs. 1,25,000 (Rupees One Lakh Twenty Five Thousands Only) plus service Tax at the applicable rates and reimbursement of out of pocket expenses at actual to M/s. Manisha & Associates, Cost Accountants, 238, Shreeram Shyam Towers, Near NIT, Sadar, Nagpur - 440 001 appointed by the Board of Directors of Company on the recommendation of the Audit Committee of the Board, as Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending 31st March, 2017.”

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

15. ADOPTION OF NEW SET OF ARTICLES OF ASSOCIATION OF THE COMPANY

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 Section 14 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the approval of the Members be and is hereby accorded for the deletion of all the Articles of the existing Articles of Association of the Company and its substitution by the new set of Articles of Association and adoption of the said new set of Articles of Association as the Articles of Association of the Company.”

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

“RESOLVED FURTHER THAT Shri Arbind Jayaswal, Managing Director, Shri Ramesh Jayaswal, Joint Managing Director and Shri Ashutosh Mishra, Company Secretary of the Company be and are hereby severally authorized to file all forms and documents with Registrar of Companies, as may be necessary to give effect to the said resolution.”

16. ALTERATION IN THE INCIDENTAL OR ANCILLARY OBJECTS FOR THE ATTAINMENT OF THE MAIN OBJECTS OF THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY

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 Section 13 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the approval of the Members be and is hereby accorded for the alteration/modification and substitution of the existing Sub Clause 3 and Sub Clause 13 of Clause III B- Incidental or Ancillary Objects for the attainment of Main Objects, of the Memorandum of Association of the Company by the following altered/modified Sub Clause 3 and Sub Clause 13:

- (3). To search, prospect, win, work, get, raise, quarry, smelt, refine, mine, dress, manufacture, manipulate, convert, make merchantable, sell, buy, import, export or otherwise deal in all types and kinds of iron ore, coal, coke, ironstone, limestone, manganese, manganese ore, ferro-manganese, magnesite, clay, dolomite, quartzite, fire-clay, brick-earth, bricks, and other metals, minerals and substances and generally to undertake and carry on any business, transaction or operation commonly undertaken or carried on by explorers, proprietors, or concessionaires and to search for, win, work, get, calcine, reduce, amalgamate, dress, refine and prepare for the market any quartz and ore and mineral substances and to buy, sell, manufacture, and deal in minerals and mineral products, plant and machinery and other things capable of being used in connection with mining or metallurgical operations.
- (13). To take or otherwise acquire and hold equity and or preference shares or any other securities in any other company having objects altogether or in part similar to those of this Company or carrying on any business capable of being conducted so as directly or indirectly to benefit this Company.”

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

"RESOLVED FURTHER THAT Shri Arbind Jayaswal, Managing Director, Shri Ramesh Jayaswal, Joint Managing Director and Shri Ashutosh Mishra, Company Secretary of the Company be and are hereby severally authorized to file all forms and documents with Registrar of Companies, as may be necessary to give effect to the said resolution.”

Dated: 12th August, 2016

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

By Order of the Board of Directors

**Ashutosh Mishra
Company Secretary
Membership No: A23011**

Notes:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the special business above is attached herewith.
2. **A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company.**
3. **Instruments appointing proxy or proxies duly filled in, stamped & signed should, however, be deposited at the Registered Office of the Company not less than 48 hours before the Meeting.**
4. **A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**
5. Corporate Members are requested to send Board resolution duly certified, authorizing their representative to attend and vote on their behalf at the AGM.
6. Pursuant to SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, particulars of Directors seeking appointment / re-appointment at this meeting are annexed hereto.
7. Register of Members and Share Transfer Books of the Company will remain closed from Thursday, the 22nd September, 2016 to Thursday, the 29th September, 2016 (both days inclusive).
8. Relevant documents referred to in the accompanying Notice and the Statements are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
9. The Ministry of Corporate Affairs has taken a corporate “Green initiative in the corporate governance” by allowing paperless compliance by Companies. As per the MCA Circular, Service of documents through electronic mode i.e. e-mail by the Company will be a valid compliance of Section 101 of the Companies Act, 2013. As such the members who are yet to register are requested to furnish/ register their e-mail id's at necoindia.gogreen@sharexindia.in along with their Folio No. and No. of shares/ Client ID/ DP ID with Depository Participants (DP) for shares held in electronic form or with the Registrar and Share Transfer Agent (Sharex Dynamic (India) Private Limited), to enable the Company to send all notices, periodical statements etc. of the Company through electronic mode.

10. Pursuant to provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, Members have been provided with the facility to cast their votes on the Resolutions proposed to be passed in the 43rd Annual General Meeting (AGM) by electronic means ('remote e-voting') or by Ballot at AGM. The Members may cast their votes using an electronic voting system from the place other than the venue of the Meeting ('remote e-voting'). Instructions and other information relating to remote e-voting are given in the Notice under Note No. 15.
11. Voting rights will be in proportion to the shares registered in the name of the Members as on 21st September, 2016 (cut-off date). Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or voting at the AGM.
12. Members who cast their votes by remote e-voting prior to AGM, may attend the Meeting but will not be entitled to cast their vote again.
13. The facility for voting through Ballot shall be made available at the Meeting and the Members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through Ballot.
14. The Company has engaged the services of National Securities Depositories Limited (NSDL) for providing e-voting facility.
15. **Instructions and information relating to 'remote e-voting' are as under:**
 - a) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - b) Click on **Shareholders - Login**
 - c) If you are already registered with NSDL for e-voting, then use your existing User ID and Password for Login. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
If you are logging in for the first time then –
 - i). In case you have received this Notice by physical mode then enter the Login credentials (i.e., User ID and password mentioned in the Attendance Slip).
 - ii). In case you have received this Notice by email, the User ID and Password are mentioned in the file attached. To open the file, please use your Client ID or Folio No. as password.
 - d) The Password change menu will appear on your screen. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Please note the new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - e) As the Home page of remote e-voting opens. Click on remote e-voting: **Active Voting Cycles**.
 - f) Select EVEN ("E-voting Event Number") of "**Jayaswal Neco Industries Limited**".
 - g) Once you select the EVEN, the Cast Vote page will open. Now you are ready for remote e-voting.
 - h) Cast your vote by selecting your favoured option and click "Submit" and also "Confirm" when prompted.
 - i) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - j) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - k) **Corporate/Institutional shareholders** (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board resolution/ Power of Attorney/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to scrutinizer@necoindia.com with a copy marked to evoting@nsdl.co.in by quoting the DP ID and Client ID or Folio No.
 - l) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
 - m) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 - n) The e-voting period shall commence at 9.00 a. m. on Sunday, 25th September, 2016 and end at 5.00 p.m. on Wednesday, 28th September, 2016. During the period, Members of the Company, holding shares either in physical or dematerialised form, as on the cut-off date i.e., Wednesday , 21st September, 2016 may cast their vote electronically. The e-voting module shall be blocked by NSDL for voting thereafter.
 - o) 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. 21st September, 2016 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or helpdesk@nsdl.co.in.
 - p) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot.



- q) Shri Shantanu Jog, Company Secretary, Proprietor M/s. Shantanu Jog and Associates, Company Secretaries, Nagpur, has been appointed by the Board of Directors of the Company to act as the Scrutinizer to scrutinize the voting process (remote e-voting and ballot) in a fair and transparent manner and submit a consolidated Scrutinizer's report of the total votes cast to the Chairman. Shri Shantanu Jog has submitted his consent to act as scrutinizer and will be available for the same purpose.
- r) The Chairman shall, at the AGM at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer through "Ballot" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- s) The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman, who shall countersign the same and declare the result of the voting forthwith.
- t) The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.necoindia.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges where the shares of the Company are listed.

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

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

Item No. 7:

Pursuant to the provisions of the Section 149, 152 and any other applicable provisions if any, of the Companies Act, 2013 ('Act') read with Schedule IV to the Act and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) and re-enactment(s) thereof for the time being in force and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company vide its meeting dated 12th August, 2016 has recommended for the approval of the members the re-appointment of Shri S. N. Singh, as an independent Director of the Company for a term of 5 (Five) consecutive years from 22nd September, 2016 to 21st September, 2021.

Shri S. N. Singh is not disqualified from being re-appointed as a Director of the Company in terms of Section 164 of the Act. The Company has also received declaration from Shri S. N. Singh, that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, Shri S. N. Singh, 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.

The Company has received notice in writing from a Member along with the deposit of the requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Shri S. N. Singh, as an Independent Director of the Company. Brief profile along with other particulars of Shri S. N. Singh, as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached as annexure to this Notice. Shri S. N. Singh is not related to any other Director of the Company.

Copy of the letter of appointment of Shri S. N. Singh 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.

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

Hence, the Board recommends the resolution set out at Item No. 7 of the Notice for Shareholders' approval as a Special Resolution.

Item No. 8

Pursuant to the provisions of the Section 149, 152 and any other applicable provisions if any, of the Companies Act, 2013 ('Act') read with Schedule IV to the Act and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) and re-enactment(s) thereof for the time being in force and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company vide its meeting dated 12th August, 2016 has recommended for the approval of the members the re-appointment of Smt. Raji Nathani, as an

independent Director of the Company for a term of 5 (Five) consecutive years from 22nd September, 2016 to 21st September, 2021.

Smt. Raji Nathani is not disqualified from being re-appointed as a Director of the Company in terms of Section 164 of the Act.

The Company has also received declaration from Smt. Raji Nathani, that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Smt. Raji Nathani, fulfils the criteria specified in the Act and Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for her re-appointment as an Independent Director of the Company. Further based on the performance evaluation, the Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail her services as an Independent Director on the Board of the Company.

The Company has received notice in writing from a Member along with the deposit of the requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Smt. Raji Nathani, as an Independent Director of the Company.

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

Copy of the letter of appointment of Smt. Raji Nathani 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.

Except, Smt. Raji Nathani, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested in the said resolution.

Hence, the Board recommends the resolution set out at Item No. 8 of the Notice for Shareholders' approval as a Special Resolution.

Item No. 9:

Pursuant to the provisions of the Section 149, 152 and any other applicable provisions if any, of the Companies Act, 2013 ('Act') read with Schedule IV to the Act and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) and re-enactment(s) thereof for the time being in force and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company vide its meeting dated 12th August, 2016 has recommended for the approval of the members the re-appointment of Shri Darshan Kumar Sahni, as an independent Director of the Company for a term of 5 (Five) consecutive years from 22nd September, 2016 to 21st September, 2021.

Shri Darshan Kumar Sahni is not disqualified from being re-appointed as a Director of the Company in terms of Section 164 of the Act.

The Company has also received declaration from Shri Darshan Kumar Sahni, that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Shri Darshan Kumar Sahni, 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.

The Company has received notice in writing from a Member along with the deposit of the requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Shri Darshan Kumar Sahni, as an Independent Director of the Company.

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

Copy of the letter of appointment of Shri Darshan Kumar Sahni 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.

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

Hence, the Board recommends the resolution set out at Item No. 9 of the Notice for Shareholders' approval as a Special Resolution.

**Item No. 10:**

Pursuant to the provisions of the Section 149, 152 and any other applicable provisions if any, of the Companies Act, 2013 ('Act') read with Schedule IV to the Act and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) and re-enactment(s) thereof for the time being in force and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company vide its meeting dated 12th August, 2016 has recommended for the approval of the members the re-appointment of Shri Arvind Iyer, as an independent Director of the Company for a term of 5 (Five) consecutive years from 13th November, 2016 to 12th November, 2021.

Shri Arvind Iyer is not disqualified from being re-appointed as a Director of the Company in terms of Section 164 of the Act. The Company has also received declaration from Shri Arvind Iyer, that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, Shri Arvind Iyer, 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.

The Company has received notice in writing from a Member along with the deposit of the requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Shri Arvind Iyer, as an Independent Director of the Company. Brief profile along with other particulars of Shri Arvind Iyer, as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached as annexure to this Notice. Shri Arvind Iyer is not related to any other Director of the Company.

Copy of the letter of appointment of Shri Arvind Iyer 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.

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

Hence, the Board recommends the resolution set out at Item No. 10 of the Notice for Shareholders' approval as a Special Resolution.

Item No. 11:

The existing term of appointment of Shri Arvind Jayaswal, Managing Director of the Company expires on 31st December, 2016. The Board of Directors (the Board), at its meeting held on 12th August, 2016 has subject to the approval of the Members, considered and approved the re-appointment of Shri Arvind Jayaswal, as Managing Director of the Company, not liable to retire by rotation, for a period of 3 (three) years from 1st January, 2017 on the following terms and conditions including remuneration:

a) Designation	:	Managing Director
b) Remuneration	:	Rs. 630000 per month in the pay scale of Rs. 300000 – 30000 – 450000 – 45000 – 675000- 67500 – 1012500 – 101250 – 1518750
c) Allowances	:	House Rent Allowance, Children's Education Allowance, Conveyance Allowance, Ex-gratia Allowance, Personal Pay Allowance as per the rules of the Company.
d) Perquisites	:	Contribution to Provident Fund, Gratuity, Leave encashment, Leave Travel Concession, Reimbursement of medical expenses for self and family, Telephone and Car for office use, Club Membership (one) as per the rules applicable to senior cadre personnel of the Company.
e) Commission	:	upto 3% of the Net Profits as computed under Section 198 of the Companies Act, 2013.
f) Minimum Remuneration	:	In the event of losses or inadequate profits, Salary, allowances and perquisites as above.
g) Revision of remuneration	:	Revision may be considered by the Board from time to time subject to limits set out in the Companies Act, 2013 and Schedule V thereof.

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

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

The Company has received notice in writing from a Member along with the deposit of the requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Shri Arbind Jayaswal, as the Managing Director of the Company.

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

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

Shri Arbind Jayaswal is a relative of Shri Basant Lall Shaw, Chairman and Shri Ramesh Jayaswal, Joint Managing Director of the Company.

Approval of Members is solicited for re-appointment and payment of remuneration to Shri Arbind Jayaswal, as Managing Director, in terms of applicable provisions of the Act. The Directors recommend the resolution as set out at Item No. 11 of the accompanying Notice for the approval of Members as Special Resolution.

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

Item No. 12:

The existing term of appointment of Shri Ramesh Jayaswal, Joint Managing Director of the Company expires on 31st December, 2016. The Board of Directors (the Board), at its meeting held on 12th August, 2016 has subject to the approval of the Members, considered and approved the re-appointment of Shri Ramesh Jayaswal, as Joint Managing Director of the Company, liable to retire by rotation, for a period of 3 (three) years from 1st January, 2017 on the following terms and conditions including remuneration :

a) Designation	:	Joint Managing Director
b) Remuneration	:	Rs. 630000 per month in the pay scale of Rs. 300000 – 30000 – 450000 – 45000 – 675000- 67500 – 1012500 – 101250 – 1518750
c) Allowances	:	House Rent Allowance, Children's Education Allowance, Conveyance Allowance, Ex-gratia Allowance, Personal Pay Allowance as per the rules of the Company.
d) Perquisites	:	Contribution to Provident Fund, Gratuity, Leave encashment, Leave Travel Concession, Reimbursement of medical expenses for self and family, Telephone and Car for office use, Club Membership (one) as per the rules applicable to senior cadre personnel of the Company.
e) Commission	:	upto 3% of the Net Profits as computed under section 198 of the Companies Act, 2013.
f) Minimum Remuneration	:	In the event of losses or inadequate profits, Salary, allowances and perquisites as above.
g) Revision of remuneration	:	Revision may be considered by the Board from time to time subject to limits set out in the Companies Act, 2013 and Schedule V thereof.

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

Shri Ramesh Jayaswal is not disqualified from being re-appointed as a Joint Managing Director of the Company in terms of Section 164 of the Act.

The Company has received notice in writing from a Member along with the deposit of the requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Shri Ramesh Jayaswal, as the Joint Managing Director of the Company.

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

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



Shri Ramesh Jayaswal is a relative of Shri Basant Lall Shaw, Chairman and Shri Arbind Jayaswal, Managing Director of the Company.

Approval of Members is solicited for re-appointment and payment of remuneration to Shri Ramesh Jayaswal, as Joint Managing Director, in terms of applicable provisions of the Act. The Directors recommend the resolution as set out at Item No. 12 of the accompanying Notice for the approval of Members as Special Resolution.

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

Item No. 13 :

The existing term of appointment of Shri Pramod Kumar Bhardwaj, Executive Director and Chief Financial Officer of the Company expires on 24th February, 2017. The Board of Directors (the Board), at its meeting held on 12th August, 2016 has subject to the approval of the Members, considered and approved the re-appointment of Shri Pramod Kumar Bhardwaj, as Executive Director and Chief Financial Officer of the Company, liable to retire by rotation, for a period of 3 (three) years from 25th February, 2017 on the following terms and conditions including remuneration :

a) Period of Appointment	:	3 years with effect from 25.02.2017
b) Remuneration	:	Rs. 212500 per month in the pay scale of Rs. 100000 – 10000 – 150000 – 12500 – 212500 – 15000 – 287500 – 17500 – 375000
c) Allowances	:	House Rent Allowance, Children's Education Allowance, Conveyance Allowance, Special Allowance, Personal Pay Allowance as per the rules of the Company.
d) Perquisites	:	Contribution to Provident Fund, Gratuity, Leave encashment, Leave Travel Concession, Reimbursement of medical expenses for self and family, Telephone and Car for office use etc. as per the rules applicable to senior cadre personnel of the Company.
e) Notice Period	:	3 months from either side.
f) Minimum Remuneration	:	In the event of losses or inadequate profits, Salary, Allowances and Perquisites as above.
g) Revision of remuneration	:	Revision may be considered by the Board from time to time subject to limits set out in the Companies Act, 2013 and Schedule V thereof.

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

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

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

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

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

Shri Pramod Kumar Bhardwaj is not related to any Director of the Company.

Approval of Members is solicited for re-appointment and payment of remuneration to Shri Pramod Kumar Bhardwaj, as Executive Director & Chief Financial Officer, in terms of applicable provisions of the Act. The Directors recommend the resolution as set out at Item No. 13 of the accompanying Notice for the approval of Members as Special Resolution.

Except, Shri Pramod Kumar Bhardwaj, 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. 14:

Members are hereby informed that on the recommendation of the Audit Committee, Board of Directors of your Company re-appointed M/s Manisha & Associates, Cost Accountants, 238, Shreeram Shyam Towers, 2nd Floor, Near N.I.T., Sadar,

Nagpur – 440001 as Cost Auditors of the Company for the year 2016-17 on the remuneration of Rs. 1,25,000/- plus service tax and reimbursement of out of pocket expenses at actual.

Consent Cum Declaration dated 17th May, 2016 issued by the above firm regarding their consent and eligibility for appointment as Cost Auditors will be available for inspection of the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.

As per Section 148 (3) read with Rule 14 of Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors is to be ratified by the Shareholders. Hence the Members approval is solicited for the resolution set out in item No. 14 of the accompanying Notice by way of Ordinary Resolution.

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

Item No. 15:

Member are hereby informed that, the existing Articles of Association of Company mandatorily requires the Company to hold at all times not less than 51% of the voting equity shares in Jayaswal Neco Urja Limited, the Subsidiary of the Company which was setting up a power plant to use coal middlings from the Company's Coal mines. As the Coal mines of the Company have been cancelled due to order of Hon'ble Supreme Court of India, the Subsidiary Company has abandoned its power plant project as the purpose for which the subsidiary was formed has been defeated. Due to this the Board of Directors of the Company in its Meeting held on 27th May, 2016 considered the proposal of de-linking of Jayaswal Neco Urja Limited, the Subsidiary of the Company from the Company. To initiate the process of de-linking the existing Articles of Association of the Company needs to be suitably amended.

Further, the existing Articles of Association of the Company are presently based on Companies Act, 1956 and several clauses in the existing Articles contain reference to the specific Sections of the Companies Act, 1956. Besides this some clauses in the existing Articles are no longer in conformity with the provisions of the Companies Act, 2013 (the Act) or are no longer required. With the enactment of the Companies Act, 2013, several clauses of the existing Articles of the Company require alteration and/or deletion.

In view of the above, it is considered expedient to replace the existing Articles of Association by adopting a new set of Articles of Association.

Hence, the Board recommends the resolution set out at Item No. 15 of the Notice for Shareholders' approval as a Special Resolution.

The draft of the proposed Articles of Association shall be open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested in the said resolution except to the extent any of the provision in the Articles of Association relates to him/her.

Item No. 16:

To initiate the process of delinking of Jayaswal Neco Urja Limited, the Subsidiary of the Company, the existing Sub Clause 3 and Sub Clause 13 of Clause III B of Memorandum of Association needs to be suitably altered/modified in order to delete the reference of cancelled Coal blocks and the reference of holding equity shares in Jayaswal Neco Urja Limited, the subsidiary of the Company.

In view of the above, it is considered expedient to alter/modify the existing said clauses of Memorandum of Association of the Company.

Hence, the Board recommends the resolution set out at Item No. 16 of the Notice for Shareholders' approval as a Special Resolution.

The draft of the proposed Memorandum of Association shall be open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.

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

Dated: 12th August, 2016

By Order of the Board of Directors

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

**Ashutosh Mishra
Company Secretary
Membership No: A23011**



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

Name of Directors	Shri Basant Lall Shaw	Shri Arbind Jayaswal	Shri Ramesh Jayaswal	Shri Pramod Kumar Bhardwaj
DIN	00249729	00249864	00249947	03451077
Date of Birth	03.08.1933	26.11.1953	02.02.1960	30.09.1954
Designation	Chairman	Managing Director	Joint Managing Director	Executive Director and Chief Financial Officer
Date of Appointment	28.11.1972	28.11.1972	05.03.1983	25.02.2011
Qualification	B. Com	B.Sc.	B.Com	B.Com, FCA
Experience in Specific Functional Areas	Associated with Iron and Steel business for over 56 years. Instrumental in setting up 1 MTPA Integrated Steel plant in Raipur and other units in the Group in India and Abroad. Founder and Chairman of Neco Group of Industries.	Associated with Iron and Steel business for over 37 years. Looks after the administrative, accounts, technical and other allied matters.	Associated with Iron and Steel business for over 27 years. Looks after the implementation of new projects and other allied matters.	Rich and varied experience in Accountancy, Finance and Management and implementation of Projects and Operational expertise in manufacturing sector.
Other Directorships (In Listed Entities)	NIL	NIL	NIL	NIL
Membership of Committees of other Companies	NIL	NIL	NIL	NIL
No. of Equity Shares Held	10312850	2397920	2397920	NIL

Name of Directors	Shri S. N. Singh	Shri Darshan Kumar Sahni	Shri Arvind Iyer	Smt. Raji Nathani
DIN	00398484	00131269	01375173	06945777
Date of Birth	25.05.1948	31.03.1943	27.03.1962	22.10.1966
Designation	Independent Director	Independent Director	Independent Director	Independent Director
Date of Appointment	10.02.2014	11.08.2014	13.11.2014	11.08.2014
Qualification	B-Tech (Metallurgy)	B.Sc, A.M.I.A, F.I.E., F.C. Manager C, F.W.A.P.S.(Canada), Chartered Engineer	M.Com, MBA, ICWA	B.Com. (Hon's), M.Com., ACMA
Experience in Specific Functional Areas	Over 32 years experience in Steel Sector. Possesses sound technical knowledge of Blast furnace, operation of Steel Plant and Quality Management. Presently acting as advisor to various Steel Sector Companies.	Over 45 years experience in Opencast and underground mining. Held several key positions in Manganese Ore (India) Limited including the position of CMD for more than 8 years.	Vast experience in planning and implementation of Projects and Operational expertise in manufacturing sector.	Practicing Cost and Management Accountant having more than 23 years of experience in cost compliance, taxation & regulatory compliance, corporate advisory services and cost audits of petroleum, automobiles and electronic industries with core competence in management of costs.
Other Directorships (In Listed Entities)	NIL	NIL	NIL	NIL
Membership of Committees of other Companies	NIL	NIL	NIL	NIL
No. of Equity Shares Held	Nil	NIL	140	NIL

DIRECTORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

Dear Members,

The Directors are pleased to present their **43rd Annual Report** on the affairs of the Company together with the Audited Financial Statements for the year ended 31st March, 2016.

1. FINANCIAL RESULTS

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

(Rs. in crore)

Particulars	31.03.2016	31.03.2015
Revenue from Operations (Gross)	2951.87	3356.28
Revenue from Operations (Net)	2632.62	3024.27
Other Income	35.20	17.37
Total Revenue	2667.82	3041.64
Operating Expenses	2404.13	2665.00
EBIDTA	263.69	376.64
Interest and Financial Charges	217.47	184.85
Depreciation and Amortization Expenses	80.71	82.84
Exceptional Item	72.00	91.61
Profit/(Loss) before tax	(106.49)	17.34
Tax Expenses	(19.96)	15.37
Profit /(Loss) after Tax carried to Balance Sheet	(86.53)	1.97

Your Company has not carried any amount to reserves and the amount of Loss after tax of Rs.86.53 crore has been carried to Balance Sheet and adjusted against Surplus.

2. DIVIDEND:

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

3. MANAGEMENT DISCUSSION AND ANALYSIS:

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

A] Share Capital:

During the year under review the Company has not issued any shares including shares with differential voting rights as to dividend, voting or otherwise nor granted stock option or sweat equity.

B] Financial Performance:

Your Directors wish to inform that the year under review continued to be a very challenging one with multiple constraints being faced by the Company due to continued unprecedented dumping of Steel from China, Russia, Japan and South Korea at very aggressive prices, consequent domestic pricing pressures, low domestic demand, increased coal procurement costs due to captive coal mines cancellation, lack of sufficient working capital to augment new Steel making facilities operations etc.

Further the Company also had to face huge challenges due to partial implementation of Corrective Action Plan (CAP) by the Company's lenders due to various reasons. The Company was working rigorously for the implementation of CAP for more than a year.

Due to the reasons as mentioned above the Company's Gross turnover for the year stood at Rs. 2951.87 Crores and has reduced by 12.05% than the previous year's Rs. 3356.28 Crores. Despite multiple challenges the Company could record reasonable earnings (EBIDTA). The Company's Earnings Before Interest Depreciation and Tax (EBIDTA) level during the year was at Rs. 263.69 Crores as against Rs. 376.64 Crores for the previous year.

The Net Loss before Exceptional Items and Tax for the year stood at Rs. 34.50 Crores.

Exceptional items booked during the year were for Rs. 72 Crores. The Company had invested Rs. 13.71 Crores & had advanced Rs. 8.96 Crores to its subsidiary, Jayaswal Neco Urja Limited for setting up merchant power plant.

The primary raw material/fuel to the power plant of the subsidiary was middlings generated from Company's captive coal mines. Due to cancellation of the Company's captive coal mines the Subsidiary Company had to abandon the power plant project & the Company has fully provided for its investment and advances aggregating Rs. 22.67 Crores.

It has also adjusted and charged off the net balance of Rs. 49.33 Crores as the impairment losses on account of cancellation of its Coal Mines to the Statement of Profit & Loss Account.

The consequent Net Loss Before Tax after exceptional items for the year was Rs. 106.49 Crores.

The Company's Net Loss after Tax for the year was Rs. 86.53 Crores .

During the year, the Net Worth of the Company has decreased to Rs.2131.58 Crores from Rs. 2218.12 Crores in the previous year on account of the losses recorded due to the above mentioned reasons.

Segment wise performance for the year under review is as under:

i) Steel Plant Division:

Due to overall slowdown in the Steel sector demand and realizations, Gross Turnover during the year has reduced to Rs. 2547.85 Crores as compared to Rs. 2920.94 Crores of the previous year.

The production levels of the Steel Melt Shop and the Sponge Iron Plant during 2015-16 were at around 113% and 128% of the previous year. The production levels of the Rolling Mill was around 107% of the previous year and the Hot Metal production level was around 112% of the previous year. Turnover has reduced mainly due to substantial reduction in selling prices.

The share of metallics sales value i.e. pig iron and sponge iron was around 34% in 2015-16 which is at almost same levels at previous year, due to weak demand for finished steel and huge dumping pressures being faced by the steel sector during the year.

Going forward the Company expects to increase the production of finished steel in its overall sales quite significantly due to ramp up in capacity of its new Steel Melt Shop and Rolling Mills.

With the imposition of Minimum Import Prices (MIP) in February, 2016 and its recently announced extension for two months the overall steel demand and realisations have witnessed some improvement.

ii) Castings Division:

The Automotive Castings Sub Division accounted for around 30%, the Centrifugal Castings Sub Division for around 32%, Engineering Castings Sub Division for around 31% and the Construction Castings Sub Division for around 7% of the total Foundry Division Gross Revenues.

During the year 2015-16 the slowdown in the demand from the end user Automotive Commercial Vehicles segment and construction sector continued to affect the performance of the Castings Division. Consequently, the production in Castings Division of the Company was lower by 3% as compared to previous year's levels.

The Division continued in its objectives to focus on better productivity, cost rationalization and improvement in the quality of castings.

The Gross revenues from the foundry division reduced to Rs. 404.02 Crores during the year from Rs. 435.18 Crores in the Financial Year 2014-15.

The Centrifugal and Construction Castings Sub Divisions are engaged in the production and sales of Sanitary Castings- Drainage Pipes and Fittings, Manhole Covers etc.

This division was the market leader in this segment but due to the continued problems being faced by the Housing and Construction sector and with the availability of cheaper alternative products in PVC, the Cast Iron Pipes production and sales too have shrunk. The Company is striving hard to improve the performance of this division.

The Automotive Castings Division is expected to improve its order books and realizations in the next financial year due to improvement in the Passenger and Commercial Vehicles segment in the current year.

C] Flexible Structuring of Term Loans:

In order to align its debt service obligations with the expected cash flows over the economic life of its existing facilities, the Company had successfully implemented Flexible Structuring of its eligible Term Loans of Rs. 2263.23 Crores under RBI Circular DBR. No. BP.BC. 53/21.04.132/2014-15 dated December 15, 2014 during the year.

D] Projects:

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

Briefly, the status of currently executed /under implementation projects is as under:

1. INTEGRATED STEEL PLANT EXPANSION:

The Facilities are as follows:-

a) Steel Melt Shop and Rolling Mill:

This is Company's one of the key value added projects. The Company has enhanced its Steel Melt Shop and Rolling Mill capacities by 6.50 Lac TPA and 5.54 Lac TPA respectively.

The said project alongwith Bright Bar making facility in Chhattisgarh have been capitalised during the quarter ended 30th June, 2016.

b) Sponge Iron and Power Plant:

The Company is implementing this project comprising of 3.0 Lacs TPA DRI Plant (Sponge Iron Plant) and Captive Power Plants in Bilaspur district in Chhattisgarh. This is a Green field Project. The required Land has been acquired and the procurement and installation activities are in advance stage. The civil, structural and the equipment erection work is in process.

All the statutory clearances for this project have been received and it is under advanced stage of implementation. The project has faced time delays due to various constraints it has faced over the time due to it being at a Green field location. The said project is facing further time delay of about six months.

The Company had already capitalized its Pellet Plant and Debottlenecking and Augmentation of Facilities project during the financial year 2015-16.

E] Industry Outlook, Developments and Concerns:

The World Steel Association (WSA) has released its short-range outlook (SRO) for 2017, forecasting that global steel demand will return to growth of 0.4 percent, reaching 1,494 million metric tons.

The steel industry situation globally continues to be quite gloomy with China's slowdown impacting globally across a range of indicators contributing to volatility in financial markets, sluggish growth in global trade, crash in the metals prices and demand and low oil and other commodity prices. The global steel market is suffering from insufficient investment, expenditure and continued weakness in the manufacturing sector. However growth for steel demand in all markets except China is expected to improve in 2017.

India's prospects are improving marginally due to low oil prices, the reform momentum and policies to boost government spending on infrastructure.

With the imposition of Minimum Import Price (MIP) and the implementation of BIS Standards for Steel in the country the domestic steel scenario has improved. Continuation of MIP post October, 2016, levy of MIP on other Steel products excluded from the MIP ambit initially and continuation of levy of Safeguard and Anti Dumping duties for Steel products is very crucial for survival of the Steel Sector in the country.

Steel being a Core industry need to be protected and nurtured to bring it back to good health.

Law and order problems in the Iron Ore Mining belts in the State of Chhattisgarh is still continuing to be a matter of concern for the Company creating serious problems for governmental and social machineries.

This has already delayed operationalisation of the captive Iron Ore Mines of the Company in those regions.

Nevertheless, the Company is making all efforts to start those Mines.

Finding market for the products for its new Steel Melt Shop and Rolling Mill and sustained pressure on selling prices amidst weak demand is a major challenge and area of concern for the Company.

The analysts predict that despite global overcapacity, potential growth in domestic demand will continue to fuel ambitions in the Indian steel landscape.

F] Internal Control Systems:

The Company has an Internal Control System, commensurate with the size, scale and nature of its business. It's a risk focused system, analyzing and reporting to the management on the day to day operations of the Company.

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

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

G] Industrial Relations:

Industrial Relations in all the Divisions of the Company remained cordial and harmonious. During the year, average number of persons working in the Company was about 7400 approximately.

H] Corporate Social Responsibility:

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

During the year under review the Board of your Company approved a comprehensive CSR Budget and the CSR activities planned for the financial year 2015-16 on recommendation of CSR Committee and since then it is pursuing the CSR programs and projects as per its approved Corporate Social Responsibility Policy.

As part of its initiatives under "Corporate Social Responsibility (CSR)", the Company has undertaken projects and programs in the areas like Healthcare, Sanitation, Drinking Water, Education and Training, Women Empowerment, Promotion of Traditional Art and Culture, Environmental Sustainability, Sports and Rural Development. These projects and programs are largely in accordance with Schedule VII of the Companies Act, 2013.

During the year under review some of the CSR activities undertaken by the Company in and around the Plants and Mining Areas are as follows:

- i. Health care and awareness programs, organizing health/eye check-up and blood donation camps, provision of free ambulance facility, opening of First Aid Centre, Providing safe drinking water, installation / repairing of hand pumps, supply through water tanker in acute summer, providing hand drawn rickshaw and drums for collection of garbage under Lok Swaraj Abhiyaan in plant peripheral villages.
- ii. Awards to meritorious students, honorarium to teachers, adoption of Nursing students, distribution of books, stationary to students & computers to school, organising essay/ letter writing competition, vocational training, coaching and job oriented training, and sponsoring Ekal Vidyalayas in distant villages mainly nearby forest areas.
- iii. Providing sport kit facility to school children, organizing sports activities and promotion of rural /nationally recognized sports.
- iv. Developement of tailoring centre for women.
- v. Protection of ecological balance through landscaping & garden development, tree plantation, distribution of plants.
- vi. Organizing cultural programs and socio-cultural programs, promotion of traditional art and culture, distribution of blankets, vests, bed sheets and arrangment of Mid day Meal for the welfare of weaker section of the society.

- vii. Construction of boundary wall of crematorium, financial assistance for construction of bathrooms in villages, maintenance of road etc.

Your Directors wish to inform that :

- i. as per the provisions of Section 135 (5) of the Companies Act, 2013, Company was required to spent Rs. 118.80 lacs during the financial year 2015-16 on the CSR Activities.
- ii. the CSR Budget for the financial year 2015-16 as approved by the CSR Committee and the Board was of Rs. 127.64 lacs.
- iii. during the financial year 2015-16, the actual expenditure incurred by the Company on the CSR activities was Rs. 92.30 lacs.

Since the financial year 2014-15 the Company has been facing adversities. Firstly the captive coal mines allocated to the Company was cancelled by the Hon'ble Supreme Court vide its order dated 24th September, 2014, which badly affected the Company not only in terms of its profitability but also in terms of its ongoing CSR activities.

Further the financial year 2015-16 proved to be the year of financial crisis for the Company. It became very difficult for it to maintain the cash flows and to protect its accounts from becoming Non Performing Assets (NPA). These acute situations hampered the CSR activities of the Company too, resulting in less expenditure during the financial year 2015-16 than what was envisaged.

Your Directors wish to share that despite all the odds the Company tried its best to fulfill its responsibilities towards society and in the next financial year i.e. 2016-17 it will strive to spend the entire amount earmarked for the CSR activities.

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

4. AUDITORS' REPORT:

Auditors Report on the financial statements of the Company for the year ended 31st March, 2016 is self explanatory except an observation which has been specified herein below along with Boards explanation thereto:

AUDITORS' COMMENT/OBSERVATION

In the paragraph titled “Qualified Opinion” in the Annexure A to the Independent Auditor's Report related to the Internal Financial Controls, the Auditors' have commented that the following material weaknesses have been identified in the operating effectiveness of the Company's Internal Financial Controls over Financial Reporting as on 31st March, 2016 in respect of:

- a. Monitoring of EPC contract for projects under implementation, which could potentially result in the excess advances to contractors and related monitoring issues.
- b. The information technology used by the Company does not have stringent controls in respect of modification/ editing of transactions, which may lead to incorrect reporting of information.

Auditors have opined that beside the above material weaknesses, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and as such internal financial controls over financial reporting were operating effectively as on March 31, 2016.

EXPLANATION TO AUDITORS' COMMENT/ OBSERVATION

Your Directors submit the following explanation to the above comment/ observation of the Auditors:

- a) The advances had been given to the EPC contractor for implementation of various projects / capex. All the project / capex (except the DRI & CPP unit at Bilaspur) have been completed and have been capitalized. However, there was some time delay in raising of the Running Account Bills and its certification by the Company for the completed projects / capex. The same has been rectified now and the Company has established suitable controls, checks and balances in place to ensure advances strictly as per the contract terms, ensure prompt completion of project work by the Contractor, timely raising of Running Account Bills by it and its prompt approval by the Company.
- b) Your Company is actively pursuing improvement and up gradation of its information and technology systems and



is working to have an effective mechanism in place to ensure editing of transactions only as per the prescribed Standard Operating Procedures.

5. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the year under review, the Members at the 42nd Annual General Meeting of the Company, pursuant to the provisions of Section 149, 152 read with Schedule IV of the Companies Act, 2013 consented to the appointment of Shri Arvind Iyer (DIN 01375173) and Shri Madan Mohan Vyas (DIN 00399012) as Director (Independent) for the period of 2(Two) years w.e.f. 13th November, 2014 and 12th February, 2015 respectively and also approved the appointment of Shri Megh Pal Singh (DIN 02635073) under Section 196, 197, 198 read with Schedule V of the Companies Act, 2013, as Executive Director (Steel) liable to retire by rotation for the period of 3 (Three) years w.e.f. 13th November, 2014.

The Company has received requisite notices in writing from Members under Section 160 of the Companies Act, 2013 proposing the candidature of Shri D. K. Sahani (DIN 00131269), Shri S. N. Singh (DIN 00398484) and Smt. Raji Nathani (DIN 06945777), as Independent Directors for the term of 5 (Five) years commencing from 22nd September, 2016, Shri Arvind Iyer (DIN 01375173), as an Independent Director for a term of 5 (Five) years commencing from 13th November, 2016, Shri Arbind Jayaswal (DIN 00249864) and Shri Ramesh Jayaswal (DIN 00249947), for being re-appointed as Managing Director and Joint Managing Director respectively subject to the approval of Members in General Meeting for the further period of 3 (Three) years w.e.f. 1st January, 2017 and Shri P. K. Bhardwaj (DIN 03451077) for being re-appointed as Executive Director & CFO subject to the approval of Members in General Meeting for the further period of 3 (Three) years w.e.f. 25th February, 2017. The Board recommends the appointments as aforesaid in the interest of the Company.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Shri Basant Lall Shaw (DIN 00249729), Chairman- Non Executive Director and Shri P. K. Bhardwaj (DIN 03451077), Executive Director & CFO of the Company retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

Necessary information on the Directors seeking appointment, reappointment is given in the Notice of the ensuing Annual General Meeting.

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

KEY MANAGERIAL PERSONNEL

The following are the Key Managerial Personnel of the Company:

- i) Shri Arbind Jayaswal, Managing Director,
- ii) Shri Ramesh Jayaswal, Joint Managing Director,
- iii) Shri P K Bhardwaj, Executive Director and CFO,
- iv) Shri Megh Pal Singh, Executive Director (Steel) and
- v) Shri Ashutosh Mishra, Company Secretary.

Board Evaluation

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

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

During the year under review as per the policy for the performance evaluation, formal evaluation of performance of Directors including Independent Directors, the Board and its Committees was made by the Independent Directors and

the Nomination and Remuneration Committee in their respective meetings and the evaluation result was placed before the Board for its information and consideration.

Remuneration Policy

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

Meetings

During the year 4 (Four) Board Meetings and 4 (Four) Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 / SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

RELATED PARTY TRANSACTIONS:

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

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

6. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is attached as "Annexure B" and forms part of this report.

7. PARTICULARS OF EMPLOYEES:

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

8. SUBSIDIARY COMPANY AND ASSOCIATE COMPANY:

Statement in respect of Jayaswal Neco Urja Limited, a Subsidiary Company and 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 a part of this report.

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

Weblink – <http://www.necoindia.com/wp-content/uploads/2016/08/Policy-on-Material-Subsidiaries.pdf>

JAYASWAL NECO URJA LIMITED (JNUL)

During the year under review JNUL had no commercial activity and as such there was no income from the operations. During the year under review, the Company has earned an income from other sources of Rs. 788 as compared to Rs. 18,739 for the previous year. The expenditure for the year under review was of Rs. 91,51,414 as compared to Rs. 1,68,60,498 for the previous year.

In the earlier years the Company invested Rs. 1370.55 lacs in the equity of JNUL, the subsidiary of the Company and has also advanced (including interest receivable) Rs. 896.22 lacs as at 31st March, 2016. JNUL was setting up a power plant to use Middlings from Company's coal mines.

In view of the cancellation of the coal mines of the Company, JNUL has abandoned its power plant project and has charged off the expenses incurred by it towards the project to the Statement of Profit and Loss.

Accordingly the Company has also fully provided for its Investment and Advances aggregating Rs. 2266.77 lacs in the Statement of Profit and Loss.

Further the Board of the Company vide its meeting held on 30-04-2014 considered the matter of delinking of its Subsidiary JNUL and as now due to cancellation of the Coal Mines of the Company by the order of the Hon'ble Supreme Court, JNUL has abandoned its Power Plant Project, the Board of the Company has decided to initiate the process of delinking of JNUL by taking the following steps and to comply with other provisions of law also as may be applicable in relation to this matter:

- a. To consolidate 1,37,30,000 Equity Shares of Rs. 10/- each of JNUL into 13,73,000 Equity Shares of Rs. 100/- each.
- b. To sell the new shares obtained by the Company in lieu of its existing holding of 1,37,05,500 equity shares in JNUL after consolidation to the persons who are willing to be the prospective buyers, at the best negotiated price.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Companies Act, 2013 ("the Act") and the relevant Accounting Standards, Consolidated Financial Statements of the Company and its Subsidiary have been prepared and forms part of the Annual Report.

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

10. CORPORATE GOVERNANCE REPORT:

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

11. RISK MANAGEMENT:

The Company constituted Risk Management Committee and has a Risk Management framework in place to identify, assess, monitor and mitigate various risks to the business. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of this Report.

The Committee and the Board periodically review the Company's risk assessment and minimization procedures to ensure that Management identifies and controls risks through a properly defined framework.

During the period under review, the Board on the recommendation of the Risk Management Committee approved the Risk Management Plan covering the identified risks and measures to manage and mitigate the risks involved. The Risk Management Committee and the Board considered and took note of the steps taken during the financial year 2015-16 by the Company under the Risk Management Plan to manage and mitigate the identified risks.

12. VIGIL MECHANISM/WHISTLE BLOWER MECHANISM:

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

13. DIRECTORS RESPONSIBILITY STATEMENT:

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

- a. in the preparation of the annual financial statements for the year ended 31st March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. such accounting policies as mentioned in Note 1 of the Notes to the Financial Statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of the loss of the Company for the year ended on that date;
- c. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing

- and detecting fraud and other irregularities;
- d. the annual financial statements have been prepared on a going concern basis;
- e. proper internal financial controls have been in place and that the internal financial controls are adequate and have been operating effectively;
- f. systems to ensure compliance with the provisions of all applicable laws have been in place and are adequate and operating effectively.

14. INTERNAL FINANCIAL CONTROL SYSTEMS:

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

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were operating effectively. However the Auditors of the Company have observed certain material weaknesses in the operating effectiveness of the Company's Internal Financial Control over Financial Reporting as on 31st March, 2016 which have been well covered along with the management's explanation thereto in the point no. 4 of this report under the head "Auditors Report".

15. EXTRACT OF ANNUAL RETURN:

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

16. AUDITORS:

The Statutory Auditor M/s. Chaturvedi & Shah, Chartered Accountants, Mumbai, hold office till the conclusion of the ensuing Annual General Meeting of the Company.

The Board of Directors on the recommendation of the Audit Committee has proposed to appoint M/s. Pathak H. D. & Associates, Chartered Accountants, Mumbai, as the Statutory Auditor in place of the retiring auditor M/s. Chaturvedi & Shah, for a period of 5 (Five) years, to hold such office from the conclusion of the ensuing Annual General Meeting (43rd AGM) until the conclusion of the Annual General Meeting to be held for the financial year 2020-21 (Subject to ratification by the members at every Annual General Meeting, if required, under the prevailing Law from time to time).

The Statutory Auditor M/s. Agrawal Chhallani & Co., Chartered Accountants, Nagpur, hold office for the period of 3 years from the Annual General Meeting (AGM) held on 22nd September, 2014 subject to ratification of their appointment at every AGM.

The Board of Directors recommend the appointment of M/s. Agrawal Chhallani & Co., Chartered Accountants, Nagpur as the statutory auditor of the Company for the ratification by the members at the ensuing Annual General Meeting of the Company.

The Company has received consent letters/ certificates from the statutory auditors to the effect that their appointments, if made are within the prescribed limits under Section 141 of the Companies Act, 2013 and that they are not disqualified.

17. COST AUDITOR:

In pursuance of Section 148 of the Companies Act, 2013, your Directors appointed M/s. Manisha & Associates, Cost Accountants, Nagpur to conduct the Audit of the Cost Accounting records for the financial year 2015-2016.

The Board of Directors of the Company on the recommendation of the Audit Committee, at its meeting held on 27th May, 2016 has reappointed M/s. Manisha & Associates as the Cost Auditor of the Company, to conduct the Audit of the Cost Accounting records for the financial year 2016-2017 on the remuneration of Rs. 1,25,000/- plus service tax 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 a resolution seeking the shareholders approval to the remuneration payable to M/s. Manisha & Associates, Cost Auditors for the financial year 2016-17 is included at item no. 14 of the Notice convening the ensuing Annual General Meeting.



18. SECRETARIAL AUDITOR:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Board has appointed M/s. R. A. Daga and Co, Company Secretaries, Nagpur to conduct Secretarial Audit for the financial year 2015-16.

The Secretarial Audit Report for the financial year ended 31st March, 2016 in Form MR-3 is attached as “**Annexure E**” and forms a part to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

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

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

20. GENERAL:

Your Directors state that during the year under review:

1. The Company had no deposits covered under Chapter V of the Companies Act, 2013.
2. Neither the Managing Director nor the Whole-time Directors of the Company received any remuneration or commission from its subsidiary.
3. Corporate Ispat Alloys Limited (CIAL) has filed Company Petition No.11. of 2015, before the Hon'ble Bombay High Court, Nagpur Bench Nagpur against the Company with a prayer that Company should be wound up, as Company has failed to pay an amount of Rs. 1,02,26,78,728/- and the same being admitted and acknowledged by the Company. Company has disputed the allegations leveled by CIAL and also took defence that identical issues are pending before Learned Arbitrator Justice Shri V.C.Daga (Retd.) who is adjudicating various disputes arising out of Indenture of Family Settlement (IFS) executed between the members of Jayaswal Family covering its Group Companies since 2011 onwards. Hearing is completed and matter is closed for orders.
4. No cases have been filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

21. ACKNOWLEDGMENTS:

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

For and on behalf of Board of Directors

Date: 12th August, 2016

Place: Nagpur

Basant Lall Shaw

Chairman

(DIN:00249729)

ANNEXURE - A

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

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

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

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

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

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

2. The Composition of CSR Committee is as follows:

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

3. Average net profit of the Company for last three financial years:

Average Net Profit : Rs. 5939.81 Lacs

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):

The Company is required to spend Rs. 118.80 Lacs on CSR activities.

5. Details of CSR spent for the financial year:

- a. **Total amount spent for the financial year:** Rs. 92.30 Lacs
- b. **Amount unspent, if any :** Rs.26.50 Lacs
- c. **Manner in which the amount spent during the financial year is detailed below:**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr No	Projects / Activities	Sector in which the Project is covered	Locations	Amount Outlay (Budget) Project or Programs Wise	Amount Spent on the project or programs	Cumulative Expenditure upto reporting period	Amount spent: *Direct or through implementing agency
			District (State)	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)
1.	Free ambulance service to community, health & eye check up/awareness camp, First Aid Centre, Medicine supply, Providing safe drinking water, installation/ repairing of hand pumps, supply through water tanker in acute summer, providing hand drawn rickshaw and drums for collection of garbage under Lok Swaraj Abhiyaan in plant peripheral villages.	Health care, sanitation and safe drinking water	Narayanpur, Kanker and Raipur (Chhattisgarh)	62.38	5.59	5.59	5.59
2.	Awards to meritorious students, Honorarium to teachers, Adoption of Nursing students, Distribution of books, stationary to students & computers to school, organising essay/ letter writing competition, Vocational training, coaching and job oriented training.	Education and training	Raipur, Raigarh Narayanpur and Kanker (Chhattisgarh)	18.37	18.63	18.63	18.63
3.	Development of tailoring training centre for women	Women Empowerment	Raipur (Chhattisgarh)	3.43	0.67	0.67	0.67
4.	Protection of ecological balance through landscaping & garden development, Tree plantation, Distribution of plants.	Environmental Sustainability	Raipur, (Chhattisgarh)	5.83	22.63	22.63	22.63
5.	Extension of supports for promotion of traditional	Protection of national	Narayanpur, Kanker, Bilaspur	17.53	5.41	5.41	5.41

	art & culture of state, distribution of blankets, vests, bed sheets and arrangement of Mid day Meal for the welfare of weaker section of the society.	heritage, Promotion and development of traditional art and culture	and Raipur (Chhattisgarh)				
6.	Organising various sport activities, providing financial assistance and distributing sports items for promotion of rural / nationally recognised sports	Sports	Narayanpur, Kanker, Bilaspur and Raipur (Chhattisgarh)	3.60	1.58	1.58	1.58
7.	Construction of boundary wall of crematorium, financial assistance for construction of bathroom in villages, maintenance of road.	Rural development projects	Raipur, Narayanpur & Kanker (Chhattisgarh)	16.50	37.79	37.79	37.79
TOTAL				127.64	92.30	92.30	92.30

***Note -** The Company has spent all the money on CSR activities directly and not through any implementing agency.

6. As the Company was not able to spend the 2% of the average net profit of the last three financial years due to certain reasons, so the statement thereto as required under second proviso to section 135(5) is given in the Directors' Report under the head "Corporate Social Responsibility".
7. The CSR Committee affirms that the implementation and monitoring of CSR Policy is in compliance with the CSR Policy and objectives of the Company.

Place: Nagpur

Date: 12.08.2016

Arbind Jayaswal

(Managing Director & Chairman CSR Committee)



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:

Company is fully committed to Energy Conservation along with Technology up gradation. We are getting our units periodically audited for energy conservation.

Under PAT Cycle-1, Measurement & Verification audit was done in the month of June'15. Based on this audit, our unit received 1505 nos. of E-certificates for achieving the Specific Energy Consumption (SEC) more than the target given by Bureau of Energy Efficiency for PAT Cycle-1. The proposed rate of one E-certificate is Rs. 10,000/- at present and BEE expects it to increase further when its trading starts.

The mandatory detailed energy audit has been done in Dec'15, to find out scope of energy savings in our units.

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

We have started zero water discharge drive in different units of Raipur plant. With this effort we achieved negligible discharge of water from units and it results in reduced pumping of makeup water from Intake Well.

Power Plant

Overhauling of Turbine of Turbo blower done to enhance the specific consumption of steam.

Coke Oven Unit:

We have changed the Header Pipe of battery no. 7 & 8 as its insulation got damaged and there was heat loss due to it. The heat of exhaust is utilized in Waste Heat Recovery Boilers of Cokeoven power plant.

DRI

Installation of VFD in ABC Fans of DRI (350 TPD and 500 TPD). No. of fans to be installed with VFD is one in each DRI plant.

iii) The capital investment on energy conservation equipments:

The Monitoring & Verification Audit (M&V Audit) and detailed Energy Audit of our units are executed by outside agency at the cost of Rs. 18,00,000/-. Based on their recommendations steps on energy conservation will be taken in the years 2016-19.

B) Technology absorption-

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

- Installation of CGLS in withdrawal system—Decrease in Consumption of Stabutherm grease.
- Installation of high temperature bags- Consistent blowing rate and productivity.
- Water cooled heat shield in Ladle Refining Furnace- Refractory consumption decreased.
- Installation of lakos filter in secondary cooling circuit- Nozzle consumption reduced, billet quality improved.
- Installation of non-sinusoidal oscillation system- Billet surface improved and grinding before rolling eliminated.
- Installation of Double ring for brick retaining in steel ladles- Steel consumption reduced drastically.

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
Hot Blast Stove	Kalugin, Russia	2014 - 2015
Bar and Section Mill	Danieli, Italy	2015 - 2016

iii) The above technology has been fully absorbed.

iv) Expenditure Incurred on Research and Development: Nil

C) Foreign Exchange Earnings and Outgo

	2015 - 16 (Rs. in Lacs)
Foreign Exchange earned in terms of Actual Inflows	636.73
Foreign Exchange spent in terms of Actual Outflows	7185.75

For and on behalf of Board of Directors

Date: 12th August, 2016

Place: Nagpur

Basant Lall Shaw
Chairman
(DIN:00249729)

ANNEXURE C

Form AOC-I

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

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

Part "A": Subsidiaries

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

1	Name of the subsidiary	Jayaswal Neco Urja Limited
2	The date since when subsidiary was acquired	03.07.2009
3	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	-
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	-
5	Share capital	Rs. 13,73,00,000
6	Reserves & Surplus	Rs. (30,77,01,060)
7	Total assets	Rs. 16,89,40,665
8	Total Liabilities	Rs. 16,89,40,665
9	Investments	Nil
10	Turnover	Rs. 788
11	Profit/(Loss) before taxation	Rs. (27,34,83,806)
12	Provision for taxation	Nil
13	Profit/(Loss) after taxation	Rs. (27,34,83,806)
14	Proposed Dividend	Nil
15	% of shareholding	99.82%

Notes: The following information shall be furnished at the end of the statement:

1.	Names of subsidiaries which are yet to commence operations	Jayaswal Neco Urja Limited
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	31.03.2015
2	Date on which the Associate or Joint Venture was associated or acquired	10.03.2011
3	Shares of Associate held by the Company on the year end	
	No.	* 25,30,000 shares of Rs. 10/- each
	Amount of Investment in Associates	* Nil
	Extend of Holding %	31.63%
4	Description of how there is significant influence	Significant influence is through holding of 31.63% of Equity shares jointly with other Promoter Group Companies
5	Reason why the associate is not consolidated	The Company holds the shares in its associate jointly with Promoter Group Companies which are the beneficial owners.
6	Net worth attributable to Shareholding as per latest audited Balance Sheet	-
7	Profit / Loss for the year	
	i) Considered in Consolidation	-
	ii) Not Considered in Consolidation	-

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

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

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

For and on behalf of Board of Directors

Arbind Jayaswal
Managing Director
 (DIN : 00249864)

P. K. Bhardwaj
Executive Director &
Chief Financial Officer
 (DIN : 03451077)

Ashutosh Mishra
Company Secretary
 (Membership No.:A23011)

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

as on the financial year ended on March 31, 2016

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

I. REGISTRATION & OTHER DETAILS:

i)	CIN	L28920MH1972PLC016154
ii)	Registration Date	28-11-1972
iii)	Name of the Company	Jayaswal Neco Industries Limited
iv)	Category / Sub- Category of the Company	Public Company / Limited by Shares
v)	Address of the Registered Office & contact details	
	Address :	F-8, MIDC Industrial Area, Hingna Road
	Town / City :	Nagpur
	Pin Code :	440016
	State :	Maharashtra
	Country Name :	India
	Telephone (with STD Code) :	07104 - 237276, 237471 ,237472
	Fax Number :	07104 - 237583, 236255
	Email Address :	contact@necoindia.com
	Website, if any:	www.necoindia.com
vi)	Whether listed company	Yes
vii)	Name and Address of Registrar & Transfer Agents (RTA) :-	
	Name of RTA:	Sharex Dynamic (India) Private Limited
	Address :	Unit- 1, Luthra Ind. Premises, Safed Pool, Andheri Kurla Road, Andheri (E)
	Town / City :	Mumbai
	State :	Maharashtra
	Pin Code:	400072
	Telephone :	(022) 2851-5606 , 2851-5644
	Fax Number :	(022) 2851-2885
	Email Address :	sharexindia@vsnl.com

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Iron and Steel Castings	2431	13.79
2	Pig Iron/Skull	2410	21.91
3	Sponge Iron	2410	12.10
4	Billets/Rolled Products	2410	49.46



III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

No. of Companies for which information is being filled

2

Sr. No.	Name And Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Jayaswal Neco Urja Limited Address : F-8 MIDC, Industrial Area, Hingna Road, Nagpur, Maharashtra (MH)- 440016	U40102MH2007PLC169762	Subsidiary	99.82	2(87)
2	Maa Usha Urja Limited Address: F-8 MIDC, Industrial Area, Hingna Road, Nagpur, Maharashtra (MH)- 440016	U27300MH1995PLC091956	Associate	*31.63	2(6)

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

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

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

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2015)				No. of Shares held at the end of the year (As on 31.03.2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter and Promoter Group									
(1) Indian									
a) Individual/ HUF	15158690	-	15158690	2.37	15158690	-	15158690	2.37	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	424144151	-	424144151	66.42	424144151	-	424144151	66.42	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
(2) Foreign									
a) NRI - Individual/	-	-	-	-	-	-	-	-	-
b) Other - Individual/	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Others	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter & Promoter Group (A)	439302841	-	439302841	68.79	439302841	-	439302841	68.79	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	14301200	5235	14306435	2.24	13898700	5235	13903935	2.18	-0.06
b) Banks / FI	920	3166	4086	0.00	920	3166	4086	0.00	-

c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	4062	-	4062	0.00	4062	-	4062	0.00	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	52500	245	52745	0.01	52500	245	52745	0.01	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	14358682	8646	14367328	2.25	13956182	8646	13964828	2.19	-0.06
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	123781691	834199	124615890	19.51	123563554	834199	124397753	19.48	-0.02
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	21446431	1736366	23182797	3.63	21392784	1719880	23112664	3.62	-0.01
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	35708403	32696	35741099	5.60	36645296	32696	36677992	5.74	-0.14
c) Others (specify)									
NRI	585698	10759	596457	0.09	626694	10759	637453	0.10	0.01
Clearing Members	826651	-	826651	0.13	538532	-	538532	0.08	-0.05
OCB	-	-	-	-	1000	0.00	1000	0.00	0.00
Sub-total (B)(2):-	182348874	2614020	184962894	28.96	182767860	2597534	185365394	29.02	0.06
Total Public Shareholding (B)= (B)(1)+ (B)(2)	196707556	2622666	199330222	31.21	196724042	2606180	199330222	31.21	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	636010397	2622666	638633063	100%	636026883	2606180	638633063	100%	-

ii Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2015)			Shareholding at the end of the year (As on 31.03.2016)			% Change in shareholding during the year
		No. of shares	% of total shares of the company	% shares pledged/ encumbered to total shares*	No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares*	
1	Jayaswal Holdings Pvt. Ltd.	53098951	8.31	8.25	53098951	8.31	8.25	-
2	Jayaswal Neco Power Pvt. Ltd.	36354500	5.69	-	36354500	5.69	-	-

3	Jayaswal Neco Infrastructures Pvt. Ltd.	34385500	5.38	-	34385500	5.38	-	-
4	Jayaswal Neco Steel and Mining Ltd.	13250000	2.07	-	13250000	2.07	-	-
5	Basant Lall Shaw	10312850	1.62	-	10312850	1.62	-	-
6	Arbind Jayaswal	2397920	0.38	0.01	2397920	0.38	0.01	-
7	Ramesh Jayaswal	2397920	0.38	0.01	2397920	0.38	0.01	-
8	Nisha Jayaswal	25000	0.00	0.00	25000	0.00	0.00	-
9	Rita Jayaswal	25000	0.00	0.00	25000	0.00	0.00	-
10	Apex Spinning Mills Pvt. Ltd.	35299600	5.53	-	35299600	5.53	-	-
11	Avon Sales & Services Pvt. Ltd.	39095000	6.12	-	39095000	6.12	-	-
12	Anurag Sales & Services Pvt. Ltd.	38931000	6.10	-	38931000	6.10	-	-
13	Nine Star Plastic Packaging Services Pvt. Ltd.	44294600	6.94	-	44294600	6.94	-	-
14	Jayaswal Neco Metalics Pvt. Ltd.	40710500	6.37	-	40710500	6.37	-	-
15	Jayaswal Neco Energy Pvt. Ltd.	39732000	6.22	-	39732000	6.22	-	-
16	Karamveer Impex Pvt. Ltd.	47229000	7.39	-	47229000	7.39	-	-
17	Neco Valves and Pumps Pvt. Ltd.	864000	0.14	-	864000	0.14	-	-
18	Neco Leasing and Finance Pvt.Ltd.	899500	0.14	-	899500	0.14	-	-
	TOTAL	439302841	68.79	8.28	439302841	68.79	8.28	-

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

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

Sr. No.	Name of Promoter	Shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Apex Spinning Mills Pvt. Ltd.				
	At the beginning of the year	35299600	5.53		
	Change during the year	Nil			
	At the End of the year			35299600	5.53
2	Anurag Sales & Services Private Limited				
	At the beginning of the year	38931000	6.10		
	Change during the year	Nil			
	At the End of the year			38931000	6.10
3	Avon Sales and Services Private Limited				
	At the beginning of the year	39095000	6.12		
	Change during the year	Nil			
	At the End of the year			39095000	6.12
4	Nine Star Plastic Packaging Services Private Limited				
	At the beginning of the year	44294600	6.94		
	Change during the year	Nil			
	At the End of the year			44294600	6.94

5	Jayaswal Neco Metallica Private Limited				
	At the beginning of the year	40710500	6.37		
	Change during the year	Nil			
	At the End of the year			40710500	6.37
6	Jayaswal Neco Energy Private Limited				
	At the beginning of the year	39732000	6.22		
	Change during the year	Nil			
	At the End of the year			39732000	6.22
7	Karamveer Impex Private Limited				
	At the beginning of the year	47229000	7.39		
	Change during the year	Nil			
	At the End of the year			47229000	7.39
8	Jayaswal Neco Power Private Limited				
	At the beginning of the year	36354500	5.69		
	Change during the year	Nil			
	At the End of the year			36354500	5.69
9	Jayaswal Neco Infrastructures Private Limited				
	At the beginning of the year	34385500	5.38		
	Change during the year	Nil			
	At the End of the year			34385500	5.38

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

Sr. No.	Name of the Shareholders	Shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Efficient Structures Private Limited				
	At the beginning of the year	27862353	4.36		
	Change during the year	Nil			
	At the End of the year			27862353	4.36
2	Costal Multitrading Private Limited				
	At the beginning of the year	25000353	3.91		
	Change during the year	Nil			
	At the End of the year			25000353	3.91
3	Rajvardhan Trade Zone Private Limited				
	At the beginning of the year	25512353	3.99		
	Change during the year	Nil			
	At the End of the year			25512353	3.99
4	Darshan Gems Private Limited				
	At the beginning of the year	16520000	2.59		
	Change during the year	Nil			
	At the End of the year			16520000	2.59
5	Salmon Developers Private Limited				
	At the beginning of the year	16845000	2.64		
	Change during the year	Nil			
	At the End of the year			16845000	2.64

6	Reliance Capital Trustee Co. Ltd.				
	At the beginning of the year	14300000	2.24		
	Sale/Transfer of shares on 11.12.2015	63600	-	14236400	2.229
	Sale/Transfer of shares on 18.12.2015	8800	-	14227600	2.228
	Sale/Transfer of shares on 25.12.2015	200000	-	14027600	2.197
	Sale/Transfer of shares on 31.12.2015	130100	-	13897500	2.176
	At the End of the year			13897500	2.18
7	Karishma Jayaswal				
	At the beginning of the year	4488348	0.70		
	Change during the year	Nil			
	At the End of the year			4488348	0.70
8	Avneesh Jayaswal				
	At the beginning of the year	3569130	0.56		
	Change during the year	Nil			
	At the End of the year			3569130	0.56
9	Anand Jayaswal				
	At the beginning of the year	3063310	0.48		
	Change during the year	Nil			
	At the End of the year			3063310	0.48
10	Hargunn Bedi Jayaswal				
	At the beginning of the year	2137447	0.33		
	Change during the year	Nil			
	At the End of the year			2137447	0.33

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the Director/ Key Managerial Personnel	Shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
A	Directors				
1	Basant Lall Shaw, Chairman				
	At the beginning of the year	10312850	1.62		
	Change during the year	Nil			
	At the End of the year			10312850	1.62
2	Arbind Jayaswal, Managing Director				
	At the beginning of the year	2397920	0.38		
	Change during the year	Nil			
	At the End of the year			2397920	0.38
3	Ramesh Jayaswal, Joint Managing Director				
	At the beginning of the year	2397920	0.38		
	Change during the year	Nil			
	At the End of the year			2397920	0.38
4	M. M. Vyas, Director (Independent)				
	At the beginning of the year	70993	0.01		
	Change during the year	Nil			
	At the End of the year			70993	0.01

5	B. K. Agrawal, Director (Independent)				
	At the beginning of the year	7500	0.00		
	Change during the year	Nil			
	At the End of the year			7500	0.00
6	P. K. Bhardwaj, Executive Director and CFO				
	At the beginning of the year	-	-		
	Change during the year	Nil			
	At the End of the year			-	-
7	S. N. Singh, Director (Independent)				
	At the beginning of the year	-	-		
	Change during the year	Nil			
	At the End of the year			-	-
8	D. K. Sahni, Director (Independent)				
	At the beginning of the year	-	-		
	Change during the year	Nil			
	At the End of the year			-	-
9	Raji Nathani Director (Independent)				
	At the beginning of the year	-	-		
	Change during the year	Nil			
	At the End of the year			-	-
10	P. K. Das, Nominee Director (IDBI Bank Limited)				
	At the beginning of the year	-	-		
	Change during the year	Nil			
	At the End of the year			-	-
11	M. P. Singh, Executive Director (Steel)				
	At the beginning of the year	-	-		
	Change during the year	Nil			
	At the End of the year			-	-
12	Arvind Iyer, Director (Independent)				
	At the beginning of the year	140	0.00		
	Change during the year	Nil			
	At the End of the year			140	0.00
B Key Managerial Personnel (KMP)					
13	Ashutosh Mishra, Company Secretary				
	At the beginning of the year	-	-		
	Change during the year	Nil			
	At the End of the year			-	-

V. INDEBTEDNESS

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

(Rs. in lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2015)				
i) Principal Amount	380937.46	14627.82	-	395565.28
ii) Interest due but not paid	6557.07	-	-	6557.07
iii) Interest accrued but not due	155.20	354.25	-	509.45
TOTAL (i + ii + iii)	387649.73	14982.07	-	402631.80

Change in Indebtedness during the financial year				
Addition	12956.98	2775.49	-	15732.47
Reduction	7147.33	1257.88	-	8405.21
Net Change	5809.65	1517.61	-	7327.26
Indebtedness at the end of the financial year (31.03.2016)				
i) Principal Amount	386747.12	16145.42	-	402892.54
ii) Interest due but not paid	9502.37	193.16	-	9695.53
iii) Interest accrued but not due	144.43	397.59	-	542.02
TOTAL (i + ii + iii)	396393.92	16736.17	-	413130.09

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. in Lacs)

Sr. No.	Particulars of Remuneration	Arbind Jayaswal, MD	Ramesh Jayaswal JMD	M. P. Singh Executive Director (Steel)	P. K. Bhardwaj Executive Director and CFO	Total Amount
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	127.11	127.11	58.00	45.546	357.766
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- others, specify	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (A)	127.11	127.11	58.00	45.55	357.77
	Ceiling as per the Act, 2013	216.56	216.56	216.56	216.56	-

B Remuneration to Other Directors:

(Rs. in Lacs)

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	M. M. Vyas	D. K. Sahni	Arvind Iyer	
	Fee for attending board/ committee meetings	0.80	0.85	0.90	2.55
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	0.80	0.85	0.90	2.55
	Independent Directors	B. K. Agrawal	S. N. Singh	Raji Nathani	
	Fee for attending board/ committee meetings	1.50	1.20	1.00	3.70
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	1.50	1.20	1.00	3.70
2	Other Non-Executive Directors		P. K. Das	Basant Lal Shaw,	
			Nominee Director	Chairman	
	Fee for attending board/ committee meetings		1.00	1.00	2.00

Commission	-	-	-	-
Others, please specify	-	-	-	-
Total (3)	-	1.00	1.00	2.00
Total (B)=(1+2+3)		3.05	2.90	8.25
Total Managerial Remuneration				*366.02
Overall Ceiling as per the Act	Rs.** (being 1% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)			

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

** There is absence of profits in the financial year 2015-16.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (Rs. in Lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		Ashutosh Mishra, Company Secretary			Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	16.25	-	-	16.25
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	16.25	-	-	16.25

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on behalf of Board of Directors

Date: 12th August, 2016
Place: Nagpur

Basant Lall Shaw
Chairman
(DIN:00249729)



ANNEXURE - E

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

JAYASWAL NECO INDUSTRIES LIMITED

CIN - L28920MH1972PLC016154

F-8, MIDC Industrial Area, Hingna Road,

Nagpur-440016

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Jayaswal Neco Industries Limited, bearing 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 Companies books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2016** 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, 2016** and made available to us, according to the provisions of:

- i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings: As there were no such transactions thus the said Provisions are not applicable.
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**not applicable during the period of audit**);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**not applicable during the period of audit**);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**not applicable during the period of audit**);
 - (f) 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;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**not applicable during the period of audit**);
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (**not applicable during the period of audit**).
- vi) Following other laws applicable to the Company:
 - a. Factories Act, 1948;
 - b. Industries (Development & Regulation) Act, 1951;
 - c. The Electricity Act, 2003 and rules issued thereunder;

- d. Indian Boilers Act, 1923 and rules issued thereunder;
- e. Labour Laws and other incidental laws and rules issued thereunder related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.;
- f. Acts and rules prescribed under prevention and control of pollution;
- g. Acts and rules prescribed under Environmental 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. Local laws as applicable to various offices and Plants.

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

- (i) Secretarial Standards with regard to the Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by Institute of Company Secretaries of India (ICSI) and made effective from 1st July, 2015;
- (ii) The Listing Agreement entered into by the Company with the Stock Exchange(s) for the period from 1st April, 2015 to 30th November, 2015; and
- (iii) Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 for the period from 1st December, 2015 to 31st March, 2016.

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

B. We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and 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 Act and the Listing Agreement/Regulations.
- Adequate notice is given to all directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
- The Company has obtained all necessary approvals under the various provisions of the Act; and

C. We further report that there are 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, Guidelines etc.

D. We further report that:

- There are a few cases of prosecutions against the Company, some of its Directors and employee (s) under the Companies Act, 1956 and as represented by the Company the applications for Compounding have been initiated at appropriate forums.
- Company Petition No. 11 of 2015, under section 434 of Companies Act, 1956, filed before the Bombay High Court, Nagpur Bench, Nagpur by Corporate Ispat Alloys Limited (CIAL), through its Director, Shri Manoj Kumar Jayaswal, against the Company claiming an amount of Rs. 1,02,26,78,728/- payable to CIAL.
As represented by the Company it has challenged the maintainability of the winding up petition and the present status of the Petition is that it is at pre admission stage.

E. We further report that, during the audit period, there were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having major bearing on the company's affairs.

Place: Nagpur
Date: 09-07-2016

Signature:
R.A. DAGA & Co.
Company Secretaries

Encl. ANNEXURE I
ANNEXURE II

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

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



ANNEXURE I

To,
The Members,
Jayaswal Neco Industries Limited
CIN - L28920MH1972PLC016154
F-8, MIDC Industrial Area, Hingna Road,
Nagpur - 440016.

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

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

Place: Nagpur
Date: 09/07/2016

Signature:
R.A. DAGA & Co.
Company Secretaries

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

ANNEXURE II

- **Registered office & Corporate office:**
F-8, MIDC Industrial Area, Hingna Road, Nagpur
- **List of plants situated at:**
 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, Nagpur (MH)
 4. Automotive Castings Division- Butibori, Nagpur (MH).
 5. Construction Castings Division - Light Industrial Area, Bhilai & Anjora (CG).

Place: Nagpur
Date: 09/07/2016

Signature:
R.A. DAGA & Co.
Company Secretaries

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

ANNEXURE – F

Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended and forming part of the Directors' Report for the year ended 31st March, 2016.

- i) The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16:

Sr. No.	Name of Directors	Ratio
1	Shri Basant Lall Shaw	0.39
2	Shri Arbind Jayaswal	49.20
3	Shri Ramesh Jayaswal	49.20
4	Shri B. K. Agrawal	0.58
5	Shri M. M. Vyas	0.31
6	Shri P. K. Bhardwaj	17.64
7	Shri S. N. Singh	0.46
8	Shri Darshan Kumar Sahni	0.33
9	Smt. Raji Nathani	0.39
10	Shri Pradip Kumar Das	0.39
11	Shri M. P. Singh	22.45
12	Shri Arvind Iyer	0.35

- 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 2015-16:

Sr. No.	Name of Directors / KMP	Designation	Remuneration Paid (Rs. in Lacs)		% increase / (decrease) in Remuneration Paid
			2015-16	2014-15	
1	Shri Basant Lall Shaw	Chairman	1.00	0.65	53.85
2	Shri Arbind Jayaswal	Managing Director	127.11	118.62	7.16
3	Shri Ramesh Jayaswal	Jt. Managing Director	127.11	118.62	7.16
4	Shri B. K. Agrawal	Director	1.50	0.90	66.67
5	Shri M. M. Vyas	Director	0.80	0.40	100.00
6	Shri P. K. Bhardwaj	Executive Director and CFO	45.56	43.64	4.40
7	Shri S. N. Singh	Director	1.20	0.72	66.67
8	Shri Darshan Kumar Sahni	Director	0.85	0.60	41.67
9	Smt. Raji Nathani	Director	1.00	0.55	81.82
10	Shri Pradip Kumar Das	Nominee Director (IDBI Bank Limited)	1.00	0.50	100.00
11	Shri M. P. Singh	Executive Director (Steel)	58.00	* 20.17	187.56
12	Shri Arvind Iyer	Director	0.90	0.50	80.00
13	Shri Ashutosh Mishra	Company Secretary	16.25	* 13.66	18.96

* Reflects the remuneration paid for part of the year.

- iii) The percentage increase in the median remuneration of employee(s) in the financial year 2015-16: **8.32%**.
- iv) The number of permanent employees on the role of the Company: 3607 Employees as on 31st March, 2016.
- v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
Percentage increment at 50th Percentile for Salaries of Non-Manual Personnel is 15.36%.

Percentage increment at 50th Percentile for Salaries of Managerial Personnel is 0.30%.

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

- vi) The remuneration paid to the Directors is as per the Remuneration Policy of the Company.
- vii) Statement of Particulars of Employees as per Section 197 of The Companies Act, 2013 read with rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, and forming part of the Directors' Report for the year ended 31st March, 2016.

Sr. No.	Name of the Employee	Designation/ Nature of Employment	Age/ Qualification	Experience	Remuneration (Rs. In Lacs)	Last employment	Date of Appointment	Equity holding %
1	Shri Arbind Jayaswal	Managing Director/ Contractual	63, B.Sc	39	127.11	Managing Director of Jayaswals Neco Ltd.	01.01.1998	0.38
2	Shri Ramesh Jayaswal	Joint Managing Director/ Contractual	57, B.com	32	127.11	Whole time Director of Nagpur Alloy Castings Ltd.	01.01.1998	0.38
3	Shri M. P. Singh	Executive Director (Steel)/ Contractual	58, B. E. (Metallurgy)	36	58.00	Bhushan Steel Ltd.	13.11.2014	--
4	Shri P. K. Bhardwaj	Executive Director and CFO/ Contractual	61, B.Com, C.A.	32	45.56	Sugma Poultry Farm,	14.05.2007	--
5	Shri Rajkamal Shrivastava	Chief (Marketing - Steel)	53, B.Com., LLB, PGDM & SM	31	51.35	Sunflag Iron & Steel Co.Ltd	14.08.2003	--
6	Shri S. K. Swain	President (Mines)	48, B. E. (Metallurgy)	24	49.88	Midwest Iron & Steel Co.Ltd.	11.09.1995	--
7	Shri Susanta Kumar Moitra	President (Business Development)	51, M.Com, D.B.M and MBA	25	49.37	House of Kedia, Bhilai	10.10.2001	--
8	Shri Rajesh Rathi	Chief (F & A)	54, B.Com, C.A.	28	43.34	Lloyds Steel Industries Ltd.	02.08.1985	--
9	Shri Avneesh Jayaswal	Group Director	30, B.B.A.	4	38.84	Jayaswal Neco Urja Ltd.	01.09.2014	0.56
10	Shri Vivek Tiwari	Head (Material)	51, B.Com, C.A., ICWA	28	36.80	Practising C.A.	30.04.1997	--

- Notes:**
- i. Remuneration includes Salary and allowances.
 - ii. Shri Arbind Jayaswal and Shri Ramesh Jayaswal are the relative of Shri Basant Lall Shaw, Chairman.
 - iii. Shri Avneesh Jayaswal is the relative of Shri Ramesh Jayaswal, Joint Managing Director.

For and on behalf of Board of Directors

Date: 12th August, 2016
Place: Nagpur

Basant Lall Shaw
Chairman
(DIN:00249729)

CORPORATE GOVERNANCE REPORT

I COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

II BOARD OF DIRECTORS

As of date the Board of the Company comprises of 12 (Twelve) Directors; with the composition of Executive and Non-Executive / Independent Directors.

4 (Four) Board Meetings were held during the year ended 31.03.2016. The dates of the meetings are given below:

i) 29.05.2015, ii) 12.08.2015, iii) 06.11.2015 and iv) 12.02.2016.

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year under review and at the last Annual General Meeting as also the number of Directorships and Committee Memberships held by them in other companies are given below:

Sr. No	Name of Directors	Category	Board Meetings Attended	Attended last AGM held on 29.09.2015	No. of Directorships in other Companies as on 31/03/2016*	No. of Memberships / Chairmanship in Committee of Directors in other Companies**	
					Director	Member	Chairman
1	Shri Basant Lall Shaw Chairman (DIN 00249729)	Promoter Non-Executive	4	Yes	4	-	-
2	Shri Arbind Jayaswal Managing Director (DIN 00249864)	Promoter Executive	4	Yes	6	-	-
3	Shri Ramesh Jayaswal Joint Managing Director (DIN 00249947)	Promoter Executive	4	Yes	7	2	-
4	Shri B K Agrawal Director (DIN 01223894)	Independent Non-Executive	4	Yes	1	-	2
5	Shri M. M. Vyas Director (DIN 00399012)	Independent Non-Executive	3	No	1	-	-
6	Shri P K Bhardwaj Executive Director & CFO (DIN 03451077)	Professional Executive	4	Yes	-	-	-
7	Shri S N Singh Director (DIN 00398484)	Independent Non-Executive	4	No	1	-	-
8	Shri Darshan Kumar Sahni Director (DIN 00131269)	Independent Non- Executive	3	No	-	-	-

9	Smt. Raji Nathani Director (DIN 06945777)	Independent Non-Executive	4	No	-	-	-
10	Shri Pradeep Kumar Das Director (DIN 06593113)	Nominee Director (IDBI Bank Ltd)***	4	No	-	-	-
11	Shri M P Singh Executive Director (Steel) (DIN 02635073)	Professional Executive	4	No	1	-	-
12	Shri Arvind Iyer Director (DIN 01375173)	Independent Non-Executive	3	No	1	2	-

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

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

(***) IDBI Bank Limited is one of the lenders of the Company.

None of the Directors of the Company are inter-se related to each other except Shri Arbind Jayaswal, Managing Director and Shri Ramesh Jayaswal, Joint Managing Director who are sons of Shri Basant Lall Shaw, Chairman 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.

Shri Ashutosh Mishra, Company Secretary, is a Compliance Officer.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

Also under the familiarization program, during the year the Independent Directors visited the facilities at the Steel Plant Division of the Company at Siltara Growth Centre, Siltara, Raipur.

The details of Directors' induction and familiarization program are available on the Company's Website at - <http://www.necoindia.com/wp-content/uploads/2016/08/Familiarisation-Program-of-Independent-Director.pdf>

III AUDIT COMMITTEE

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

During the year under review, the Committee met on 29.05.2015, 12.08.2015, 06.11.2015 and 12.02.2016. Generally, all the Members of the Committee attend the Meetings. Heads of the Internal Audit / Internal Control Units, Representatives of Statutory Auditors, Managing Director, Executive Director & CFO of the Company also attend the Meetings, on invitation.

Shri Ashutosh Mishra, Company Secretary, acts as Secretary to the Committee.

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

Sr. No.	Names of Members	No of Meetings attended
1)	Shri B K Agrawal Chairman	4
2)	Shri Ramesh Jayaswal Member	4
3)	Shri S N Singh Member	4
4)	Shri Arvind Iyer Member	3

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

- ♦ examination of the financial statements and the Auditors' Report thereon,
- ♦ to ensure compliance of internal control systems,
- ♦ investigating into any matters as may be referred to it by the Board,
- ♦ to seek information from employees, obtain outside legal / professional advice on the matters before it,
- ♦ to review internal financial control and risk management policies of the Company,
- ♦ the recommendation for appointment, remuneration and terms of appointment of auditors of the company,
- ♦ to review and monitor the auditor's independence and performance, and effectiveness of audit process,
- ♦ approval or any subsequent modification of transactions of the company with related parties,
- ♦ scrutiny of inter-corporate loans and investments,
- ♦ valuation of undertakings or assets of the company, wherever it is necessary,
- ♦ monitoring the end use of funds raised through public offers and related matters,
- ♦ to perform all other functions as are required under the Listing Regulations.

IV NOMINATION AND REMUNERATION COMMITTEE

During the year, Nomination and Remuneration Committee met on 12.08.2015 and 12.02.2016.

The composition of the Nomination and Remuneration Committee and the attendance of Members at the Nomination and Remuneration Committee meeting are as per the following:

Sr.No.	Names of Members		Attendance
1.	Shri M M Vyas	Chairman	1
2.	Shri B K Agrawal	Member	2
3.	Shri D K Sahani	Member	2

At the meeting held on 12.08.2015, as above, the Committee has reviewed and recommended the following:

- i. Remuneration Policy and criteria for evaluating the performance of the Board.
- ii. Familiarization Program of Independent Directors.
- iii. Appointment of Shri Arbind Jayaswal, as the Director of the Company liable to retire by rotation.
- iv. Appointment of Shri Ramesh Jayaswal, as the Director of the Company liable to retire by rotation.
- v. Appointment of Shri Arvind Iyer and Shri M. M. Vyas as Independent Directors.
- vi. Appointment and remuneration of Shri Megh Pal Singh as the Executive Director (Steel) of the Company.
- vii. Increase in remuneration of Shri Avneesh Jayaswal (Group Director of the Company).

At its meeting held on 12.02.2016, the Committee evaluated the performance of all the Directors of the Company including the Independent Directors and the performance of Board as a whole and its Committees.

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

- ♦ To review and recommend the Directors' Remuneration, service contracts, performance linked incentives and other perks, benefits etc. to be drawn by the Company's Directors;
- ♦ To identify the persons who are qualified to become the Directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
- ♦ To formulate the criteria for determining qualifications, positive attributes and independence of the directors;
- ♦ To recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other senior employees and
- ♦ To perform all other functions as are required under the Listing Regulations as amended from time to time.

Performance Evaluation Criteria For Directors including Independent Directors

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

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

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

1. APPOINTMENT CRITERIA AND QUALIFICATION:

i) For Non Executive Directors

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

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

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

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

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

2. REMUNERATION:

i) For Non Executive Directors

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

By way of sitting fees as under:

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

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

Nomination And Remuneration Committee Meeting - Rs.5000/- per Meeting*.

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

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

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

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

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

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

- b) The remuneration of the Executive Directors including Managing Director/ Whole Time Directors is broadly divided into a fixed component consisting of salary, allowances and perquisites as per Rules of the Company (within the limits approved by the Board and subject to requisite statutory approvals, if any). No sitting fee is payable to Executive Directors of the Company for attending the Meetings of the Board and its Committees.

3. TERM:

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

4. REMOVAL:

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

DETAILS OF REMUNERATION PAID TO THE DIRECTORS

The details of Remuneration to Directors during the financial year 2015-16 and the number of Equity Shares held by them in the Capital of the Company are as follows:

Sr. No.	Names of Directors	Designation	Service Contract	Notice Period	Remuneration drawn Amount (Rs. in lacs)		No. of Equity Shares held	Stock Options Granted
					Salary, Allowances & Perquisites	Sitting fees		
1	Shri Basant Lall Shaw	Chairman	--	--	-	1.00	10312850	-
2	Shri Arbind Jayaswal	Managing Director	01.01.2014 to 31.12.2016	6 months notice	127.11 (**)	-	2397920	-
3	Shri Ramesh Jayaswal	Joint Managing Director	01.01.2014 to 31.12.2016	6 months notice	127.11 (**)	-	2397920	-
4	Shri P K Bhardwaj	Executive Director and CFO	25.02.2014 to 24.02.2017	3 months notice	45.56 (**)	-	-	-
5	Shri B K Agrawal	Director	--	--	-	1.50	7500	-
6	Shri M M Vyas	Director	--	--	-	0.80	70993	-
7	Shri P K Das	Director (IDBI Bank Ltd. Nominee)	--	--	-	1.00(*)	-	-
8	Shri S N Singh	Director	--	--	-	1.20	-	-
9	Shri D K Sahni	Director	--	--	-	0.85	-	-
10	Smt. Raji Nathani	Director	--	--	-	1.00	-	-
11	Shri Arvind Iyer	Director	--	--	-	0.90	170	-
12	Shri M P Singh	Executive Director (Steel)	13.11.2014 to 12.11.2017	3 months notice	58.00 (**)	-	-	-

(*)Sitting Fees paid to the Institutions.

(**)Break up of Remuneration

(Amount Rs. in lacs)

Names of Directors	Salary and Allowances	Prov. Fund	Perks	Total
Shri Arbind Jayaswal	119.99	7.12	-	127.11
Shri Ramesh Jayaswal	119.99	7.12	-	127.11
Shri P K Bhardwaj	43.04	2.52	-	45.56
Shri M P Singh	52.63	2.70	2.67	58.00



Other payments to Directors:

During the year the Company has paid an amount of Rs. 16.20 lacs to Shri Arbind Jayaswal, Managing Director and Shri Ramesh Jayaswal, Joint Managing Director as Rent for utilizing Building, owned by them at Hyderabad for carrying on some of the operations of the Company. The details are as follows:

Sr. No.	Name of Directors	Amount (Rs. in lacs)
1	Shri Arbind Jayaswal, Managing Director	8.10
2	Shri Ramesh Jayaswal, Joint Managing Director	8.10
	TOTAL	16.20

V. SHARE TRANSFER – CUM – STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company has Share Transfer-Cum-Stakeholders Relationship Committee. The terms of reference of the Committee are to consider and approve the transfer of shares, consolidation / split of share certificates, issue of duplicate share certificates and other allied matters. The said Committee is also empowered to look into and address Shareholders, Security holders and Investors Grievances in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Investors' grievances are addressed within 15 days from the date of receipt, provided the documents are complete in all respects. During the financial year ended 31st March, 2016, Fifteen (15) Complaints were received from the shareholders. All the Complaints have been redressed to the satisfaction of the shareholders and none of them were pending as on 31st March, 2016.

Presently, Shri B K Agrawal, Non-Executive- Independent Director, is the Chairman of the Committee. While Shri Arbind Jayaswal, Managing Director and Shri Ramesh Jayaswal, Joint Managing Director are the Members. The Committee has periodic interaction with the representatives of the Registrar and Transfer Agent of the Company. During the financial year ended 31st March, 2016 the Committee met six times on 23.04.2015, 21.07.2015, 14.10.2015, 27.10.2015, 22.12.2015 and 20.01.2016, Shri Ashutosh Mishra, Company Secretary is the Compliance officer.

VI. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

During the year Corporate Social Responsibility Committee met on 08.04.2015, 16.06.2015, 14.10.2015, 05.02.2016, The composition of the Corporate Social Responsibility Committee and the attendance of Members at the Corporate Social Responsibility Committee meeting is as below:

Sr.No.	Names of Members	Attendance
1	Shri Arbind Jayaswal Chairman	4
2	Shri Ramesh Jayaswal Member	4
3	Shri B. K. Agrawal Member	4

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

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

In the said meetings the Committee members inter-alia took note of amount spent on CSR activities during the financial year 2014-15, approved the CSR Budget and the activities planned for the financial year 2015-16.

VII. RISK MANAGEMENT COMMITTEE

The Board constituted the Risk Management Committee to periodically review the risk matrix and ensure that the executive management controls risk through properly defined framework. During the year, the Risk Management Committee met on 10.08.2015. In this meeting the Committee considered and recommended the Risk Management plan covering the identified risks and measures to manage and mitigate the risks involved.

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

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

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

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

VIII. INDEPENDENT DIRECTORS' MEETING

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

Meeting of the Independent Directors of the Company was held on 12th February, 2016 to review the performance of Non-independent Directors (including the Chairman) and the Board as a whole.

IX. GOVERNANCE OF SUBSIDIARY COMPANY

The minutes of the Board Meetings of the Subsidiary Company along with the details of significant transactions and arrangements entered into by the Subsidiary Company are shared with the Board of Directors in its meetings. The financial statements of the Subsidiary Company are presented to the Audit Committee. The Company does not have any material subsidiary as on the date of this report, having a net worth exceeding 20% of the consolidated net worth or income exceeding 20% of the consolidated income of your 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
31.03.15	Registered Office at F-8, MIDC Industrial Area, Hingna Road, Nagpur - 440 016.	29.09.15	12.30 P.M.
31.03.14	Registered Office at F-8, MIDC Industrial Area, Hingna Road, Nagpur - 440 016.	22.09.14	12.30 P.M.
31.03.13	Registered Office at F-8, MIDC Industrial Area, Hingna Road, Nagpur - 440 016.	30.09.13	12.30 P.M.

2. Special Resolutions were passed at the last three Annual General Meetings

a. Annual General Meeting held on 29.09.2015

- Resolution under Section 188 (1) (f) and other applicable provisions of the Companies Act, 2013, if any and the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, approving the increase in remuneration of Shri Avneesh Jayaswal, holding the office of Group Director (an office and place of profit, without being a member of the Board).
- Resolution under Section 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V thereof and the Rules made thereunder including any statutory modifications or re-enactment thereof for the time being in force, approving the appointment and remuneration of Shri Megh Pal Singh as Executive Director (Steel) of the Company for a period of 3 years commencing from 13th day of November, 2014.

b. Annual General Meeting held on 22.09.2014

- Resolution under Section 149, 152 read with Schedule IV and other applicable provisions, if any, 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 Clause 49 of the Listing Agreement, approving the appointment of Shri B. K. Agrawal (DIN: 01223894), as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to 21st September 2019.

c. Annual General Meeting held on 30.09.2013

- i) Resolutions under Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, approving issue of 3,26,49,600 Equity Shares of Rs. 10/- each pursuant to Scheme of Arrangement between the Company and Corporate IspatAlloys Limited.

During the year under review, no special resolution passed through Postal Ballot.

No Special Resolution is proposed to be passed through Postal Ballot.

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 Company's quarterly results are published in 'Loksatta, Indian Express and Financial Express and are displayed on its website (www.necoindia.com).

News releases, presentation: Official news releases and official media releases which are relevant are sent to Stock Exchanges. Wherever it is required presentations are made to the Institutional Investors or to the Analysts.

Website: The Company's website (www.necoindia.com) contains a separate dedicated section 'Investor Relations' where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.

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

NSE Electronic Application Processing System (NEAPS): The NEAPS is a web-based application designed by NSE for corporate. All periodical compliance filings like shareholding pattern, corporate governance report etc. are filed electronically on NEAPS.

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

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

XII. OTHER DISCLOSURES

1. All transactions entered into with Related Parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015, during the financial year were in the ordinary course of business and on an arms length pricing basis and do not attract the provisions of Sections 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.
The Board has approved a policy for related party transactions which has been uploaded on the Company's website. Weblink - <http://necoindia.com/wp-content/uploads/2016/04/RPT-Policy-JNIL-1.pdf>
2. 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 and Whistle Blower Policy under which the employees are free to give their views on the accounting policies and practices of the Company, report unethical or undesirable behavior or practices, actual and suspected fraud taking place in the Company, violations of Company's Code of Conduct or ethics policy. The reportable matters may be disclosed to the Audit Committee through Company Secretary. In exceptional cases employees may also report directly to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.
3. During the last three years no non-compliance has been made by the Company and no penalties, strictures imposed on the Company by stock exchange, SEBI or any statutory authority in respect of any matter related to capital market.

4. The Board of Directors periodically reviewed the compliances of all applicable laws. The Company is in compliance of all mandatory requirements of Listing Regulations. In addition, the Company has also adopted the following non mandatory requirements to the extent mentioned below:
 - i. **Chairman's Office & separate post of Chairman and Managing Director:** Maintaining Non- Executive Chairman's Office at the Company's expense and allowing reimbursement of expenses incurred in performance of his duties. Company has appointed separate persons to the post of Chairman and Managing Director.
 - ii. **Reporting of Internal Auditor:** The internal auditors of the Company directly report to the Audit Committee on functional matters.
5. The Board has approved a policy for determining 'material' subsidiaries which has been uploaded on the Company's website.
Weblink - <http://necoindia.com/wp-content/uploads/2016/04/Policy-on-Material-Subsidiaries-1.pdf>
6. **Commodity Price Risk and Hedging Activities**
Fluctuation in commodity prices
Impact: The prices and demand for Steel are expected to be subdued in near term as the Steel Industry continues to face a challenging economic environment due to economic slowdown in China, volatility in financial markets, sluggish growth in global trade, low oil prices and other commodities.
 The falling steel prices and relatively lower demand may adversely impact the earnings, free cash flows and reserves of the Company.
Mitigation: The Company has implemented various cost reduction projects/schemes, new value additions plant and has also augmented the operational efficiency of its units over the past couple of years which makes the Company's product competitive even in the current market scenario.
 The Company is able to manufacture wide range of steel products of different shapes and sizes and can cater to wide segment of customers thereby maintaining its market share. With increased focus on customers' satisfaction and value added steel products the market share of the Company is expected to grow further.
Commodity Hedging Activity: The Company's policy is to sell its product as per the prevailing market rates and does not enter into any price hedging arrangements with customers. The Company keeps a close vigilant watch on the steel prices to gauge the impact on its earnings.
 The Risk Management Committee reviews the commodity related risks and suggests ways as needed by business divisions. The Company's key focus is on cost optimisation and customer satisfaction.
7. **Foreign Exchange Risk and Hedging Activities**
 Currency exchange rate fluctuations
Impact : The majority of the earnings of the Company are in Indian Currency as the products are mainly sold in the domestic market. The exports are marginal.
 On the import front, the Company imports raw material, mainly coal, from various countries where the exchange fluctuation may have a negative / positive impact on the Company's earnings.
Mitigation/ Hedging: The Company has a robust Foreign Exchange Management Department and has developed various controls in forex management to proactively hedge the forex exposures to avoid any forex loss. The Company is not engaged in any forex speculation.
 The Risk Management Committee reviews the forex and hedging related matter periodically and suggests various ways to business divisions for improvements, if any.

XIII. CONFIRMATION OF COMPLIANCE

1. The Company has complied with the requirements specified in Regulations 17 to 27 and clauses (b) to (i) of the Regulation 46(2) of the Listing Regulations.
2. The Company has laid down Code of Conduct for the Directors and Senior Management Personnel of the Company and they have affirmed to the Board that they have adhered to the Code of Conduct during the year ended 31.03.2016 and the declaration to that effect from Managing Director is annexed to this report.
3. The Statutory Auditors' Certificate that the Company has complied with the conditions of Corporate Governance is annexed to the Report of the Board of Directors.
4. Matters required to be covered under Management Discussion and Analysis report are covered in the Report of the Board of Directors under relevant heads, hence not been given separately.

XIV. GENERAL SHAREHOLDER INFORMATION:

1. The Company is registered in the State of Maharashtra, India with the Registrar of Companies, Mumbai. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L28920MH1972PLC016154.



2. **Annual General Meeting**
Date and Time : 29th September, 2016 at 12.30 P.M.
Venue : Regd. Office at F-8, MIDC, Industrial Area, Hingna Road, Nagpur - 440 016.
3. **Book Closure Date** : 22nd September, 2016 to 29th September, 2016 (both days inclusive).
4. **Dividend Payment Date** : Not Applicable since no dividend is proposed.
5. **Financial Year** : April 1 to March 31
6. **Financial Calendar For the Year ending** : 31st March, 2017

Sr. No.	Particulars	Tentative Date
1	Unaudited Financial Results for the period of 3 months ended 30th June, 2016.	Second week of August, 2016.
2	Unaudited Financial Results for the period of 3 months ending 30th September, 2016.	Second week of November, 2016 or Second week of December, 2016
3	Unaudited Financial Results for the Period of 3 months ending 31st December, 2016.	Second week of February, 2017
4	Audited Financial Results for the period of 12/3 months ending 31st March, 2017.	Last week of May, 2017
5	Annual General Meeting for the year 31st March, 2017.	Last week of September, 2017.

7. **Listing of Equity shares on :**
 - 1) **BSE Limited**
Phiroze Jeejeebhoy Towers, Dalal Street, MUMBAI – 400 001.
Stock Code – 522285.
 - 2) **National Stock Exchange of India Limited,**
Exchange Plaza, 5th Floor, Plot No. 6/1, Bandra Kurla Complex, 'G' Block, Bandra, MUMBAI – 400 051.
Stock Code – JAYNECOIND
8. Annual Listing fees for the year 2016-2017 have been duly paid to both the above Stock Exchanges.
9. Annual Custody / Issuer fee for the year 2016-2017 has been duly paid by the Company to NSDL and CDSL .
10. **Stock Market Data:**
 - A. Data on the closing share prices of the Company on Stock Exchanges during the year under review is as follows:

Month/Year	BSE Limited (BSE)		National Stock Exchange of India Limited (NSE)	
	Price		Price	
	High(Rs.)	Low(Rs.)	High (Rs.)	Low(Rs.)
Apr. 15	10.24	8.43	10.25	8.35
May 15	9.01	8.23	9.00	8.25
June 15	8.69	7.22	8.65	7.30
July 15	9.45	8.27	9.5	8.25
Aug. 15	9.12	7.00	9.10	7.00
Sep. 15	7.62	6.91	7.65	6.90
Oct. 15	8.35	7.51	8.25	7.45
Nov. 15	7.91	7.13	7.85	7.15
Dec. 15	9.91	7.63	9.85	7.70
Jan. 16	10.9	7.72	10.90	7.70
Feb. 16	7.97	6.80	7.95	6.75
Mar. 16	8.00	6.63	8.05	6.65

- B. Equity Shares of the Company are regularly traded on both the Exchanges. During the year, approximately 239.94 Lacs Equity Shares were traded.
- C. Share Price Performance relative to BSE Sensex and NSE Nifty

Financial Year 2015-2016	Percentage Change		
	Company	BSE Sensex	NSE Nifty
	-14.38%	-9.35%	-8.86%

11. **Registrars and Transfer Agents:**

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

Sharex Dynamic (India) Pvt. Ltd.

Unit – 1, Luthra Ind. Premises,
Andheri Kurla Road, Safed Pool,
Andheri (E), Mumbai – 400 072.

SEBI Reg. No. INR 000002102.

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

(a) **Physical Form**

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

During the year, the Company has received one investor complaint, regarding non receipt of transferred shares, which were reposted to the shareholder as the same were received undelivered.

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

(b) **Electronic Form**

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

As such, facilities for dematerialization of the Company's Equity Shares is already operational vide ISIN: INE 854B01010 at both the Depositories. Investors are required to establish an account with a Depository Participant to hold and trade shares in the dematerialized form. Requests received from Shareholders through their Depository Participants for dematerializing the Equity Shares of the Company are processed by the Registrar within a period of 15 days from the date of receipt of such requests and are approved where requests are complete and in order in all respect.

13. **Shareholding Pattern as on 31st March, 2016:**

Category	No. of Shares held	% of total shareholding	No. of Shareholders
A) Shareholding of Promoter and Promoter Group			
Individuals:	15158690	2.37	5
Bodies Corporate:	424144151	66.41	13
Sub-Total (A)	439302841(*)	68.79	18
(B) Public Shareholding			
Institutions:	13964828	2.19	23
Non Institutions:	125574738	19.66	729
a) Bodies Corporate, NRI, OCB and Clearing Members			

b) Individuals			
i. Individuals Shareholders holding nominal Share Capital up-to Rs. 2 Lakhs.	27895845	4.37	39356
ii. Individuals Shareholders holding nominal Share Capital in excess of Rs. 2 Lakhs.	31894811	4.99	284
Sub-Total (B)	199330222	31.21	40392
GRAND TOTAL	638633063	100.00	40410

(*) Includes 52857285 Equity Shares being 12.03% of the Promoter and Promoter Group shareholding and 8.28% of the total Equity Shares Capital pledged in favour of the Lenders to secure their Term Loans.

14. Distribution of shareholding as on 31st March, 2016 :

Shares of Nominal Value (Rs.)	Number of Shareholders	% of Holders	Total Amount	% of Amount
Upto to 5000	30749	76.09	54029940.00	0.85
5001 to 10000	4163	10.30	36237970.00	0.57
10001 to 20000	2251	5.57	36421650.00	0.57
20001 to 30000	858	2.12	22595250.00	0.35
30001 to 40000	425	1.05	15496960.00	0.24
40001 to 50000	453	1.12	21802300.00	0.34
50001 to 100000	736	1.82	55574380.00	0.88
100001 to Above	774	1.92	6144172180.00	96.20
Total	40409	100.00	6386330630.00	100.00

15. Dematerialisation of Shares and Liquidity :

636029459 Equity Shares i.e. 99.59 of the total Equity Shares have been dematerialized up to 30.06.2016.

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

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

17. Plants Locations:

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

18. Address for Investor Correspondence:

Registered Office:

Jayaswal Neco Industries Limited
F-8, MIDC Industrial Area,
Hingna Road,
Nagpur - 440 016.
Ph. Nos. 07104-237276 / 236251.
Fax No. 07104-237583 / 236255.
Email: contact@necoindia.com

Registrar and Transfer Agents Office:

Sharex Dynamic (India) Private Limited
Unit 1, Luthra Ind. Premises,
Andheri Kurla Road, Safed Pool,
Andheri (E), Mumbai – 400 072.
Ph. Nos. 022-28515606, 022-28515644
Fax No. 022-28512885
Email: sharexindia@vsnl.com

For and on behalf of Board of Directors

Place : Nagpur
Date : 12th August, 2016

Basant Lal Shaw
Chairman
(DIN-00249729)

CERTIFICATE OF CORPORATE GOVERNANCE

To,

The Members,

Jayaswal Neco Industries Limited

We have examined the compliance of conditions of Corporate Governance by Jayaswal Neco Industries Limited ('the Company'), for the year ended 31 March 2016, as stipulated in:

- Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with the stock exchange(s) for the period from 1st April 2015 to 30th November 2015.
- Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchange(s) for the period from 1st April 2015 to 1st September 2015.
- Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period from 2nd September 2015 to 31st March 2016, and
- Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from 1st December 2015 to 31st March 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.

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.

For **Chaturvedi & Shah**
Chartered Accountants
Firm Reg. No. – 101720W

For **Agrawal Chhallani & Co.**
Chartered Accountants
Firm Reg. No. – 100125W

R. Koria
Partner
Membership No. – 35629
Place: Mumbai
Date: 12th August, 2016

S. R. Chhallani
Partner
Membership No. – 30154
Place : Nagpur

CODE OF CONDUCT

It is hereby declared pursuant to SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 that to the best of our knowledge and belief, all the Board Members and Senior Management personnel have, for the year ended 31.03.2016, adhered to the Code of Conduct laid down by the Company.

Arbind Jayaswal
Managing Director / CEO
Dated : 12th August, 2016.



INDEPENDENT AUDITORS' REPORT

TO
THE MEMBERS OF
JAYASWAL NECO INDUSTRIES LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **JAYASWAL NECO INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, as applicable.

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 appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016 and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, as applicable;
 - e. On the basis of the written representations received from the directors as on 31st March, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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 over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure A**”
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 12.08, 12.09, 12.10, 31(A), 31(B), 31(C) and 44 to the standalone financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 (“the Order”) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in “**Annexure B**” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Chaturvedi & Shah

Chartered Accountants

(Firm Registration No. - 101720W)

R Koria

Partner

Membership No. - 35629

Place: Mumbai

Date : 27th May, 2016

For Agrawal Chhallani & Co.

Chartered Accountants

(Registration No. : 100125W)

S. R. Chhallani

Partner

Membership No. - 30154

Place: Nagpur

Date : 27th May, 2016

"ANNEXURE A" TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 (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 standalone financial statements for the year ended 31st March, 2016)

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

We have audited the internal financial controls over financial reporting of **Jayaswal Neco Industries Limited ("the Company")** as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. 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 over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the company's internal financial control over financial reporting as on 31st March, 2016 in respect of:

- a) Monitoring of EPC contract for projects under implementation, which could potentially result in excess advances to contractors and related monitoring issues.
- b) The information technology used by the company does not have stringent controls in respect of modification / editing of transactions, which may lead to incorrect reporting of information.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31st March, 2016 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the 31st march, 2016 standalone financial statements of the Company, and these material weaknesses does not affect our opinion on the standalone financial statements of the Company.

For Chaturvedi & Shah

Chartered Accountants

(Firm Registration No. - 101720W)

R Korla

Partner

Membership No. - 35629

Place: Mumbai

Date : 27th May, 2016

For Agrawal Chhallani & Co.

Chartered Accountants

(Registration No. : 100125W)

S. R. Chhallani

Partner

Membership No. - 30154

Place: Nagpur

Date : 27th May, 2016

“ANNEXURE B” TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date to the members of Jayaswal Neco Industries Limited on the standalone financial statements for the year ended 31st March, 2016)

i. In respect of its fixed assets:

- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
- b. As explained to us, the Company has physically verified certain assets, in accordance with a phased program of verification, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification as compared with the available records.
- c. According to the information and explanations given to us, the title deeds of immovable properties are generally in the name of the Company except in respect of 5 immovable properties at Raipur having the aggregate value of **Rs. 31 lacs** in respect of which the documents are not registered in the name of the company with the concerned Government Authority and also in case of properties acquired by the entities or unit that have since been amalgamated/merged with the company in pursuance to the scheme of amalgamation / demerger / arrangement approved by Hon'ble High Court and details of which are as under.

Sr. No.	Particulars of the land and building	Leasehold / Freehold/ Building	Gross Block as at 31st March, 2016	Net Block as at 31st March, 2016	Remarks (give reasons for the exception)
1	4 immovable properties land at Raipur (1 agreement equitable mortgage with the lenders)	Leasehold Land	1790.13	1601.25	2 title deeds are in the name of Corpoarte Ispat Alloys Limited, from where the unit demerge and acquired by the Company and 2 title deeds are in the name of Nagpur Alloy Castings Limited erstwhile Company that were amalgamated with the Company under the Companies Act, 1956
2	7 immovable properties (land / building) at Nagpur / Kolkata / Mumbai (4 agreements equitable mortgage with the lenders)	Free hold land /building	106.56	73.07	The title deeds are in the name of Jayaswal Neco Limited (earlier known as Jayaswal Chemical Private limited) erstwhile Company that were amalgamated with the Company under the Companies Act, 1956

As informed to us, in respect of **59** immovable properties having the aggregate value of **Rs. 795.21 lacs** the original title deeds have been equitable mortgage with the lenders as security, we have been produced photocopies of documents for those immovable properties and based on such documents, the title deeds are held in the name of the Company except 5 immovable properties as disclosed above.

ii. In respect of its inventories:

As explained to us, inventories have been physically verified during the year by the management except for inventories in transit for which management confirmation has been received. In our opinion the frequency of verification is reasonable. Discrepancies noticed on physical verification of the inventories between the physical

inventories and book records were not material, having regard to the size of the operations of the Company, and the same have been properly dealt with.

- iii. In respect of loans, secured or unsecured, granted by the company to companies, firms, limited liability Partnerships or other parties covered in the register maintained under section 189 of the Act:
 - a) In the earlier years the Company had granted unsecured loan to the subsidiary company and the terms and conditions on which this loan had been granted were not, prima facie, prejudicial to the interest of the Company.
 - b) The terms of repayment of principal and payment of interest have been stipulated and the principal and interest were not due for payment during the year.
 - c) As the repayment of the loan and interest is not due, the question of overdue amount does not arise, however in view of the reasons as mentioned in note no. 43 (i) b to the standalone financial statements the above loan and interest receivables has been fully provided for in the financial statements as on 31st March 2016.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees.
- v. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) (d) of the Companies Act, 2013, as applicable and are of the opinion that, prima facie, the prescribed accounts and records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - a. The company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Service tax, Customs Duty, Excise Duty, Value Added Tax, Cess and any other statutory dues with the appropriate authorities during the year except in certain cases. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as at 31st March, 2016 for a period of more than six months from the date they became payable.
 - b. Details of dues of Duty of Custom, Duty of Excise, Service Tax, Sales Tax and Value Added Tax aggregating to **Rs.3,080.65 Lacs** that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

Name of the Statutes	Nature of the Dues	Period to which it relates	Amounts (Rs. in Lacs)(*)	Forum where the dispute is pending
The Custom Act, 1962	Custom Duty	2004-05	100	CESTAT
The Central Excise Act, 1944	Excise Duty	2001-11	1247.81	CESTAT
		2009-10	37.91	Additional Commissioner
Finance Act, 1994	Service Tax	2005-09	171.68	CESTAT
		2009-10	60.61	Commissioner
The Central Sales Tax Act, 1956 and Sales Tax Acts of various states	Sales Tax / VAT	2006-07	200.61	Commercial tax Tribunal
		1993-94, 1995-97, 2002-03 & 2004-05	1,128.62	Joint Commissioner
		2007-11	119.79	Additional Commissioner
		1996-97, 2002-03	13.62	Deputy Commissioner (A)
		Total	3,080.65	

(*) Net of amount deposited under protest

- viii. Based on our audit procedures and according to the information and explanations given by the management, we are of the opinion that as on 31st March, 2016 the Company has defaulted in repayment of dues to banks aggregating to Rs. 1,777.60 Lacs. Lender wise details of such default is as under:

(Rs. in Lacs)

Sr. No.	Bank	Principal amount of default as at the balance sheet date	Period of default
1	IDBI Bank	261.12	Below 90 days
2	ICICI Bank	91.67	Below 90 days
3	Union Bank of India	114.83	Below 90 days
	Union Bank of India (Working Capital)	1,036.67	Below 90 days
4	UCO Bank	224.62	Below 90 days
5	State Bank of India	48.69	Below 90 days
	Total	1,777.60	

According to the information and explanations given to us, the following banks have classified the credit facilities given to the Company as Non Performing Asset (NPA) as on 31st March 2016 in their Books of Account due to non-achievement of Date of Commencement of Commercial Operations (DCCO) for its projects by the Company.

Sr. No.	Bank	Term Loan Principal	Fund Based Working Capital (Incl. SLOC & CC)	Total
1	Andhra Bank	4,852.00	-	4,852.00
2	Bank of India	9,433.00	-	9,433.00
3	Bank of Maharashtra	9,432.31	-	9,432.31
4	Indian Overseas Bank	14,575.00	-	14,575.00
5	Punjab National Bank	71,359.00	8,735.76	80,094.76
6	State Bank of Patiala	3,900.00	-	3,900.00
7	State Bank of Bikaner & Jaipur	18,866.00	1,751.37	20,617.37
8	State Bank of Hyderabad	16,036.00	-	16,036.00
9	State Bank of India	39,235.93	35,355.27	74,591.20
10	State Bank of Travancore	19,482.22	3,133.34	22,615.56
11	UCO Bank	3,144.75	-	3,144.75
12	Union Bank of India	47,951.12	5,904.16	53,855.28
13	Oriental Bank of Commerce	14,149.00	2,432.88	16,581.88
	Total	272416.33	57,312.78	329729.11

- ix. According to the information and explanations given to us, during the year the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). The term loans raised during the year have, prima facie, been applied for the purpose for which they are raised..
- x. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and on the basis of information and explanations given by the management, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion, according to the information and explanations given to us, the Company has paid or provided managerial remuneration in accordance with the provisions of requisite approvals mandated by the provision of section 197 read with Schedule V to the Act (read with General Circular no. 07/2015 dated 10th April, 2015).
- xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of Clause (xii) of paragraph 3 of the Order are not applicable to the Company.

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

For Chaturvedi & Shah

Chartered Accountants
(Firm Registration No. - 101720W)

R Koria

Partner
Membership No. - 35629

Place: Mumbai

Date : 27th May, 2016

For Agrawal Chhallani & Co.

Chartered Accountants
(Registration No. : 100125W)

S. R. Chhallani

Partner
Membership No. - 30154

Place: Nagpur

Date : 27th May, 2016



BALANCE SHEET AS AT 31ST MARCH, 2016

PARTICULARS	Note No.	As at 31.03.2016 Rs.in lacs	As at 31.03.2015 Rs.in lacs
I. EQUITY AND LIABILITIES			
1) Shareholders' Funds			
Share Capital	2	63862.58	63862.58
Reserves and Surplus	3	<u>149295.40</u>	<u>157949.33</u>
		213157.98	221811.91
2) Non Current Liabilities			
Long Term Borrowings	4	302190.48	295847.88
Deferred Tax Liability (Net)	5	18371.05	21390.42
Other Long Term Liabilities	6	26.75	23.42
Long Term Provisions	7	<u>-</u>	<u>2694.95</u>
		320588.28	319956.67
3) Current Liabilities			
Short Term Borrowings	8	89587.81	84494.41
Trade Payables			
Total outstanding dues of Micro and Small Enterprises	9	468.68	288.29
Total outstanding dues of Creditors other than Micro and Small Enterprises		37878.88	42922.76
Other Current Liabilities	10	41354.71	45052.91
Short Term Provisions	11	<u>4987.66</u>	<u>6158.90</u>
		174277.74	178917.27
TOTAL		<u><u>708024.00</u></u>	<u><u>720685.85</u></u>
II. ASSETS			
1) Non Current Assets			
Fixed Assets	12		
Tangible Assets		218271.97	133932.17
Intangible Assets		1575.95	6177.74
Capital Work in Progress		284485.53	298442.66
Intangible Assets under Development		<u>697.47</u>	<u>15303.22</u>
		505030.92	453855.79
Non Current Investments	13	0.01	0.01
Long Term Loans and Advances	14	<u>69519.62</u>	<u>100900.85</u>
		574550.55	554756.65
2) Current Assets			
Current Investments	15	93.68	1496.16
Inventories	16	63047.21	92459.41
Trade Receivables	17	31317.30	31446.08
Cash and Bank Balances	18	4792.16	6018.01
Short Term Loans and Advances	19	27273.68	34509.54
Other Current Assets	20	<u>6949.42</u>	<u>-</u>
		133473.45	165929.20
TOTAL		<u><u>708024.00</u></u>	<u><u>720685.85</u></u>
Significant Accounting Policies	1		
Notes to the Financial Statements	2 to 46		

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

For and on behalf of Board of Directors

R. KORIA
Partner
Membership No.:35629

ARBIND JAYASWAL
Managing Director
DIN : 00249864

For AGRAWAL CHHALLANI & CO.
Chartered Accountants
(Registration No. : 100125W)

ASHUTOSH MISHRA
Company Secretary
Membership No.:A23011

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

S. R. CHHALLANI
Partner
Membership No.:30154

Nagpur, 27th May, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2016

PARTICULARS		Note No.	Year ended 31.03.2016 Rs.in lacs	Year ended 31.03.2015 Rs.in lacs
1	Revenue from Operations (Gross)	21	295187.04	335628.53
	Less : Excise Duty / Service Tax Recovered		31925.47	33201.52
	Revenue from Operations (Net)		263261.57	302427.01
2	Other Income	22	3520.52	1736.80
3	Total Revenue (1+2)		266782.09	304163.81
4	Expenses			
	Cost of Materials Consumed	23	157186.05	166184.72
	Purchase of Stock in Trade	24	9505.18	30459.10
	Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	25	7768.32	(4177.36)
	Employee Benefits Expense	26	13188.13	15762.21
	Finance Costs	27	21747.26	18484.72
	Depreciation and Amortisation Expenses	12	8071.06	8283.79
	Other Expenses	28	52765.69	58271.52
	Total Expenses		270231.69	293268.70
5	(Loss) / Profit before Exceptional Items and Tax (3-4)		(3449.60)	10895.11
6	Exceptional Items	43	7200.39	9161.53
7	(Loss) / Profit before Tax (5-6)		(10649.99)	1733.58
8	Tax Expenses :			
	Current Tax		-	446.51
	MAT Credit Entitlement		-	(377.36)
	Income Tax for Earlier Years		1023.31	8.62
	Deferred Tax	5	(3019.37)	1458.97
			(1996.06)	1536.74
9	(Loss) / Profit for the year (7-8)		(8653.93)	196.84
10	Earnings per Equity Share of Rs.10/- each	29		
	Basic (Rs.)		(1.36)	0.03
	Diluted (Rs.)		(1.36)	0.03
	Significant Accounting Policies	1		
	Notes to the Financial Statements	2 to 46		

As per our Report of even date

For CHATURVEDI & SHAH

Chartered Accountants

(Registration No. : 101720W)

R. KORIA

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Membership No.:35629

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ARBIND JAYASWAL

Managing Director

DIN : 00249864

P.K.BHARDWAJ

Executive Director &

Chief Financial Officer

DIN : 03451077

Nagpur, 27th May, 2016



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	31.03.2016 (Rs.in lacs)	31.03.2015 (Rs.in lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net (Loss) / Profit Before Tax as per Statement of Profit and Loss	(10649.99)	1733.58
ADJUSTED FOR		
Depreciation and Amortisation Expenses	8071.06	8283.79
Exceptional Items	7200.39	-
Profit on sale of Fixed Assets (Net)	(1.07)	0.24
Profit on sale of Investments (Net)	(25.76)	(10.09)
Interest Income	(3415.12)	(1435.53)
Finance Costs	21747.26	18484.72
Unrealised Foreign Exchange differences	(277.48)	(51.05)
Provision for Sales Tax Deferral	545.68	493.98
Bad Debts / Advances written off (Net of reversal)	202.57	13.52
Provision for Doubtful Debts / Advances	1225.74	396.67
Provision for Diminution in value of Investments	2.49	(1.30)
Provision for Wealth Tax	-	1.66
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	24625.77	27910.19
ADJUSTMENTS FOR		
Trade and Other Receivables	4965.80	10460.85
Inventories	29412.20	(14294.36)
Trade and Other Payables	(7059.89)	10412.04
CASH GENERATED FROM OPERATIONS	51943.88	34488.72
Direct Taxes (Paid) / Refund	123.08	(1181.65)
Wealth Tax	(1.66)	(1.56)
NET CASH FLOW FROM OPERATING ACTIVITIES	52065.30	33305.51
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets and Capital Work-in-Progress	(15145.56)	(52216.09)
Sale of Fixed Assets	17.85	0.14
Compensation on Cancellation of Coal Mining Assets	8463.81	-
Sale of Investments	201.19	12.04
Purchase of Investments	(145.99)	(50.00)
Advances to Subsidiary (Net)	20.00	-
Interest Income	3906.72	769.00
NET CASH USED IN INVESTING ACTIVITIES	(2681.98)	(51484.91)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceed against issue of Equity Shares	-	10000.00
Repayment of Lease Liability	(354.48)	(895.91)
Proceed from Long Term Borrowings	5576.36	71103.23
Repayment of Long Term Borrowings	(7225.12)	(17831.37)
Inter Corporate Deposits (Long Term)	2000.00	-

Short Term Loans (Net)	5093.40	(15561.80)
Finance Costs	(55622.14)	(48073.75)
Margin Money and Current Account not included in Cash and Cash Equivalents	(111.33)	280.26
NET CASH USED IN FINANCING ACTIVITIES	(50643.31)	(979.34)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1259.99)	(19158.74)
CASH AND CASH EQUIVALENTS (OPENING BALANCE)	2129.09	21287.83
Effect of Exchange rate on Cash and Cash Equivalents	0.00	0.04
Balance of Cash and Cash Equivalents	869.10	2129.05
CASH AND CASH EQUIVALENTS (CLOSING BALANCE)	869.10	2129.09

- (i) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statements".
- (ii) Figures in brackets indicate Outflows.
- (iii) Previous Year's figures have been regrouped / rearranged wherever necessary to make them comparable with those of current year.

As per our Report of even date

For CHATURVEDI & SHAH

Chartered Accountants
(Registration No. : 101720W)

R. KORIA

Partner
Membership No.:35629

For AGRAWAL CHHALLANI & CO.

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P.K.BHARDWAJ

Executive Director &
Chief Financial Officer
DIN : 03451077

Nagpur, 27th May, 2016

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

NOTE: 1

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1.01 BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013 as adopted consistently by the Company. The financial statements have been prepared on a going concern basis under the historical cost convention except for certain fixed assets which are carried at revalued amounts.

1.02 USE OF ESTIMATES:

The preparation of financial statements in conformity with Indian GAAP requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

1.03 FIXED ASSETS:

Tangible Assets

Tangible Assets are stated at cost net of Central Value Added Tax and Value Added Tax Credits, less accumulated depreciation and impairment loss, if any. The cost of Tangible Assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use. Tangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Capital Work-in-Progress".

Intangible Assets

Intangible Assets are stated at cost less accumulated amortisation. Process Development Cost is amortised over a period of ten years. Technical Know-how is amortised over the useful life of the underlying plant. Softwares are amortised over a period of three years and Indefeasible Right to Use has been amortised over the period of the agreement.

1.04 LEASE:

- a) Operating Leases: Rentals are expensed with reference to lease terms and other considerations.
- b) In respect of Lease transactions the lower of the fair value of the assets and the present value of the minimum lease rentals is capitalized as fixed assets with corresponding amount shown as lease liability. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to the Statement of Profit and Loss.

1.05 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 and site restoration cost. The site restoration costs are provided upfront and comprises provision for expenses related to abandonment cost of its operational coal mine which includes dismantling of structures / demolition and cleaning of sites, rehabilitation of mining machinery, plantation, physical / biological reclamation, landscaping, biological reclamation of left out Overburden dump, post environmental monitoring for 3 years, rehabilitation measures, etc. Actual payments for restoration are charged directly against the provision. The present obligation is revised annually based on technical estimates by internal or external specialists. 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.

1.06 DEPRECIATION:

- i) Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Straight Line Method. Depreciation is provided over 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 as per technical evaluation than those prescribed in Schedule II:

Particulars	Useful life considered for depreciation
(a) Various plants at its Integrated Steel Complex and Flat product making facilities at Raipur	Over 40 years
(b) Certain Plant and equipments including Furnace, Sand Plants, Moulding Machines etc. at Automotive Casting Division (II) at Nagpur.	Over 30 years

The Management believes that the useful lives as given above represent the period over which management expects to use these assets.

- ii) Assets acquired under finance lease on or after 1st April 2001 are depreciated on a straight line basis over the lease term.
- iii) The leasehold land has been amortised over the lease period.
- iv) In respect of additions or extensions forming an integral part of existing assets and insurance spares, depreciation is provided as aforesaid over the residual life of the respective assets.

1.07 IMPAIRMENT OF ASSETS:

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

1.08 INVESTMENT:

Current investments are carried at the lower of cost and quoted / fair value, computed category- wise. Non Current Investments are stated at cost. Provision for diminution in the value of Non Current Investments is made only if such a decline is other than temporary.

1.09 INVENTORY:

The inventories i.e. Raw Materials, Stores and Spares, Finished Goods etc. have been valued at lower of cost and net realisable value. The Cost of Inventories comprise of all costs of purchase, costs of conversion and other costs incurred in bringing them to their respective present location and condition. The cost of Raw Materials and Stores & Spares are determined at First-In-First-Out Method and Weighted Average Method respectively. By-products are valued at Net Realisable Value. The cost of Work-in-progress and Finished Stock is determined on absorption costing method. The value of inventories of Finished Goods includes Excise Duty wherever applicable.

1.10 FOREIGN CURRENCY TRANSACTIONS:

- i) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of the transaction.
- ii) Monetary items denominated in foreign currencies at the year end are restated at the year end rates. In case of monetary items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference in the Statement of Profit and Loss and the premium paid on forward contracts has been recognised over the life of the contract.
- iii) Non monetary foreign currency items are carried at cost.
- iv) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.

1.11 FINANCIAL DERIVATIVES:

In respect of derivative contracts, premium paid, gains / losses on settlement and losses on restatement are recognised in the Statement of Profit and Loss.

1.12 REVENUE RECOGNITION:

Revenue is recognised only when risk and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes income from sale of goods, trial run products, services, job work, excise duty and is net of rebates, discounts, sales tax and value added tax recovered. Interest income is recognised on a time proportion basis taking into account the amount outstanding and rate applicable. Dividend is considered when the right to receive is established.

1.13 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.

1.14 BORROWING COSTS:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets (net of income earned on deployment of funds) are capitalised as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to Statement of Profit and Loss.

1.15 DEFERRED LIABILITIES:

Sales Tax payable under the Deferral Scheme of Incentives is provided for on the basis of Net Present Value.

1.16 EMPLOYEE BENEFITS:

- i) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss / Preoperative expenditure of the year in which the related service is rendered.
- ii) Post employment and other long term employee benefits are recognized as an expense in the Statement of Profit and Loss / Preoperative expenditure for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques based on projected unit credit method. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Statement of Profit and Loss / Preoperative expenditure.

1.17 PRELIMINARY AND ISSUE EXPENSES:

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

1.18 SEGMENT ACCOUNTING:

i) Segment Accounting Policies :

Segment accounting policies are in line with the accounting policies of the Company. However, the following specific accounting policies have been followed for segment reporting:

- (a) Segment Revenue includes Sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.
- (b) Expenses that are directly identifiable with / allocable to segments are considered for determining the Segment Result. The expenses which relate to the Company as a whole and not allocable to segments are included under "Unallocable expenditure".
- (c) Income which relates to the Company as a whole and not allocable to segments is included in "Unallocable Corporate Income".
- (d) Segment Assets and Liabilities include those directly identifiable with the respective segments. Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment. Unallocable assets mainly comprise investments, unallocable loans and advances and deferred revenue expenditure. Unallocable liabilities include mainly loan funds and interest liabilities.

ii) Inter-Segment Transfer Pricing :

Segment Revenue resulting from transactions with other business segments is accounted on the basis of market price.

1.19 PROVISION FOR DOUBTFUL TRADE RECEIVABLES AND LOANS AND ADVANCES:

Provision is made in the accounts for doubtful trade receivables and loans and advances in cases where the management considers the trade receivables, loans and advances, to be doubtful of recovery.

1.20 PROVISION FOR CURRENT AND DEFERRED TAX:

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future. In the case of unabsorbed depreciation and carry forward tax losses, all deferred tax asset are recognised only if there is virtual certainty that they can be realised against future taxable profits.

1.21 PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

Provision involving substantial degree of estimation in measurement is recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the financial statements. Contingent Assets are neither recognized nor disclosed in the financial statements.

NOTE : 2 SHARE CAPITAL

PARTICULARS	As at 31.03.2016 Rs.in lacs	As at 31.03.2015 Rs.in lacs
Authorised		
1,00,00,00,000 (Previous Year 1,00,00,00,000) Equity Shares of Rs.10/- each	100000.00	100000.00
	100000.00	100000.00
Issued, Subscribed and Paid up		
63,86,33,063 (Previous Year 63,86,33,063) Equity Shares of Rs.10/- each fully paid up	63863.30	63863.30
Less : Allotment Money Unpaid (from other than Directors)	0.72	0.72
TOTAL	63862.58	63862.58

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

Particulars	As at 31.03.2016		As at 31.03.2015	
	No. of Shares	Amount Rs.in lacs	No. of Shares	Amount Rs.in lacs
Shares outstanding at the beginning of the year	63,86,33,063	63863.30	59,86,33,063	59863.30
Add : Shares issued on Preferential Basis	-	-	40,000,000	4000.00
Shares outstanding at the end of the year	63,86,33,063	63863.30	63,86,33,063	63863.30

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

Name of Shareholders	As at 31.03.2016		As at 31.03.2015	
	No of Share held	Percentage held	No of Share held	Percentage held
Jayaswal Holdings Private Limited	5,30,98,951	8.31	5,30,98,951	8.31
Karamveer Impex Private Limited	4,72,29,000	7.40	4,72,29,000	7.40
Nine Star Plastic Packaging Services Private Limited	4,42,94,600	6.94	4,42,94,600	6.94
Jayaswal Neco Metallica Private Limited	4,07,10,500	6.37	4,07,10,500	6.37
Jayaswal Neco Energy Private Limited	3,97,32,000	6.22	3,97,32,000	6.22
Avon Sales and Services Private Limited	3,90,95,000	6.12	3,90,95,000	6.12
Anurag Sales and Services Private Limited	3,89,31,000	6.10	3,89,31,000	6.10
Jayaswal Neco Power Private Limited	3,63,54,500	5.69	3,63,54,500	5.69
Apex Spinning Mills Private Limited	3,52,99,600	5.53	3,52,99,600	5.53
Jayaswal Neco Infrastructures Private Limited	3,43,85,500	5.38	3,43,85,500	5.38

2.03 3,26,49,600 (Previous Year 3,26,49,600) shares were allotted in the last five years pursuant to Scheme of Arrangement without payment being received in cash.

2.04 Rights of Equity Shareholders

The Company has only one class of equity shares having a face value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the equity shareholders will be entitled to receive any of remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.



NOTE : 3 RESERVES AND SURPLUS

PARTICULARS	As at 31.03.2016 Rs.in lacs	As at 31.03.2016 Rs.in lacs	As at 31.03.2015 Rs.in lacs
Capital Reserve			
Balance as per last Balance Sheet		7762.89	7762.89
Capital Redemption Reserve			
Balance as per last Balance Sheet		5100.37	5100.37
Securities Premium Reserve			
Balance as per last Balance Sheet	96345.81		90345.81
Add : Received on issue of Equity Shares	-		6000.00
		96345.81	96345.81
Revaluation Reserve			
Balance as per last Balance Sheet	21.47		22.23
Less : Amount of Depreciation attributable on appreciated value transferred to Surplus	0.76		0.76
		20.71	21.47
General Reserve			
Balance as per last Balance Sheet		16700.87	16700.87
Surplus			
Balance as per last Balance Sheet	32017.92		32592.05
Add : (Loss) / Profit for the year	(8653.93)		196.84
Add : Transferred from Revaluation Reserve	0.76		0.76
Less : Adjustment related to Fixed Assets (Refer Note No. 12.11)	-		1180.16
Add : Deferred Tax Adjustment related to Fixed Assets (Refer Note No. 12.11)	-		408.43
		23364.75	32017.92
TOTAL		149295.40	157949.33

NOTE : 4 LONG TERM BORROWINGS

PARTICULARS	As at 31.03.2016 Rs.in lacs	As at 31.03.2015 Rs.in lacs
Secured		
Term Loans		
- From Banks	294804.63	290480.83
Unsecured		
Sales Tax Deferral (Under Package Scheme of Incentives) (Refer Note No. 4.07)	4729.12	4350.54
Inter Corporate Deposits from Related Parties (Refer Note No. 4.09 & 35(c))	2000.00	-
Long Term Maturities of Finance Lease Obligations (Refer Note No. 4.06)	656.73	1016.51
TOTAL	302190.48	295847.88

- 4.01** The Term Loans from Banks referred to above aggregating to Rs. 294764.08 lacs and Rs. 16462.33 lacs included in Current Maturities of Long Term Debts in Note No. 10 are guaranteed by some of the Directors in their personal capacities. Out of the above, loans amounting to Rs. 9046.15 lacs and Rs. 1303.11 lacs included in Current Maturities of Long Term Debts in Note No. 10 are further secured by way of pledge of 49857285 equity shares of the Company held by the Promoters.
- 4.02** Term Loans from Banks referred to above aggregating to Rs. 294764.08 lacs and Rs. 16462.33 lacs included in Current Maturities of Long Term Debts in Note No. 10 are secured by way of :
- First Charge on the moveable and immoveable fixed assets of the Company, both present and future on pari-passu basis.
 - First Ranking Charge on all titles and interest of the borrower in respect of all project documents / contracts / licenses including insurance contracts and rights except mining rights pertaining to the assets of the borrower on pari-passu basis.
 - Charge on all the current assets of the Company including raw materials, finished goods, stock-in-process, trade receivables, both present and future on pari-passu basis amongst them ranking next to the charge in favour of bankers to secure their working capital loans.
- 4.03** Term Loans of Rs. 40.55 lacs and Rs. 37.77 lacs included in Current Maturities of Long Term Debts are secured by way of hypothecation of the specific Equipments / Vehicles financed.
- 4.04** During the year the Company has been sanctioned flexible structuring of its existing project term loans, in term of RBI circular no. DBR.No.BP.BC.53/21.04.132/2014-15 dated 15th December, 2014, by all its concerned bankers and has also been implemented by them. The said flexible structuring provides for total door to door tenor of 17 years for the Company's term loans ending on 31st March, 2032 with refinancing to be done at the end of every seven years either by the same bankers or new bankers.
- 4.05** Term Loans from Banks referred to above and Rs. 15759.17 lacs included in Current Maturities of Long Term Debts (excluding overdue of principal) in Note No.10 are to be repaid as under:
- Rs. 637.50 lacs is repayable in 12 equal monthly instalments of Rs. 53.13 lacs each, ending in March, 2017.
- Rs. 195244.22 lacs is repayable in 192 structured monthly instalments, commencing from April, 2016 and ending in March, 2032.
- Rs. 29575.71 lacs is repayable in 192 structured monthly instalments, ending in March, 2032.
- Rs. 183.33 lacs is repayable in 4 equal monthly instalments of Rs. 45.83 lacs each, ending in July, 2016.
- Rs. 5159.41 lacs is repayable in 39 equal monthly instalments of Rs. 132.29 lacs each, ending in June, 2019.
- Rs. 43560.31 lacs is repayable in 78 equal monthly instalments of Rs. 558.47 lacs each, commencing from September, 2016 and ending in February, 2023.
- Rs. 9515.45 lacs is repayable in 46 structured monthly instalments, ending in January, 2020.
- Rs. 13300.00 lacs is repayable in 72 equal monthly instalments of Rs. 184.72 lacs each, commencing from June, 2017 and ending in May, 2023.
- Rs. 9611.55 lacs is repayable in 104 structured monthly instalments, ending in November, 2024.
- Rs. 3698.00 lacs is repayable in 84 equal monthly instalments of Rs. 44.02 lacs each, commencing from January, 2019 and ending in December, 2025.
- Vehicle Loans amounting to Rs. 78.32 lacs are repayable in 36 to 60 monthly equal instalments as per repayment schedule.
- Interest rate on the above Term Loans ranging from 12.70 % p.a. to 14.25 % p.a.



Maturity Profile of Term Loans is as under :

(Rs.in lacs)				
	Financial Year	Amount	Financial Year	Amount
Term Loans from Banks	2016-17	16500.10	2024-25	18335.82
	2017-18	19972.37	2025-26	17153.74
	2018-19	20469.95	2026-27	16757.53
	2019-20	23256.41	2027-28	16757.53
	2020-21	23185.32	2028-29	16757.53
	2021-22	24535.30	2029-30	16757.53
	2022-23	27220.70	2030-31	16757.53
	2023-24	19230.26	2031-32	17657.11

- 4.06** The Minimum Lease Rentals outstanding as on 31st March, 2016 in respect of assets having the Gross Liability of Rs. 4574.93 lacs (Previous Year Rs. 4574.93 lacs) taken on financial lease is as follows :

	31.03.2016 (Rs.in lacs)	31.03.2015 (Rs.in lacs)
Minimum Lease Payments		
(i) Payable not later than 1 year	747.23	561.71
(ii) Payable later than 1 year and not later than 5 years	765.00	1305.00
(iii) Payable later than 5 years	-	-
Total Minimum Lease Payments	1512.23	1866.71
Less : Future Finance Charges	288.49	536.36
Present Value of Minimum Lease Payments	1223.74	1330.35
Present Value of Minimum Lease Payments		
(i) Payable not later than 1 year	567.01	313.84
(ii) Payable later than 1 year and not later than 5 years	656.73	1016.51
(iii) Payable later than 5 years	-	-
Total Present Value of Minimum Lease Payments	1223.74	1330.35

General description of Lease terms :

- (i) Lease Rentals are charged on the basis of agreed terms.
- (ii) Assets are taken on lease for a period of 5 to 10 years.

- 4.07** The Company is 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, 2016 is Rs. 7808.35 lacs (Previous Year Rs. 7797.64 lacs) which is provided for on the basis of its Net Present Value of Rs. 4981.95 lacs (Previous Year Rs. 4411.10 lacs). This Sales-tax liability is repayable in five equal annual instalments 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.

- 4.08** As on 31st March, 2016, the Company has overdue of principal of Rs. 740.93 lacs (Previous Year Rs. 1618.89 lacs) and Interest of Rs. 9502.36 lacs (Previous Year Rs. 6557.07 lacs) included in Current Maturities of Long Term Debts and Interest Accrued and Due respectively in Note No. 10 for a period of less than 90 days. Further due to non-achievement of Date of Commencement of Commercial Operations (DCCO) for the Company's project, 13 banks have classified the credit facilities given to the Company aggregating to Rs. 329729.11 lacs as at 31st March, 2016 as Non Performing Asset (NPA) in their Books of Account.

As on 31st March, 2016, the Company has overdue of Lease Obligations of Rs. 207.24 lacs (Previous Year Rs. 23.29 lacs) included in Current Maturities of Lease Obligations in Note No. 10.

- 4.09** Interest free Inter Corporate Deposits are repayable after the repayment of Term Loans taken for Long Term Working Capital Margin i.e. after December, 2025.

NOTE : 5 DEFERRED TAX LIABILITY (NET)

PARTICULARS	As at	As at	As at
	31.03.2016	31.03.2016	31.03.2015
	Rs.in lacs	Rs.in lacs	Rs.in lacs
Deferred Tax Liabilities			
Related to Fixed Assets	27264.46		21259.44
Leased Asset	47.04		47.85
Sales Tax Deferral not debited to Statement of Profit and Loss	978.16		1172.01
		28289.66	22479.30
Deferred Tax Assets			
Items disallowed under section 43B of Income Tax Act, 1961	426.16		478.30
Provision for Doubtful Trade Receivables and Advances	1342.60		610.58
Unabsorbed Depreciation	8149.85		-
		9918.61	1088.88
Net Deferred Tax Liability	TOTAL	18371.05	21390.42
Net Increase / (Decrease) in Deferred Tax Liability		(3019.37)	1050.54
Add : Deferred Tax Adjustment related to Fixed Assets		-	408.43
Amount Debited / (Credited) to Statement of Profit and Loss		(3019.37)	1458.97

NOTE : 6 OTHER LONG TERM LIABILITIES

PARTICULARS	As at	As at
	31.03.2016	31.03.2015
	Rs.in lacs	Rs.in lacs
Security Deposits	26.75	23.42
TOTAL	26.75	23.42

NOTE : 7 LONG TERM PROVISIONS

PARTICULARS	As at	As at
	31.03.2016	31.03.2015
	Rs.in lacs	Rs.in lacs
Provision for Site Restoration Expenses	-	2694.95
TOTAL	-	2694.95

7.01 The Provision for Site Restoration Expenses was made in terms of guidelines for preparation of mines closure plan issued by Ministry of Coal, Government of India. In view of the cancellation of the mines, during the year the provision has been reversed and adjusted to the cost of mining assets (Refer Note No. 12.10)



NOTE : 8 SHORT TERM BORROWINGS

PARTICULARS	As at	As at	As at
	31.03.2016	31.03.2016	31.03.2015
	Rs.in lacs	Rs.in lacs	Rs.in lacs
Secured			
Working Capital Rupee Loans from Banks		75442.39	68044.53
Unsecured			
Inter Corporate Deposits taken from :			
i) Related Parties (Refer Note No.35(c))	2796.75		2775.03
ii) Others	11348.67		11852.79
		14145.42	14627.82
Buyer's Credits		-	355.97
Suppliers Credits*		-	1466.09
TOTAL		89587.81	84494.41

*Backed by Letter of Credit and includes Rs. Nil (Previous Year Rs. 2.73 lacs) relating to Capital Goods to be paid out of Term Loans.

- 8.01** Working Capital Loans from Banks are secured / to be secured by the hypothecation of whole of moveable properties including Stocks and Book Debts, both present and future, and by second charge on immoveable properties of the Company.
- 8.02** The Working Capital Loans from Banks are guaranteed by some of the Directors in their personal capacities.
- 8.03** Working Capital Rupee Loans from Banks referred to above includes Devolved Letter of Credit aggregating to Rs. 1036.67 lacs (Previous Year Rs. Nil).
- 8.04** As on 31st March, 2016, the Company has overdue of Working Capital Interest of Rs. 157.74 lacs (Previous Year Rs. Nil) included in Interest Accrued and Due in Note No. 10 for a period of less than 60 days.

NOTE : 9 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 available with the Company and the required disclosures are given below:

Particulars	As at	As at
	31.03.2016	31.03.2015
	Rs.in lacs	Rs.in lacs
Principal amount remaining unpaid	468.68	288.29
Interest due thereon	35.43	28.32
Interest paid by the Company in terms of Section 16	-	-
Interest due and payable for the period of delay in payment	-	-
Interest accrued and remaining unpaid	35.43	28.32
Interest remaining due and payable even in succeeding years	-	-

NOTE : 10 OTHER CURRENT LIABILITIES

PARTICULARS	As at	As at	As at
	31.03.2016	31.03.2016	31.03.2015
	Rs.in lacs	Rs.in lacs	Rs.in lacs
Current Maturities of Long Term Debts		16500.10	22412.10
Current Maturities of Sales Tax Deferral		167.10	60.56
Current Maturities of Lease Obligations		567.01	313.84
Interest Accrued but not due on Borrowings		542.02	509.45
Interest Accrued and due		9695.53	6557.07
Advances from Customers		6131.03	5046.82
Creditors for Capital Goods		31.44	39.44
Book Overdraft		-	28.10
Other Payables			
Statutory Liabilities	2701.86		3256.00
Security Deposits	15.00		15.00
Others*	5003.62		6814.53
		7720.48	10085.53
TOTAL		41354.71	45052.91

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

NOTE : 11 SHORT TERM PROVISIONS

PARTICULARS	As at	As at
	31.03.2016	31.03.2015
	Rs.in lacs	Rs.in lacs
Provision for Employee Benefits	1231.40	1382.05
Provision for Wealth Tax	-	1.66
Provision for Excise Duty	3359.51	4378.44
Other Provisions*	396.75	396.75
TOTAL	4987.66	6158.90

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

11.01 The Company has recognised liabilities based on substantial degree of estimation for Excise Duty payable on clearance of goods lying in stock, Entry Tax and Cess on Metallurgical Coke paid under dispute. The Excise Duty payable on clearance of goods lying in stock as at 31st March, 2015 was of Rs. 4378.44 lacs as per the estimated pattern of dispatches. During the year Rs. 4378.44 lacs was utilised for clearance of goods. Liability recognised under this clause for the year end is Rs. 3359.51 lacs which is outstanding as on 31st March, 2016. Actual outflow is expected in the next financial year. Any additional information in this regard can be expected to prejudice seriously the position of the Company.

(Rs.in lacs)

NOTE : 12 FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK			
	As at 01.04.2015	Additions	Deductions/ Adjustments	As at 31.03.2016	Upto 31.03.2015	For the Year	Deductions/ Adjustments	Transfer to Surplus	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
Tangible Assets											
Owned :											
Land	6456.29	-	3064.95 #	3391.34	-	-	-	-	-	3391.34	6456.29
Buildings	24648.23	3466.45	269.55	27845.13	7426.62	796.94	174.07	-	8049.49	19795.64	17221.61
Railway Siding	3212.86	-	-	3212.86	2482.77	25.25	-	-	2508.02	704.84	730.09
Plant & Equipments	181447.05	93746.84	3155.14	272038.75	75562.93	6829.58	1305.05	-	81087.46	190951.29	105884.12
Office Equipments	524.58	58.09	23.20	559.47	381.20	48.08	14.66	-	414.62	144.85	143.38
Furniture & Fixtures	514.26	4.03	28.24	490.05	400.78	21.34	20.98	-	401.14	88.91	113.48
Vehicles	883.57	24.03	40.79	866.81	603.88	71.10	27.16	-	647.82	218.99	279.69
Sub-Total	217686.84	97299.44	6581.87	308404.41	86858.18	7792.29	1541.92	-	93108.55	215295.86	130828.66
Leased :											
Land	1811.47	6.43 #	-	1817.90	176.55	24.92	-	-	201.47	1616.43	1634.92
Plant & Equipments	4574.93	-	-	4574.93	3106.34	108.91	-	-	3215.25	1359.68	1468.59
Sub-Total	6386.40	6.43	-	6392.83	3282.89	133.83	-	-	3416.72	2976.11	3103.51
Total (A)	224073.24	97305.87	6581.87	314797.24	90141.07	7926.12	1541.92	-	96525.27	218271.97	133932.17
Intangible Assets :											
Process Development*	3400.28	-	3400.28	-	3400.28	-	3400.28	-	-	-	-
Softwares**	132.95	3.37	0.14	136.18	85.78	28.56	0.08	-	114.26	21.92	47.17
Technical Know-How**	642.21	-	-	642.21	305.00	28.23	-	-	333.23	308.98	337.21
Indefeasible Right to Use**	3437.29	-	3435.49	1.80	527.74	0.20	527.24	-	0.70	1.10	2909.55
Mining Rights	3640.01	966.10	3257.99	1348.12	756.20	87.95	739.98	-	104.17	1243.95	2883.81
Total (B)	11252.74	969.47	10093.90	2128.31	5075.00	144.94	4667.58	-	552.36	1575.95	6177.74
Total (A+B)	235325.98	98275.34	16675.77	316925.55	95216.07	8071.06 @	6209.50	-	97077.63	219847.92	140109.91
Previous Year	233029.69	2297.10	0.81	235325.98	85750.94	8285.40	0.43	1180.16	95216.07	140109.91	
Capital Work-in-Progress											
Intangible Assets under Development											
										284485.53	298442.66
										697.47	15303.22

* Internally generated

** Other than internally generated

@ Rs.Nil (Previous Year Rs.1.61 lacs) transferred to Pre-operative Expenses.

Includes Rs. 6.43 lacs reclassified from Freehold Land to Leasehold Land.

- 12.01** Buildings include cost of building aggregating to Rs. 144.43 lacs (Previous Year Rs. 144.43 lacs) constructed on land, ownership of which does not vest with the Company.
- 12.02** 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.
- 12.03** Addition to Plant and Equipments includes Borrowing Cost of Rs. 21451.87 lacs (Previous Year Rs. Nil).
- 12.04** The gross block of fixed assets includes Rs. 44.28 lacs (Previous Year Rs. 44.28 lacs) on account of revaluation of fixed assets. Consequent to said revaluation there is an additional charge of depreciation of Rs. 0.76 lacs (Previous Year Rs. 0.76 lacs) and an equivalent amount has been withdrawn from Revaluation Reserve and credited to Surplus.

12.05 Capital Work-in-Progress includes :	As at 31.03.2016 Rs.in lacs	As at 31.03.2015 Rs.in lacs
Building under Construction	439.66	2972.12
Plant and Equipments under installation	187399.00	214468.55
Pre-operative Expenses	96646.87	81001.99
TOTAL	284485.53	298442.66

12.06 Intangible Assets under Development :	As at 31.03.2016 Rs.in lacs	As at 31.03.2015 Rs.in lacs
Mining Rights	543.61	6752.33
Pre-operative Expenses	153.86	8550.89
TOTAL	697.47	15303.22

- 12.07** The Company has undertaken Projects for enhancement of capacities of its Integrated Steel Plant in Chhattisgarh by expanding its Steel Melt Shop, Rolling Mills, Sponge Iron Plant, Captive Power Plants, and developing its Iron Ore Mines (the Projects) etc. Since the projects are under construction stage, the expenditure incurred towards construction of projects has been considered as Pre-operative Expenditure, the details of which are as under:

Particulars	31.03.2016 (Rs.in lacs)	31.03.2015 (Rs.in lacs)
Opening Stock of Pellet	1357.46	-
Raw Material Consumed	27923.36	3112.27
Consumables, Stores and Spares Consumed	2058.24	78.89
Power and Fuel	4742.14	766.57
Remuneration and Benefits to Employees	2123.09	2409.13
Repairs and Maintenance - Others	27.06	111.48
Rent	0.63	0.70
Rates, Taxes and Fees	1.57	28.62
Travelling and Conveyance	1.06	20.14
Loading, Unloading and Freight	299.69	94.73
Legal and Professional	2.57	48.02
Insurance	0.58	0.01
Miscellaneous Expenses	43.40	82.85
Depreciation	-	1.61
Finance Costs	37293.78	36510.61
	75874.63	43265.63



Less : Miscellaneous Income	0.03	0.66
Interest Received	4.13	-
Sales	14258.71	-
Stock of Trial run production	-	1357.46
Cost of Trial run product transfer to other plant	23745.30	3001.25
Pre-operative Expenses for the year	37866.46	38906.26
Add : Pre-operative Expenses upto Previous Year	89552.88	50708.47
	127419.34	89614.73
Less : Allocated during the year to Fixed Assets / Mining Assets Cancellation	30618.61	61.85
TOTAL	96800.73	89552.88

12.08 The Ministry of Coal (MoC) had invoked Bank Guarantee of Rs. 1000 lacs for delay in start of production of Moitra Coal Block, Jharkhand. The Company has challenged the Bank Guarantee (BG) invocation before the Hon'ble Delhi High Court, vide W. P. (C) 8117 of 2015, wherein vide order dated 24.08.2015 granted interim relief to the Company, that no coercive steps will be taken subject to Company keeping the BG alive. The matter is now listed for 04.08.2016. The Company is confident that its case is on merits and doesn't envisage any financial impact of the above matter. In identical matters Ministry of Coal has not invoked BG of other companies.

12.09 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 same allegations before the Chief Vigilance Commission (CVC). The Central Bureau of Investigation (CBI) on the directions of the CVC had registered an FIR against the Company alleging certain irregularities. Post completion of the investigations by CBI the case is subjudiced.

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

12.10 The Hon'ble Supreme Court of India by its Order dated 24th September, 2014 had cancelled number of coal blocks allotted to various entities which included three coal blocks consisting of one operational coal block at Gare Palma IV/4 - Raigarh, Chhattisgarh and two under development coal blocks at Gare Palma IV/8 - Raigarh, Chhattisgarh and Moitra at North Karanpura, Jharkhand allotted to the Company by the Ministry of Coal, Government of India. The Government of India has issued second Ordinance on 26th December, 2014 for implementing the order of the Hon'ble Supreme Court and fixation of Compensation etc.

The Company had filed a Writ Petition (WP) before the Hon'ble Delhi High Court, challenging the provisions of Ordinance and Tender process. The Hon'ble Delhi High Court after hearing all the parties has closed the matter for orders.

In the E Auction, above three coal mines of the Company got awarded to different bidders.

In respect of the above Coal Mining Assets, the Company has received Rs. 7682.18 lacs towards moveable assets from a successful bidder and Rs. 6757.91 lacs is receivable against other assets as per the letter dated 17th September, 2015 issued by the Ministry of Coal, Government of India against mining assets having carrying value of Rs. 19373.71 lacs (net of provisions of Rs. 2694.95 lacs for Site Restoration expenses). Consequently, the Company has adjusted and charged off the net balance of Rs. 4933.62 lacs to the Statement of Profit and Loss.

12.11 During the Previous Year, the Company had applied the estimated useful lives as specified in Schedule II of the Act or as determined based on technical evaluation in respect of certain plant and machineries of the Company. Accordingly the unamortised carrying value was being depreciated / amortised over the revised / remaining useful life. The written down value of fixed assets whose life had expired as at 1st April, 2014 amounting to Rs. 1180.16 lacs had been adjusted net of deferred tax of Rs. 408.43 lacs against the retained earnings.

12.12 In accordance with the Accounting Standard (AS-28) on "Impairment of Assets", the Management during the year carried out an exercise of identifying the assets that may have been impaired in respect of each cash generating unit in accordance with the said Accounting Standard. On the basis of this review carried out by the management, there was no impairment loss on Fixed Assets during the year ended 31st March, 2016.

NOTE : 13 NON CURRENT INVESTMENTS

(Long Term Investments)

PARTICULARS	As at		As at	
	31.03.2016		31.03.2015	
	Rs.	Rs.in lacs	Rs.	Rs.in lacs
	Face		Face	
	Value		Value	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Trade Investments (Unquoted, Fully Paid Up)				
In Equity Shares - Others				
Punjab and Maharashtra Co-operative Bank Limited	40	40	25	0.01
The City Co-operative Bank Limited (Rs. 250)	10	10	25	0.00
TOTAL			0.01	0.01
13.01 Aggregate Amount of Unquoted Investments			0.01	0.01
13.02 Refer Note No. 1.08 for the basis of valuation				

NOTE : 14 LONG TERM LOANS AND ADVANCES

(Unsecured, Considered Good unless stated otherwise)

PARTICULARS	As at		As at	
	31.03.2016		31.03.2015	
	Rs.in lacs		Rs.in lacs	
Capital Advances	57136.61		86644.16	
Loans and Advances to Subsidiary (Refer Note No. 35(c) & 43(b))				
Considered Good	-		758.30	
Considered Doubtful	738.30		-	
Less : Provision for Doubtful Advance	738.30		-	
	-		758.30	
Deposits	1712.58		1681.57	
Advance Payment of Income-tax (Net)	1334.13		1886.99	
MAT Credit Entitlement	9336.30		9929.83	
TOTAL	69519.62		100900.85	

14.01 During the year, the Company is not liable to pay Minimum Alternate Tax (MAT) under section 115JB of the Income Tax Act, 1961 (The Act). However, the amount paid as MAT during earlier years are allowed to be carried forward for being set off against the future tax liabilities computed in accordance with the provisions of the Act, other than Section 115JB, in next ten years. Based on the future projection of the performances, the Company will be liable to pay the income tax computed as per provisions, other than under section 115JB of the Act. Accordingly as advised in Guidance note on "Accounting for Credit available in respect of Minimum Alternate Tax under the Income Tax Act 1961" issued by the Institute of Chartered Accountants of India, Rs. Nil (Previous Year Rs. 377.36 lacs) being the excess of tax payable under section 115JB of the Act over tax payable as per the provisions other than section 115JB of the Act has been considered as MAT Credit Entitlement and credited to Statement of Profit and Loss. The total MAT Credit as at 31st March, 2016 is Rs. 9336.30 lacs (Previous Year Rs. 9929.83 lacs).

NOTE : 15 CURRENT INVESTMENTS

PARTICULARS	As at		As at	
	31.03.2016		31.03.2015	
	Rs.	Rs.in lacs	Rs.	Rs.in lacs
	Face		Face	
	Value		Value	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
In Equity Shares of Subsidiary Company (Unquoted, Fully Paid up)				
Jayaswal Neco Urja Limited * (Refer Note No. 43(b))	13705500	13705500	10	1370.55
In Equity Shares - Fully Paid Up (Quoted)				
Datar Switchgears Limited	2200	2200	10	1.05



Elbee Services Limited	1400	1400	10	1.96	1.96
Triveni Sheet Glass Limited	1000	1000	10	1.00	1.00
In Equity Shares - Fully Paid Up (Unquoted)					
Antarctica Graphics Limited	53000	53000	1	0.53	0.53
Essar Steel Limited	60	60	10	0.03	0.03
Other Investments - Unquoted					
In Mutual Fund (In Units)					
SBI Magnum Equity Fund	-	24273	10	-	10.43
SBI Infrastructure Fund	-	50000	10	-	5.00
SBI Dual Advantage Fund	500000	500000	10	50.00	50.00
Union KBC Mutual Fund (EFGR)	-	231472	10	-	25.00
Union KBC Cap. Protection Oriented Fund (EFGR)	-	250000	10	-	25.00
KBC Fixed Maturity Plan	-	99990	10	-	10.00
Axis Long Term Equity Fund	149087	-	10	45.99	-
				1471.11	1500.55
Less : Provision for Diminution in the value				1377.43	4.39
TOTAL				93.68	1496.16

* Trade Investments

15.01	Refer Note No. 1.08 for the basis of valuation		
15.02	Aggregate Amount of Quoted Investments	0.17	0.17
15.03	Aggregate Market Value of Quoted Investments	0.17	0.17
15.04	Aggregate Amount of Unquoted Investments	93.51	1495.99

NOTE : 16 INVENTORIES

PARTICULARS	As at	As at
	31.03.2016	31.03.2015
	Rs.in lacs	Rs.in lacs
Raw Materials	19644.97	35296.96
Raw Materials-in-Transit	6823.27	10418.16
Work-in-Progress	5093.19	5264.34
Finished Goods *	24142.62	30997.16
Finished Goods-in-Transit	54.89	64.45
Stock in Trade	304.97	673.15
Stores, Spares and Consumables	6983.30	9745.19
TOTAL	63047.21	92459.41

*Includes Rs. Nil (Previous Year Rs. 1357.46 lacs) being stock of trial run products.

16.01 For basis of valuation Refer Note No. 1.09

16.02 Broad Heads of Work-in-Progress :

Particulars	As at	As at
	31.03.2016	31.03.2015
	Rs.in lacs	Rs.in lacs
Iron and Steel Castings	4983.05	5103.17
Coke	54.76	89.47
Sponge Iron	55.38	71.70
TOTAL	5093.19	5264.34

16.03 Broad Heads of Finished Goods :

Particulars	As at	As at
	31.03.2016	31.03.2015
	Rs.in lacs	Rs.in lacs
Iron and Steel Castings	682.71	1143.11
Pig Iron / Skull	1165.29	750.47
Billets / Rolled Products	19957.08	24373.01
Sponge Iron	543.73	187.58
Pellet	602.21	1491.91
Others	1246.49	3115.53
TOTAL	24197.51	31061.61

NOTE : 17 TRADE RECEIVABLES

(Unsecured)

PARTICULARS	As at	As at	As at
	31.03.2016	31.03.2016	31.03.2015
	Rs.in lacs	Rs.in lacs	Rs.in lacs
Outstanding for a period exceeding six months from the date they were due for payment.			
Considered Good	2547.79		2930.75
Considered Doubtful	1048.10		949.73
	3595.89		3880.48
Less : Provision for Doubtful Receivables	1048.10		949.73
		2547.79	2930.75
Other Trade Receivables - Considered Good		28769.51	28515.33
TOTAL		31317.30	31446.08

NOTE : 18 CASH AND BANK BALANCES

PARTICULARS	As at	As at	As at
	31.03.2016	31.03.2016	31.03.2015
	Rs.in lacs	Rs.in lacs	Rs.in lacs
Cash and Cash Equivalents			
Balances with Banks			
In Current Accounts	705.00		1191.94
Cheques on hand	96.22		826.70
Cash on hand	67.88		110.45
		869.10	2129.09
Other Bank Balances			
In Current Account		-	77.19
Fixed Deposits with Banks			
Pledged as Margin Money *		3923.06	3811.73
TOTAL		4792.16	6018.01

*Includes Rs. 629.89 lacs (Previous Year Rs. 480.90 lacs) having maturity period of more than 12 months.



NOTE : 19 SHORT TERM LOANS AND ADVANCES

(Unsecured, Considered Good unless stated otherwise)

PARTICULARS	As at	As at	As at
	31.03.2016	31.03.2016	31.03.2015
	Rs.in lacs	Rs.in lacs	Rs.in lacs
Loans and Advances to Related Parties (Refer Note No.35(c))		213.09	188.05
Advances to Suppliers	3561.22		3540.90
Prepaid Expenses	106.68		137.65
Balances with Central Excise Authorities	463.91		3173.03
Others *	22807.62		27353.92
	26939.43		34205.50
Considered Doubtful	2076.99		805.10
	29016.42		35010.60
Less : Provision for Doubtful Advances	2076.99		805.10
		26939.43	34205.50
Deposits			
Considered Good	121.16		115.99
Doubtful	16.06		9.44
	137.22		125.43
Less : Provision for Doubtful Deposits	16.06		9.44
		121.16	115.99
TOTAL		27273.68	34509.54

*Mainly includes capital MODVAT receivable, VAT refund receivable, Interest receivable, Mines project contract cancellation refund and Advances to employees and others.

NOTE : 20 OTHER CURRENT ASSETS

PARTICULARS	As at	As at
	31.03.2016	31.03.2015
	Rs.in lacs	Rs.in lacs
Receivable against Mining Assets (Refer Note No. 12.10)	6757.91	-
Gratuity Fund Surplus	191.51	-
TOTAL	6949.42	-

NOTE : 21 REVENUE FROM OPERATIONS

PARTICULARS	Year ended	Year ended
	31.03.2016	31.03.2015
	Rs.in lacs	Rs.in lacs
Sale of Products	294358.61	333066.44
Sale of Services / Job Work Income	816.36	2546.51
Other Operating Revenues - Export Incentives	12.07	15.58
TOTAL	295187.04	335628.53

21.01 Broad Heads of Sale of Products

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
	Rs.in lacs	Rs.in lacs
Iron and Steel Castings	40609.78	42128.98
Pig Iron / Skull	64505.88	77682.53
Billets / Rolled Products	145580.11	160839.09
Sponge Iron	35623.37	37083.86
Power	489.89	2139.82
Cotton Yarn	1895.62	7327.58
Others	5653.96	5864.58
TOTAL	294358.61	333066.44

21.02 Broad Heads of Sale of Services / Job Work Income

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
	Rs.in lacs	Rs.in lacs
Job Work	809.71	978.05
Management Consultancy	-	1179.78
Others	6.65	388.68
TOTAL	816.36	2546.51

NOTE : 22 OTHER INCOME

PARTICULARS	Year ended 31.03.2016	Year ended 31.03.2015
	Rs.in lacs	Rs.in lacs
Interest Income	3415.12	1435.53
Profit on Sale of Fixed Assets (Net)	1.07	-
Profit on Sale of Current Investments (Net)	25.76	10.09
Other Miscellaneous Receipts	78.57	291.18
TOTAL	3520.52	1736.80

NOTE : 23 COST OF MATERIALS CONSUMED

PARTICULARS	Year ended 31.03.2016	Year ended 31.03.2015
	Rs.in lacs	Rs.in lacs
Materials Consumed		
Iron and Steel Scrap	13070.27	16683.85
Iron Ore	49133.31	61558.76
Metallurgical Coke	45187.75	47589.64
Coal and Coke	23945.08	12467.80
Billets / Rolled Products	20103.36	19663.01
Others	5746.28	8221.66
TOTAL	157186.05	166184.72



23.01 Materials Consumed includes :

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
	Percentage	Value	Percentage	Value
Imported	3.63%	5698.74	11.09%	18422.23
Indigenous	96.37%	151487.31	88.91%	147762.49
	<u>100.00%</u>	<u>157186.05</u>	<u>100.00%</u>	<u>166184.72</u>

NOTE : 24 PURCHASE OF STOCK IN TRADE

PARTICULARS	Year ended 31.03.2016	Year ended 31.03.2015
	Rs.in lacs	Rs.in lacs
Purchase of Stock in Trade		
Iron and Steel Castings	1629.92	1585.76
Pig Iron / Skull	94.00	715.17
Rolled Products	3272.58	18575.48
Cotton Yarn	1837.30	6957.67
Coal	2619.17	1480.22
Others	52.21	1144.80
TOTAL	<u>9505.18</u>	<u>30459.10</u>

NOTE : 25 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

PARTICULARS	Year ended 31.03.2016	Year ended 31.03.2016	Year ended 31.03.2015
	Rs.in lacs	Rs.in lacs	Rs.in lacs
Closing Inventories			
Finished Goods	24197.51		31061.61
Less : Stock of trial run product	-		1357.46
	<u>24197.51</u>		29704.15
Work-in-Progress	5093.19		5264.34
Stock in Trade	<u>304.97</u>		673.15
		29595.67	35641.64
Opening Inventories			
Finished Goods	31061.61		26873.13
Less : Stock of trial run product	<u>1357.46</u>		-
	<u>29704.15</u>		26873.13
Work-in-Progress	5264.34		4399.60
Stock in Trade	<u>673.15</u>		191.55
	<u>35641.64</u>		31464.28
Add : Transfer from trial run production	<u>1722.35</u>		-
		37363.99	31464.28
(Increase) / Decrease in Inventories		<u>7768.32</u>	<u>(4177.36)</u>

NOTE : 26 EMPLOYEE BENEFITS EXPENSE

PARTICULARS	Year ended 31.03.2016	Year ended 31.03.2015
	Rs.in lacs	Rs.in lacs
Salaries, Wages and Allowances	11133.91	13146.53
Contribution to P.F. and Other Funds	1009.76	1332.70
Welfare and Other Amenities	1044.46	1282.98
TOTAL	13188.13	15762.21

26.01 As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee Benefits as defined in the Accounting Standard are given below :

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
	Rs.in lacs	Rs.in lacs
Defined Contribution Plan		
Employer's Contribution to Provident Fund, ESIC and Other Funds	973.29	1112.21

Defined Benefit Plan

The employees Gratuity Fund Scheme, which is a defined benefit plan, is managed by a Trust maintained with 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	As at 31.03.2016 (Funded) Rs.in lacs	As at 31.03.2015 (Funded) Rs.in lacs
Reconciliation of Opening and Closing balance of Defined Benefit Obligation		
Defined Benefit Obligation at the beginning of the year	3096.39	2726.34
Current Service Cost	300.66	375.55
Interest Cost	235.23	214.26
Past Service Benefit	-	-
Benefit Paid	(312.11)	(96.19)
Transfer In	(125.78)	43.17
Actuarial Loss / (Gain)	(279.59)	(166.74)
Defined Benefit Obligation at year end	2914.80	3096.39
Reconciliation of Opening and Closing balance of Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	2855.13	2131.25
Expected Return on Plan Assets	252.19	212.94
Employer Contribution	170.92	608.47
Benefit Paid	(310.88)	(96.19)
Actuarial Gain / (Loss) on Plan Assets	(29.63)	(1.34)
Fair Value of Plan Assets at year end	2937.73	2855.13
Reconciliation of Fair Value of Assets and Obligations		
Fair Value of Plan Assets	2937.73	2855.13
Present Value of Funded Obligations	2914.80	3096.39
Amount recognised in the Balance Sheet	(22.93)	241.26
Expense recognised in the Statement of Profit and Loss		
Current Service Cost	300.66	375.55
Interest on Defined Benefit Obligation	235.23	214.26



Expected Return on Plan Assets	(252.19)	(212.94)
Net Actuarial Loss / (Gain) Recognised in the year	(249.96)	(165.40)
Past Service Cost	-	-
Total included in "Remuneration and Benefits to Employees"	33.74	211.47

Amounts for the current and previous periods are as follows :

	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Defined Benefit Obligation	2914.80	3096.39	2726.34	2280.80	1798.59
Plan Assets	2937.73	2855.13	2131.25	1387.80	801.40
Surplus / (Deficit)	22.93	(241.26)	(595.09)	(893.00)	(997.19)
Experience adjustment on Plan Assets (Gain)/Loss	24.64	16.98	9.31	*	*
Experience adjustment on Plan Liabilities Gain/(Loss)	279.59	166.74	19.52	*	*

Actuarial Assumptions

	31.03.2016	31.03.2015
Mortality Table (LIC)	2006-08 (Ultimate)	2006-08 (Ultimate)
Discount Rate (per annum)	8.00%	8.00%
Expected Rate of Escalation in Salary (per annum)	8.00%	8.00%
Expected Rates of Return on Plan Assets (per annum)	8.70%&8.75%	8.50%& 8.75%

* The details are not furnished as the informations are not available with the Company.

NOTE : 27 FINANCE COSTS

PARTICULARS	Year ended 31.03.2016	Year ended 31.03.2015
	Rs.in lacs	Rs.in lacs
Interest Paid	19498.38	16319.06
Lease Finance Charges	247.87	340.63
Other Borrowing Costs	2001.01	1825.03
TOTAL	21747.26	18484.72

NOTE : 28 OTHER EXPENSES

PARTICULARS	Year ended 31.03.2016	Year ended 31.03.2016	Year ended 31.03.2015
	Rs.in lacs	Rs.in lacs	Rs.in lacs
MANUFACTURING EXPENSES			
Consumables, Stores and Spares Consumed	21109.70		19931.75
Power and Fuel	6729.77		8292.82
Excise Duty	(957.49)		702.93
Repairs and Maintenance -			
Buildings	61.16		62.65
Plant and Equipments	6689.04		7227.76
Others	2.06		3.25
Royalty and Cess	186.55		4247.84
Internal Material Movement	3419.11		3532.87
Lease Rent	286.00		72.00
Other Manufacturing Expenses	1806.08		1607.78
		39331.98	45681.65
SELLING AND DISTRIBUTION EXPENSES			
Advertisement and Publicity	41.80		43.31
Discount and Commission	891.79		453.38

Sales Promotion Expenses	74.08	72.86
Freight and Forwarding	6524.29	6795.97
Sales Tax	5.90	9.53
Provision for Sales Tax Deferral	545.68	493.98
	8083.54	7869.03
ADMINISTRATIVE EXPENSES		
Rent	195.74	214.92
Rates and Taxes	125.10	99.75
Insurance	211.09	216.20
Foreign Currency Fluctuation (Net)	363.31	58.71
Printing and Stationery	39.41	67.45
Communication	131.53	143.39
Travelling and Conveyance	917.31	1257.22
Vehicle Maintenance	212.29	141.27
Legal and Professional Charges	763.37	781.01
Payment to Auditors	72.04	72.22
Security Expenses	299.08	434.94
Miscellaneous	460.26	678.92
	3790.53	4166.00
OTHER EXPENSES		
Bank Charges and Commission	122.00	113.44
Bad Debts / Advances written off	209.35	317.40
Less : Provision written back	6.78	303.88
	202.57	13.52
Provision for Doubtful Debts / Advances	1225.74	396.67
Provision for Wealth Tax	-	1.66
Provision for Diminution in value of Investments	2.49	-
Loss on Sale of Assets (Net)	-	0.24
Donations	6.84	29.31
	1559.64	554.84
TOTAL	52765.69	58271.52

28.01 Break-up of Payment to Auditors :

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
	Rs.in lacs	Rs.in lacs
Audit Fees	49.85	49.85
Tax Audit Fees	5.50	7.05
Certification Charges	9.00	7.50
Out of Pocket Expenses	7.69	7.82
TOTAL	72.04	72.22
Cost Audit Fees	1.25	1.25

28.02 Consumables, Stores and Spares Consumed includes :

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
	Percentage Value	Percentage Value
Imported	15.15% 3198.76	14.09% 2807.59
Indigenous	84.85% 17910.94	85.91% 17124.16
TOTAL	100.00% 21109.70	100.00% 19931.75



NOTE : 29 EARNINGS PER SHARE

PARTICULARS			Year ended 31.03.2016	Year ended 31.03.2015
			Rs.in lacs	Rs.in lacs
Basic Earnings Per Share				
Net (Loss) / Profit for the Year	(A)		(8653.93)	196.84
Weighted average number of Equity Shares (Nos.)	(B)		638633063	626030323
Basic Earnings Per Share of Rs.10/- each	Rs.	(A) / (B)	(1.36)	0.03
Diluted Earnings Per Share				
Amount available for calculation of Diluted EPS	(A)		(8653.93)	196.84
Weighted average number of Equity Shares (Nos.)			638633063	626030323
Add : Potential number of Equity Shares			-	-
No. of shares used for calculation of Diluted EPS	(B)		638633063	626030323
Diluted Earnings Per Share of Rs.10/- each	Rs.	(A) / (B)	(1.36)	0.03

NOTE : 30 Previous Year's figures have been reworked / regrouped / rearranged / reclassified wherever necessary.

NOTE : 31 CONTINGENT LIABILITIES AND COMMITMENTS

(to the extent not provided for)

A Contingent Liabilities :

(No cash outflow is expected except stated otherwise)

	31.03.2016 (Rs.in lacs)	31.03.2015 (Rs.in lacs)
a. Guarantees given by the Company's Bankers (Bank guarantees are provided under contractual / legal obligation)	1815.46	3603.91
b. Corporate Guarantee (Given to Banks against the borrowing taken by one of the Associate Company)	1181.00	1181.00
c. Demands not acknowledged as debts		
i) Disputed Excise Duty and Service Tax	1550.23	2803.14
ii) Disputed Sales Tax	1535.91	2480.80
iii) Disputed Customs Duty	100.00	865.10
iv) Other Disputed Demands (Mainly related to demand of Cess on Power, Electricity Duty and Stamp Duty)	9939.70	6571.77
v) Third Party Claims (Matters are pending before various forums)	243.00	243.00
d. Liability in respect of Bills Discounted	9743.17	19709.59
e. Letters of Credit opened in favour of Suppliers (Cash flow is expected on receipt of material from suppliers)	6002.03	10304.53

B Management is of the view that above litigations will not impact significantly the financial position of the Company.

C The Company has received Show Cause notices from the Excise department which mainly relate to demand of duty for sale of exempted goods and differential duty on sale to related parties and denial of credit on structural steel, bank expenses and outward freight. The Company does not foresee any losses on this account.

D Capital Commitments :

Estimated amount of contracts remaining to be executed on

Capital Accounts and not provided for (Net of Advances)	4230.60	21237.49
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NOTE : 32 In the opinion of the Management, Current Assets and Loans and Advances are of the value stated, if realised in the ordinary course of business.

31.03.2016 31.03.2015
(Rs.in lacs) (Rs.in lacs)

NOTE : 33 i) Derivative Contracts entered into by the Company and outstanding (Forward Contract)

801.24 1862.35

ii) Foreign Currency exposures that are not hedged by derivatives instruments are as under :

a) Receivable : **162.65** 486.57
b) Payable : **527.54** 321.76

iii) The expenditure on account of exchange difference on outstanding forward exchange contracts to be recognised in the Statement of Profit and Loss of subsequent period - Rs. 4.56 lacs (Previous Year Rs. 37.69 lacs).

NOTE : 34 SEGMENT REPORTING :

A. Segment information as per Accounting Standard - 17 on Segment Reporting :

Information provided in respect of revenue items for the year ended 31st March, 2016 and in respect of assets / liabilities as at 31st March, 2016.

Information about Primary (Product wise) segments :

(Rs.in lacs)

	Particulars	Steel	Iron & Steel Castings	Others	Unallocated	Eliminations	Total
1. REVENUE							
	External Sales	250234.86 (283194.37)	40233.20 (43317.62)	4718.98 (9116.54)	- (-)		295187.04 (335628.53)
	Inter-segment sales	294.58 (876.69)	260.79 (299.92)	- (-)	- (-)	(555.37) (-1176.61)	- (-)
	Total Revenue	250529.44 (284071.06)	40493.99 (43617.54)	4718.98 (9116.54)	- (-)	(555.37) (-1176.61)	295187.04 (335628.53)
2. RESULTS							
	Segment Results	15649.73 (27212.43)	(408.21) (629.06)	126.32 (522.44)	- (-)		15367.84 (28363.93)
	Unallocated Corporate Expenses	- (-)	- (-)	- (-)	513.64 (431.55)		513.64 (431.55)
	Operating Profit / (-) Loss	15649.73 (27212.43)	(408.21) (629.06)	126.32 (522.44)	(513.64) (-431.55)		14854.20 (27932.38)
	Less : Finance Cost	- (-)	- (-)	- (-)	21747.26 (18484.72)		21747.26 (18484.72)
	Add : Unallocated Income	- (-)	- (-)	- (-)	3443.46 (1447.45)		3443.46 (1447.45)
	Less : Exceptional Items	4933.62 (9161.53)	- (-)	- (-)	2266.77 (-)		7200.39 (9161.53)
	Less : Tax Expenses (Including Deferred Tax)	- (-)	- (-)	- (-)	(1996.06) (1536.74)		(1996.06) (1536.74)
	Net Profit / (-) Loss	10716.11 (18050.90)	(408.21) (629.06)	126.32 (522.44)	(19088.15) (-19005.56)		(8653.93) (196.84)

3. OTHER INFORMATION						
Segment Assets	656491.96 (662361.82)	35536.96 (37119.11)	548.58 (2712.83)	- (-)		692577.50 (702193.76)
Unallocated Corporate Assets	- (-)	- (-)	- (-)	15446.50 (18492.09)		15446.50 (18492.09)
Total Assets	656491.96 (662361.82)	35536.96 (37119.11)	548.58 (2712.83)	15446.50 (18492.09)		708024.00 (720685.85)
Segment Liabilities	52183.70 (60274.36)	9652.96 (9180.25)	2.01 (1961.34)	- (-)		61838.67 (71415.95)
Unallocated Corporate Liabilities	- (-)	- (-)	- (-)	433027.35 (427457.99)		433027.35 (427457.99)
Total Liabilities	52183.70 (60274.36)	9652.96 (9180.25)	2.01 (1961.34)	433027.35 (427457.99)		494866.02 (498873.94)
Capital Expenditure	51062.60 (68320.08)	1398.29 (486.20)	- (-)	- (43.92)		52460.89 (68850.20)
Depreciation	6700.00 (6899.10)	1366.35 (1382.16)	- (-)	4.71 (4.14)		8071.06 (8285.40)
Non-cash Expenses other than Depreciation	- (-)	- (-)	- (-)	- (-)		- (-)

Note : Figures in brackets represent previous year's amounts.

B. Segment Identification, Reportable Segments and definition of each segment :

i. 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.

ii. Reportable Segments :

Segments 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.

iii. Segment Composition :

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

NOTE : 35 RELATED PARTY DISCLOSURES :

A. List of Related Parties :

(As certified by the Management)

I. Subsidiary

Jayaswal Neco Urja Limited

II. Associate Company

Maa Usha Urja Limited

III. Key Management Personnel and their Relatives

Shri B.L. Shaw

Shri P.K.Bhardwaj

Shri Arbind Jayaswal
Shri Ramesh Jayaswal

Shri M.P. Singh
Shri Avneesh Jayaswal

IV. 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
Avon Sales and Services Private Limited
Jayaswal Neco Infrastructures Private Limited
Jayaswal Neco Metallica Private Limited
Jayaswal Neco Steel and Mining Limited
Karamveer Impex Private Limited
Neco Ceramics Limited
Steel and Tube Exports Limited
The Jayaswal Basant Lal Shaw Family Trust
Vibrant Electronics Private Limited
Parivar Food Industries Private Limited

Anurag Sales and Services Private Limited
AMR Iron and Steel Private Limited
Jayaswal Neco Energy Private Limited
Jayaswal Neco Power Private Limited
Neco Defence Systems Limited
Nine Star Plastic Packaging Services Private Limited
Neco Heavy Engineering and Castings Limited
NSSL Private Limited
Jyotikant Investments Private Limited
Nagpur Scrap Suppliers Private Limited

B. Transactions with Related Parties :

(Rs. In lacs)

Nature of Transactions	Subsidiary	Associate	Other Related Parties	Key Management Personnel & Relatives	Total
Shares Allotted during the year	-	-	-	-	-
	(-)	(-)	(6850.00)	(-)	(6850.00)
Investment - as at 31st March, 2016	1370.55	-	-	-	1370.55
	(1370.55)	(-)	(-)	(-)	(1370.55)
Corporate Guarantee Given	-	1181.00	-	-	1181.00
	(-)	(1181.00)	(-)	(-)	(1181.00)
Long Term Borrowings					
Taken during the year	-	-	2000.00	-	2000.00
	(-)	(-)	(-)	(-)	(-)
Balance as on 31st March, 2016	-	-	2000.00	-	2000.00
	(-)	(-)	(-)	(-)	(-)
Short Term Borrowings					
Taken during the year	-	-	479.61	-	479.61
	(-)	(352.20)	(371.82)	(-)	(724.02)
Repaid during the year	-	124.91	332.98	-	457.89
	(-)	(469.06)	(616.87)	(-)	(1085.93)
Balance as on 31st March, 2016	-	2290.41	506.34	-	2796.75
	(-)	(2415.32)	(359.71)	(-)	(2775.03)
Fixed Assets					
Purchase of Fixed Assets	-	-	1430.27	-	1430.27
	(-)	(-)	(10.16)	(-)	(10.16)
Purchase of Goods and Services					
Purchase of Goods and Services	-	-	4843.26	-	4843.26
	(-)	(-)	(7382.09)	(-)	(7382.09)
Other Manufacturing Expenses	-	-	719.56	-	719.56
	(-)	(1095.51)	(1032.61)	(-)	(2128.12)
Sale of Goods and Services					
Sale of Goods and Services	-	-	6087.71	-	6087.71
	(-)	(39.13)	(11705.65)	(-)	(11744.78)
Trade Payables					
Balance as on 31st March, 2016	-	-	16.65	-	16.65
	(-)	(-)	(297.48)	(-)	(297.48)

(Rs. In lacs)

Nature of Transactions	Subsidiary	Associate	Other Related Parties	Key Management Personnel & Relatives	Total
Other Current Liabilities					
Balance as on 31st March, 2016	-	-	16.47	-	16.47
	(-)	(-)	(16.47)	(-)	(16.47)
Interest Accrued but not due on Borrowings					
Balance as on 31st March, 2016	-	-	76.25	-	76.25
	(-)	(-)	(25.58)	(-)	(25.58)
Deposit Received as on 31st March, 2016	-	-	15.00	-	15.00
	(-)	(-)	(15.00)	(-)	(15.00)
Deposit Given as on 31st March, 2016	-	-	22.35	-	22.35
	(-)	(-)	(-)	(-)	(-)
Loans and Advances					
Balance as on 31st March, 2016	738.30	4.00	209.09	-	951.39
	(758.30)	(16.94)	(171.11)	(-)	(946.35)
Trade Receivables					
Balance as on 31st March, 2016	-	-	1753.21	-	1753.21
	(-)	(-)	(4183.03)	(-)	(4183.03)
Interest Receivables					
Balance as on 31st March, 2016	157.92	-	-	-	157.92
	(79.01)	(-)	(-)	(-)	(79.01)
Income					
Rent Received	-	-	0.90	-	0.90
	(-)	(-)	(0.90)	(-)	(0.90)
Interest Income	87.68	-	-	-	87.68
	(87.79)	(-)	(-)	(-)	(87.79)
Commission Income	-	6.63	-	-	6.63
	(-)	(6.63)	(-)	(-)	(6.63)
Reimbursement of Expenses to the Company	-	32.59	30.70	-	63.29
	(-)	(25.80)	(194.32)	(-)	(220.12)
Expenditure					
Payment of Salaries / Perquisites	-	-	-	396.62	396.62
	(-)	(-)	(-)	(315.44)	(315.44)
Sitting Fees	-	-	-	1.00	1.00
	(-)	(-)	(-)	(0.65)	(0.65)
Service Charges	-	-	-	-	-
	(-)	(-)	(0.96)	(-)	(0.96)
Rent / Lease Rent Paid	-	186.00	38.09	16.20	240.29
	(-)	(72.00)	(-)	(13.20)	(85.20)
Interest Paid	-	333.53	101.25	-	434.78
	(-)	(352.20)	(65.83)	(-)	(418.03)
Provision for Diminution in value of Investment	1370.55	-	-	-	1370.55
	(-)	(-)	(-)	(-)	(-)
Provision for Doubtful Advance (including Interest receivable)	896.22	-	-	-	896.22
	(-)	(-)	(-)	(-)	(-)
Reimbursement of Expenses by the Company	-	0.15	5.65	-	5.80
	(-)	(35.70)	(12.44)	(-)	(48.14)

Note : Figures in brackets represent previous year's amounts.

C. Details of major transactions with Related Parties :

		31.03.2016	31.03.2015
		(Rs.in lacs)	(Rs.in lacs)
Shares Allotted during the year	Avon Sales and Services Private Limited	-	750.00
	Anurag Sales and Services Private Limited	-	790.00
	Apex Spinning Mills Private Limited	-	725.00
	Nine Star Plastic Packaging Services Private Limited	-	680.00
	Karamveer Impex Private Limited	-	740.00
	Jayaswal Neco Metalics Private Limited	-	700.00
	Jayaswal Neco Energy Private Limited	-	775.00
	Jayaswal Neco Power Private Limited	-	850.00
	Jayaswal Neco Infrastructures Private Limited	-	840.00
Investment - Closing Balance	Jayaswal Neco Urja Limited	1370.55	1370.55
Corporate Guarantee Given	Maa Usha Urja Limited	1181.00	1181.00
Long Term Borrowings Taken	Apex Spinning Mills Private Limited	100.00	-
	Nine Star Plastic Packaging Services Private Limited	200.00	-
	Jayaswal Neco Infrastructures Private Limited	400.00	-
	Jayaswal Neco Energy Private Limited	400.00	-
	Jayaswal Neco Metalics Private Limited	500.00	-
	Jayaswal Neco Steel and Mining Limited	400.00	-
Long Term Borrowings			
Balance as on 31st March, 2016	Apex Spinning Mills Private Limited	100.00	-
	Nine Star Plastic Packaging Services Private Limited	200.00	-
	Jayaswal Neco Infrastructures Private Limited	400.00	-
	Jayaswal Neco Energy Private Limited	400.00	-
	Jayaswal Neco Metalics Private Limited	500.00	-
	Jayaswal Neco Steel and Mining Limited	400.00	-
Short Term Borrowings Taken	Maa Usha Urja Limited	-	352.20
	AMR Iron and Steel Private Limited	479.61	371.82
Short Term Borrowings Repaid	AMR Iron and Steel Private Limited	332.98	591.26
	Maa Usha Urja Limited	124.91	469.06
Short Term Borrowings			
Balance as on 31st March, 2016	Maa Usha Urja Limited	2290.41	2415.32
	AMR Iron and Steel Private Limited	506.34	359.71
Purchase of Fixed Assets	Neco Defence Systems Limited	5.49	10.16
	Neco Heavy Engineering and Castings Limited	333.18	-
	NSSL Private Limited	1091.60	-
Purchase of Goods and Services	NSSL Private Limited	3675.78	5952.06
	Neco Heavy Engineering and Castings Limited	1122.20	1393.06
Other Manufacturing Expenses	NSSL Private Limited	196.25	207.27
	Neco Ceramics Limited	473.94	702.50
	Maa Usha Urja Limited	-	1095.51
Sale of Goods and Services	NSSL Private Limited	5747.60	10159.80
	Neco Heavy Engineering and Castings Limited	291.68	1507.97
Trade Payables	Neco Ceramics Limited	8.91	-
	NSSL Private Limited	3.59	287.84
Other Current Liabilities	Steel and Tube Exports Limited	16.47	16.47
Interest Accrued but not due on Borrowings	AMR Iron and Steel Private Limited	76.25	25.58
Deposit Received	Neco Heavy Engineering and Castings Limited	15.00	15.00
Deposit Given	The Jayaswal Basant Lall Shaw Family Trust	22.35	-
Loans and Advances	Jayaswal Neco Urja Limited	738.30	758.30
- Closing Balance	Neco Ceramics Limited	202.47	168.81



	Maa Usha Urja Limited	4.00	16.94
	Neco Defence Systems Limited	-	2.30
	Neco Heavy Engineering & Castings Limited	6.62	-
Trade Receivables	NSSL Private Limited	1619.13	3249.83
	Neco Heavy Engineering and Castings Limited	134.08	933.20
Interest Receivable	Jayaswal Neco Urja Limited	157.92	79.01
Rent Received	Neco Heavy Engineering and Castings Limited	0.90	0.90
Interest Income	Jayaswal Neco Urja Limited	87.68	87.79
Commission Income	Maa Usha Urja Limited	6.63	6.63
Payment of Salaries / Perquisites	Arbind Jayaswal	127.11	118.62
	Ramesh Jayaswal	127.11	118.62
	P.K.Bhardwaj	45.56	43.64
	M.P. Singh	58.00	20.17
	Avneesh Jayaswal	38.84	14.39
Sitting Fees	B. L. Shaw	1.00	0.65
Service Charges	Steel and Tube Exports Limited	-	0.96
Rent / Lease Rent Paid	Arbind Jayaswal	8.10	6.60
	Ramesh Jayaswal	8.10	6.60
	Maa Usha Urja Limited	186.00	72.00
	The Jayaswal Basant Lall Shaw Family Trust	38.09	-
Interest Paid	AMR Iron and Steel Private Limited	101.25	65.50
	Maa Usha Urja Limited	333.53	352.20
Provision for Diminution in value of Investment	Jayaswal Neco Urja Limited	1370.55	-
Provision for Doubtful Advance (including Interest receivable)	Jayaswal Neco Urja Limited	896.22	
Reimbursement of Expenses to the Company	Maa Usha Urja Limited	32.59	25.80
	NSSL Private Limited	17.28	-
	Neco Heavy Engineering and Castings Limited	13.42	174.14
Reimbursement of Expenses by the Company	Maa Usha Urja Limited	0.15	35.70
	NSSL Private Limited	5.35	-
	Steel and Tube Exports Limited	-	11.66

NOTE : 36 DIVIDEND ACCRUED ON REDEEMABLE PREFERENCE SHARES NOT PROVIDED FOR :

PARTICULARS	Year ended 31.03.2016	Year ended 31.03.2015
	Rs.in lacs	Rs.in lacs
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 : 37 IN ACCORDANCE WITH THE REGULATION 34(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 :

- To Jayaswal Neco Urja Limited (JNUL), a Subsidiary, closing balance as on 31st March, 2016 is Rs. 738.30 lacs (Previous Year Rs. 758.30 lacs). Maximum balance outstanding during the year was Rs. 758.30 lacs (Previous Year Rs. 758.30 lacs) (without considering provision for doubtful advance).
- JNUL has not made investment in the shares of the Company.
- As per the Company's policy, loans to employees are not considered in 'a' above.

NOTE : 38 DETAILS OF PRIOR PERIOD EXPENDITURES :

PARTICULARS	Year ended 31.03.2016	Year ended 31.03.2015
	Rs.in lacs	Rs.in lacs
a. Rent	0.72	-
b. Power and Electricity	94.11	-
c. Rates and Taxes	-	6.69
d. Travelling and Conveyance	-	0.38
e. Legal and Professional Charges	-	0.68
f. Commission on Sales	-	1.17
g. Interest Paid	-	0.02
TOTAL	94.83	8.94

NOTE : 39 DETAILS OF CIF VALUE OF IMPORTS :

PARTICULARS	Year ended 31.03.2016	Year ended 31.03.2015
	Rs.in lacs	Rs.in lacs
C.I.F. Value of Imports		
a. Raw Materials	4418.48	8103.27
b. Stores and Components	2550.22	2286.96
c. Capital Goods	114.36	509.75

NOTE : 40 DETAILS OF EXPENDITURES IN FOREIGN CURRENCY :

PARTICULARS	Year ended 31.03.2016	Year ended 31.03.2015
	Rs.in lacs	Rs.in lacs
a. Travelling	12.91	11.35
b. Salary	12.32	35.71
c. Rent	1.83	6.77
d. Others	75.63	21.67

NOTE : 41 DETAILS OF INCOME IN FOREIGN CURRENCY :

PARTICULARS	Year ended 31.03.2016	Year ended 31.03.2015
	Rs.in lacs	Rs.in lacs
a. F.O.B. Value of Exports	618.39	807.54
b. Recovery of Freight	18.34	23.08

NOTE : 42 DETAILS OF EXCISE DUTY / SERVICE TAX RECOVERED :

PARTICULARS	Year ended 31.03.2016	Year ended 31.03.2015
	Rs.in lacs	Rs.in lacs
a. Shown as Reduction from Turnover	31925.47	33201.52
b. Charged to the Statement of Profit and Loss on account of difference in stock	(957.49)	702.93

NOTE : 43 THE EXCEPTIONAL ITEMS :**(i) The Exceptional items include for the year ended 31st March, 2016 :**

- Write off of Mining Assets amounting to Rs. 4933.62 lacs pursuant to cancellation of coal blocks (Refer Note No. 12.10).
- In the earlier years the Company invested Rs. 1370.55 lacs in the equity of Jayaswal Neco Urja Limited, the subsidiary of the Company and has also advanced (including interest receivable) Rs. 896.22 lacs as at 31st March, 2016. The subsidiary was setting up a power plant to use Middlings from Company's coal mines. In view of the cancellation of coal mines as detailed in Note No. 12.10, the subsidiary has abandoned its power plant project and has charged off the expenses incurred by it towards the project to



the Statement of Profit and Loss of the subsidiary. Consequently the Company has also fully provided for its Investment and Advances aggregating to Rs 2266.77 lacs in the Statement of Profit and Loss.

(ii) **The Exceptional item for the year ended 31st March, 2015 represents :**

- a. Additional levy @ Rs. 295 per MT amounting to Rs. 9161.53 lacs on the coal extracted till 31st March, 2014, in pursuance of the order dated 24th September, 2014 of Hon'ble Supreme Court.

NOTE : 44 Corporate Ispat Alloys Limited has filed a winding up petition under the provisions of Section 434 of the Companies Act, 1956 before the Hon'ble Bombay High Court, Nagpur Bench, Nagpur, against claiming an amount of Rs. 10226.78 lacs. The petition is still at pre admission stage and as per the Company the petition is not sustainable.

NOTE : 45 EXPENDITURE RELATED TO CORPORATE SOCIAL RESPONSIBILITY AS PER SEC 135 OF THE COMPANIES ACT, 2013 READ WITH SCHEDULE VII.

- a. CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company during the year is Rs. 118.80 lacs (Previous Year Rs. 161.84 lacs)
- b. Expenditure incurred related to Corporate Social Responsibility is Rs. 92.30 lacs (Previous Year Rs. 101.12 lacs)

Details of Expenditure incurred towards CSR given below:

PARTICULARS	Year ended 31.03.2016	Year ended 31.03.2015
	Rs.in lacs	Rs.in lacs
Rural Development Projects	37.79	7.66
Environmental Sustainability	22.63	0.46
Education and Training	18.63	37.61
Health Care, Sanitation and providing Drinking Water	5.59	34.43
Others	7.66	20.96

NOTE : 46 DETAILS OF LOAN GIVEN, INVESTMENT MADE AND CORPORATE GUARANTEE GIVEN COVERED U/S 186(4) OF THE COMPANIES ACT, 2013.

Sr. No.	Particulars	Year ended 31.03.2016	Year ended 31.03.2015
		Rs.in lacs	Rs.in lacs
I	Loan Given		
	Jayaswal Neco Urja Limited	738.30	758.30
II	Investment Made		
	Jayaswal Neco Urja Limited	1370.55	1370.55
III	Corporate Guarantee Given		
	Maa Usha Urja Limited	1181.00	1181.00

The above Loan / Investment have been given / made for business purpose.
Corporate Guarantee given by the Company for the purpose of loans.

As per our Report of even date

For CHATURVEDI & SHAH
Chartered Accountants
(Registration No. : 101720W)

For and on behalf of Board of Directors

R. KORIA
Partner
Membership No.:35629

ARBIND JAYASWAL
Managing Director
DIN : 00249864

For AGRAWAL CHHALLANI & CO.
Chartered Accountants
(Registration No. : 100125W)

ASHUTOSH MISHRA
Company Secretary
Membership No.:A23011

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

S. R. CHHALLANI
Partner
Membership No.:30154

Nagpur, 27th May, 2016

JAYASWAL NECO URJA LIMITED

(Subsidiary Company)



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REPORT OF BOARD OF DIRECTORS

To,

The Members,

JAYASWAL NECO URJA LIMITED

Your Directors are pleased to present the 9TH (NINTH) ANNUAL REPORT together with the Company's Audited Financial Statement for the financial year ended 31st March, 2016.

FINANCIAL SUMMARY:

The Company's financial performance for the year ended 31st March, 2016 is summarised below:

(Amount in Rs.)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Other Income	788	18,739
TOTAL REVENUE	788	18,739
Expenses:		
Finance Costs	87,68,117	87,79,281
Depreciation and Amortization Expenses	37,275	37,274
Other Expenses	3,46,022	80,43,943
TOTAL EXPENSES	91,51,414	1,68,60,498
Loss Before Exceptional Items and Tax	(91,50,626)	(1,68,41,759)
Exceptional Items	26,43,33,180	--
Profit / (Loss) before tax	(27,34,83,806)	(1,68,41,759)
Tax Expense	---	---
Profit / (Loss) for the year	(27,34,83,806)	(1,68,41,759)

DIVIDEND:

In view of loss during the year under review, Directors do not recommend any dividend.

STATUS OF THE PROJECTS:

The Company was setting up power plant to use middlings from the coal mines of its Holding Company (i.e. Jayaswal Neco Industries Limited). In view of the cancellation of the coal mines of the Holding Company, the Company has abandoned its power plant project and has written off the expenses of Rs. 26,43,33,180/- incurred by the Company towards the project to the Statement of Profit and Loss of the Company.

The Company has huge land bank in Raigarh District, Chhattisgarh which is situated at a strategic location for any type of project. Accordingly, the Company is evaluating the possibility of some good projects on the aforesaid land.

TRANSFER TO RESERVES:

The Company does not propose to transfer any amount to the general reserve for the financial year ended 31st March, 2016.

DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the year under review, the Board of Directors at its meeting held on 16th May, 2015 appointed Shri Arvind Jayaswal as Managing Director of the Company. The Board also appointed Shri Brajkishore Agrawal and Shri Arvind Iyer as Additional Directors (Independent), which was approved by the members at their 8th Annual General Meeting. Further, the Board of Directors at its meeting held on 16th May, 2015 also appointed Shri Pramod Kumar Bhardwaj as Chief Financial Officer and Shri Murli Lahoti as the Company Secretary of the Company.

The term of Shri Arvind Jayaswal as Managing Director was approved for 3 years from 16th May, 2015 to 15th May, 2018 and the term of Shri Brajkishore Agrawal and Shri Arvind Iyer as an Independent Director was approved for 5 years from 16th May, 2015 to 15th May, 2020, respectively.

In accordance with the provisions of Section 152(6) the Companies Act, 2013 and Rules made there under and Articles of



Association of the Company, Shri Basant Lall Shaw, Director, retires at the ensuing Annual General Meeting and being eligible offered himself for re-appointment.

The present Board of Directors of the Company are as follows:

- 1) Shri Basant Lall Shaw, Chairman (DIN 00249729);
- 2) Shri Arvind Jayaswal, Managing Director (DIN 00249864);
- 3) Shri Ramesh Jayaswal, Director (DIN 00249947);
- 4) Shri Brajkishore Agrawal, Director (Independent) (DIN 01223894);
- 5) Shri Arvind Iyer, Director (Independent) (DIN 01375173);

The Key Managerial Personnel of the Company are as follows:

- 1) Shri Arvind Jayaswal, Managing Director (DIN 00249864);
- 2) Shri Pramod Kumar Bhardwaj, Chief Financial Officer, (PAN AAAPB1143K)
- 3) Shri Murli Lahoti, Company Secretary (PAN AAXPL9034E)

NUMBER OF MEETINGS OF BOARD:

During the year under review, 5 (Five) meetings were held. The dates of the meetings are 16th May, 2015, 29th May, 2015, 12th August, 2015, 6th November, 2015 and 12th February, 2016.

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

Shri Brajkishore Agrawal and Shri Arvind Iyer, both Independent Directors of the Company have submitted their declaration that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Rules made thereunder, at the time of their appointment, as required under Section 149(7) of the Companies Act, 2013.

COMMITTEES OF BOARD OF DIRECTORS:

The Board of Directors has duly constituted Audit Committee and Nomination & Remuneration Committee, in accordance with the applicable provisions of Companies Act, 2013 and Rules made thereunder.

RISK MANAGEMENT POLICY:

In compliance with the provisions of Section 134(3)(n) of the Companies Act, 2013, the Board of Directors has formulated and adopted the Risk Management Policy. The Board of Directors has delegated the Audit Committee authority to monitor the Risk Management Policy including (a) Overseeing and approving the Company's enterprise wide risk management framework; and (b) Overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks. We affirm that, all risk managements are monitored and resolved as per the process laid out in the policy.

NOMINATION AND REMUNERATION POLICY:

The Nomination and Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of directors and recommends to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees. The brief terms of the policy framed by the Nomination and Remuneration Committee, in pursuant to the provisions of Section 178(4) of the Companies Act, 2013 and Rules made thereunder are as follows:

- (a) The committee shall ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- (b) The committee shall also ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) The committee shall also ensure that the remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The Key Objectives of the Committee are:

- (i) To guide the Board in relation to appointment and removal of directors, key managerial personnel and senior management.

- (ii) To recommend to the Board on remuneration payable to the directors, key managerial personnel and senior management.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, the Directors state that:

- (a) in the preparation of the annual accounts for the year ended 31st March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors have prepared the annual accounts on a going concern basis; and
- (e) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

AUDITORS & AUDITORS' REPORT:

At the 7th Annual General Meeting of the Company held on 22nd September, 2014, M/s. Agrawal Chhallani & Co., Chartered Accountants, Nagpur were appointed as the Joint Statutory Auditors of the Company to hold office till the conclusion of 10th Annual General Meeting and M/s. Chaturvedi & Shah, Chartered Accountants, Mumbai, were appointed as the Joint Statutory Auditors of the Company to hold office till the conclusion of 12th Annual General Meeting of the Company.

In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the Joint Statutory Auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s Agrawal Chhallani & Co., Chartered Accountants, Nagpur and M/s Chaturvedi & Shah, Chartered Accountants, Mumbai, as Joint Statutory Auditors of the Company, is placed before the members for ratification.

The Company has received the consent letters / certificate from both the Joint Statutory Auditors to the effect that their ratification of appointment, if made, would inter-alia be within the prescribed limits under Section 139 & 141 of the Companies Act, 2013 and that they are not disqualified for ratification of appointment. The Board recommends the ratification of appointment of Joint Statutory Auditors to the members.

The Report of Auditors of the Company and the notes forming part of the financial statements are self-explanatory and hence requires no explanation from the Board of Directors. The Auditors' Report does not contain any qualification, reservation or adverse remark, however there are matter of emphasis mentioned by the Auditors.

EXTRACT OF THE ANNUAL RETURN:

In pursuant to the provisions of Section 92 of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, Extract of Annual Return in form MGT-9 is annexed herewith as "*Annexure I*" which forms part of this Report.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

During the year under review, the Company has not provided any loan, extended any guarantee or made investments as covered under Section 186 of the Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

During the year under review, the Company has not entered into any contracts or arrangements with related parties as referred under Section 188(1) of the Companies Act, 2013 and Rules made thereunder.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO:

The disclosures relating to conservation of energy and technology absorption are nil. There were no foreign exchange earnings or outgo for the year under review.

HOLDING, SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANY:

The Company does not have any Subsidiary, Joint Venture or Associate Company. However, the Company is subsidiary of



M/s Jayaswal Neco Industries Limited (CIN L28920MH1972PLC016154), which holds 1,37,05,500 equity shares of Rs. 10/- each having shareholding of 99.82% in the Company.

PARTICULARS OF EMPLOYEES:

During the year under review, there were no employees in the Company who are drawing prescribed salary pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

GENERAL DISCLOSURE:

Your Directors state that, no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- 1) Details relating to deposits covered under Chapter V of the Act.
- 2) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- 3) No cases have been filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ACKNOWLEDGMENT:

The Directors place on record, their appreciation and gratitude for all the co-operation extended by Government Agencies, Bankers, Financial Institutions, Business Associates and Members.

**For and on behalf of the Board of Directors
JAYASWAL NECO URJA LIMITED**

Date : 12th August, 2016

Place : Nagpur

**BASANT LALL SHAW
CHAIRMAN
(DIN 00249729)**

Annexure I

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2016

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

I. REGISTRATION AND OTHER DETAILS

i)	CIN	U40102MH2007PLC169762
ii)	Registration Date	9th April, 2007
iii)	Name of the Company	JAYASWAL NECO URJA LIMITED
iv)	Category / Sub-Category of the Company	Company Limited by Shares / Indian Non - Government Company
v)	Address of the Registered office and contact details	F-8, MIDC Industrial Area, Hingna Road, Nagpur 440016, Maharashtra, India.
vi)	Whether listed company	No
vii)	Name, Address and Contact details of RTA, if any	-

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the products / services	% of total turnover of the Company
		NIL	

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Jayaswal Neco Industries Limited, F-8, MIDC Industrial Area, Hingna Road, Nagpur 440016, Maharashtra, India.	L28920MH1972PLC016154	Holding	99.82	2(46)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2015)				No. of Shares held at the end of the year (As on 31.03.2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTER									
(1) Indian									
(a) Individual / HUF	-	5000	5000	0.04	-	5000	5000	0.04	-
(b) Central Govt.	-	-	-	-	-	-	-	-	-
(c) State Govt.	-	-	-	-	-	-	-	-	-
(d) Bodies Corporate	-	13722500	13722500	99.95	-	13722500	13722500	99.95	-
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	-	13727500	13727500	99.99	-	13727500	13727500	99.99	-

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2015)				No. of Shares held at the end of the year (As on 31.03.2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
(a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b) Other - Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corporate	-	-	-	-	-	-	-	-	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoters (A)	-	13727500	13727500	99.99	-	13727500	13727500	99.99	-
[(A) = (A)(1) + (A)(2)]									
B. PUBLIC SHAREHOLDING									
(1) Institutions									
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks / FI	-	-	-	-	-	-	-	-	-
(c) Central Govt.	-	-	-	-	-	-	-	-	-
(d) State Govt.	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIs -	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	-	-	-	-	-	-	-	-	-
(2) Non-Institutions									
(a) Bodies Corporate									
(i) Indian	-	2500	2500	0.01	-	2500	2500	0.01	-
(ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 Lakhs	-	-	-	-	-	-	-	-	-
(ii) Individual shareholders holding nominal share capital excess Rs. 1 Lakhs	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2)	-	2500	2500	0.01	-	2500	2500	0.01	-
Total public shareholding (B) [(B)=(B)(1)+(B)(2)]	-	2500	2500	0.01	-	2500	2500	0.01	-
C. Shares held by Custodian for GDRs & ADRs -	-	-	-	-	-	-	-	-	-
GRAND TOTAL[A+B+C]	-	13730000	13730000	100.00	-	13730000	13730000	100.00	-

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

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2015)			Shareholding at the end of the year (As on 31.03.2016)			% Change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged/ encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares pledged/ encumbered to total Shares	
1	Shri Basant Lall Shaw	1000	0.01	-	1000	0.01	-	-
2	Shri Arvind Jayaswal	1000	0.01	-	1000	0.01	-	-
3	Shri Ramesh Jayaswal	1000	0.01	-	1000	0.01	-	-
4	Smt. Nisha Jayaswal	1000	0.01	-	1000	0.01	-	-
5	Smt. Rita Jayaswal	1000	0.01	-	1000	0.01	-	-
6	Jayaswal Holdings P. Ltd.	3000	0.02	-	3000	0.02	-	-
7	Neco Valves & Pumps P. Ltd.	1000	0.01	-	1000	0.01	-	-
8	Jayaswal Neco Industries Ltd.	13705500	99.82	-	13705500	99.82	-	-
9	Jayaswal Neco Energy P. Ltd.	13000	0.09	-	13000	0.09	-	-
	TOTAL	13727500	99.99	-	13727500	99.99	-	-

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

iii) Change in Promoters' Shareholding

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Shri Basant Lall Shaw				
	At the beginning of the year	1000	0.01		
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	-	-	-	-
	At the end of the year			1000	0.01
2	Shri Arvind Jayaswal				
	At the beginning of the year	1000	0.01		
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	-	-	-	-
	At the end of the year			1000	0.01
3	Shri Ramesh Jayaswal				
	At the beginning of the year	1000	0.01		
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	-	-	-	-
	At the end of the year			1000	0.01

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
4	Smt. Nisha Jayaswal				
	At the beginning of the year	1000	0.01		
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)	-	-	-	-
	At the end of the year			1000	0.01
5	Smt. Rita Jayaswal				
	At the beginning of the year	1000	0.01		
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)	-	-	-	-
	At the end of the year			1000	0.01
6	Jayaswal Holdings Private Limited				
	At the beginning of the year	3000	0.02		
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer/bonus/ sweat equity etc.)	-	-	-	-
	At the end of the year			3000	0.02
7	Neco Valves & Pumps Private Limited				
	At the beginning of the year	1000	0.01		
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer/bonus/ sweat equity etc.)	-	-	-	-
	At the end of the year			1000	0.01
8	Jayaswal Neco Industries Limited				
	At the beginning of the year	13705500	99.82		
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer/bonus/ sweat equity etc.)	-	-	-	-
	At the end of the year			13705500	99.82
9	Jayaswal Neco Energy Private Limited				
	At the beginning of the year	13000	0.09		
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer/bonus/ sweat equity etc.)	-	-	-	-
	At the end of the year			13000	0.09

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

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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Deify Infrastructures Limited				
	At the beginning of the year	2500	0.02		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year			2500	0.02

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

v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Shri Basant Lal Shaw				
	At the beginning of the year	1000	0.01		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year			1000	0.01
2	Shri Arvind Jayaswal				
	At the beginning of the year	1000	0.01		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year			1000	0.01
3	Shri Ramesh Jayaswal				
	At the beginning of the year	1000	0.01		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year			1000	0.01



V. INDEBTEDNESS

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

(Amount in Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
1 Principal Amount	-	31,59,94,834	-	31,59,94,834
2 Interest due but not paid	-	-	-	-
3 Interest accrued but not due	-	79,01,353	-	79,01,353
Total (1 + 2 + 3)	-	32,38,96,187	-	32,38,96,187
Change in Indebtedness during the financial year				
* Addition	-	78,91,305	-	78,91,305
* Reduction	-	(20,00,000)	-	(20,00,000)
Net Change	-	58,91,305	-	58,91,305
Indebtedness at the end of the financial year				
1 Principal Amount	-	31,39,94,834	-	31,39,94,834
2 Interest due but not paid	-	-	-	-
3 Interest accrued but not due	-	1,57,92,658	-	1,57,92,658
TOTAL (1 + 2 + 3)	-	32,97,87,492	-	32,97,87,492

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Shri Arvind Jayaswal*	Total Amount (Rs.)
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit	-	-
	- others, specify	-	-
5.	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act	-	-

* Shri Arvind Jayaswal was appointed as Managing Director w.e.f. 16th May, 2015

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Director				Total Amount (Rs.)
		Shri Basant Lall Shaw	Shri Ramesh Jayaswal	Shri B. K. Agrawal*	Shri Arvind Iyer*	
1.	Independent Directors					
	- Fee for attending Board/Committee meetings	-	-	4,000	3,500	7,500
	- Commission	-	-	-	-	-

	- Others, please specify	-	-	-	-	-
	Total (1)	-	-	4,000	3,500	7,500
2.	Other Non-Executive Directors					
	- Fee for attending Board/Committee meetings	2,500	4,000	-	-	6,500
	- Commission	-	-	-	-	-
	- Others, please specify	-	-	-	-	-
	Total (2)	2,500	4,000	-	-	6,500
	Total (B) = (1+2)	2,500	4,000	4,000	3,500	14,000
	Total Managerial Remuneration	2,500	4,000	4,000	3,500	14,000
	Overall Ceiling as per the Act	Rs. 1,00,000 per meeting per director				

* Shri B. K. Agrawal and Shri Arvind Iyer were appointed as Director (Independent) w.e.f. 16th May, 2015

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

C. Remuneration to Key Managerial Personnel other than Managing Director / Manager / Whole Time Director

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount (Rs.)
		CEO	*Shri Murli Lahoti, Company Secretary	*Shri P. K. Bhardwaj, CFO	
1.	Gross salary				
	(a) Salary as per provisions contained u/s 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (C)	-	-	-	-

* Shri P. K. Bhardwaj & Shri Murli Lahoti were appointed as Chief Financial Officer & Company Secretary, respectively, w.e.f. 16th May, 2015

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act, 2013	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A. Company					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
B. Directors					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
C. Other Officers in default					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--



INDEPENDENT AUDITORS' REPORT

TO
THE MEMBERS OF
JAYASWAL NECO URJA LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Jayaswal Neco Urja Limited** ("the Company"), which comprises the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, as applicable.

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 appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016 and its loss and its cash flows for the year ended on that date.

Emphasis of Matters

As mentioned in Note no. 7.01 to the financial statements, during the year the Company has abandoned the setting up of power plant project due to the cancellation of coal blocks allotted to the holding company, the middlings from which were major source of fuel. Consequently the company has written off Capital Work In Progress which has resulted into company having negative net worth. The Company is evaluating the possibility of implementation of some other project on the land held by it and accordingly prepared the financial statements on going concern basis. The appropriateness of assumption of going concern is dependent upon commencement and implementation of any such project. Our opinion is not qualified / modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose 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, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, as applicable;
 - e. The going concern matter described under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - f. On the basis of the written representations received from the directors as on 31st March, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - g. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure A**”
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - 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.
2. As required by the Companies (Auditor's Report) Order, 2016 (“the Order”) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in “**Annexure B**” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Agrawal Chhallani & Co.**
Chartered Accountants
(Firm Registration No. : 100125W)

S. R. Chhallani
Partner
Membership No. – 30154
Nagpur
Date : 27th May, 2016

For **Chaturvedi & Shah**
Chartered Accountants
(Registration No. : 101720W)

R. Koria
Partner
Membership No. – 35629
Mumbai
Date : 27th May, 2016

“ANNEXURE A” TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Jayaswal Neco Urja Limited on the standalone financial statements for the year ended 31st March, 2016)

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

We have audited the internal financial controls over financial reporting of **Jayaswal Neco Urja Limited (“the Company”)** as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India. 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 over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under



Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For Agrawal Chhallani & Co.

Chartered Accountants

(Firm Registration No. : 100125W)

S. R. Chhallani

Partner

Membership No. – 30154

Nagpur

Date : 27th May, 2016

For Chaturvedi & Shah

Chartered Accountants

(Registration No. : 101720W)

R. Korla

Partner

Membership No. – 35629

Mumbai

Date : 27th May, 2016

“ANNEXURE B” TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date to the members of Jayaswal Neco Urja Limited on the standalone financial statements for the year ended 31st March, 2016)

i. In respect of its fixed assets:

- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
- As explained to us, the Company has physically verified all the fixed assets and no material discrepancies were noticed on such physical verification.

- c. According to the information and explanations given to us, the title deeds of immovable properties are in the name of the Company including freehold land, having the cost of Rs. 2,848,686 verified based on the photocopies of the documents.
- ii. According to the information and explanations given to us, the Company does not have any inventory during the year. Therefore the provisions of clause (ii) of paragraph 3 of the Order are not applicable to the Company.
- iii. The Company has not given any advances in the nature of loan to companies, firms or other parties covered in the register maintained under section 189 of the Act. Therefore the provisions of the clause (iii) of paragraph 3 of the Order are not applicable to the Company.
- iv. The Company has not given any loan, made investments and provided guarantees and securities. Therefore the provisions of the clause (iv) of paragraph 3 of the Order are not applicable to the Company.
- v. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company.
- vi. As per information and explanations given to us, the maintenance of cost records under section 148 (1) of the Act is not applicable to the Company for the year under audit.
- vii. According to the information and explanations given to us, in respect of statutory dues:
- The company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income tax and any other material statutory dues to the extent applicable, with the appropriate authorities. No undisputed amounts payable in respect of such statutory dues were outstanding as at 31st March, 2016 for a period of more than six months from the date they became payable.
 - There are no dues of Income tax, Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax which have not been deposited on account of any dispute.
- viii. The Company has not borrowed any money from financial institutions or banks and has not issued any debentures. Therefore, the provisions of Clause (viii) of paragraph 3 of the Order are not applicable to the Company.
- ix. According to the information and explanations given to us, during the year the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). The Company has not taken any term loans during the year.
- x. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and on the basis of information and explanations given by the management, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us, no managerial remuneration has been paid or provided in accordance with the provisions of section 197 read with Schedule V to the Act. Therefore, the provisions of Clause (xi) of paragraph 3 of the order are not applicable to the Company.
- xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of Clause (xii) of paragraph 3 of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, during the year, the company has not raised any money by preferential allotment or private placement of share or debentures. Therefore, the provisions of Clause (xiv) of paragraph 3 of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us, during the year the company has not entered into any non-cash transactions with directors or persons connected with him. Therefore, the provisions of Clause (xv) of paragraph 3 of the Order are not applicable to the Company.
- xvi. In our opinion and according to information and explanations provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Agrawal Chhallani & Co.
Chartered Accountants
(Firm Registration No. : 100125W)

S. R. Chhallani
Partner
Membership No. – 30154
Nagpur
Date : 27th May, 2016

For Chaturvedi & Shah
Chartered Accountants
(Registration No. : 101720W)

R. Koria
Partner
Membership No. – 35629
Mumbai
Date : 27th May, 2016



BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note	As at 31.03.2016	As at 31.03.2015
		Rs.	Rs.
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	2	137,300,000	137,300,000
Reserves and Surplus	3	(307,701,060)	(170,401,060)
		(34,217,254)	103,082,746
Non-current liabilities			
Long Term Borrowings	4	313,994,834	315,994,834
Other Long Term Liabilities	5	15,792,658	329,787,492
		7,901,353	323,896,187
Current liabilities			
Other Current Liabilities	6	9,554,233	9,554,233
		7,533,714	7,533,714
TOTAL		168,940,665	434,512,647
ASSETS			
Non-current assets			
Fixed Assets	7		
Tangible Assets		82,012,758	82,050,033
Capital Work-in-Progress		-	264,333,180
Long Term Loans and Advances	8	85,116,917	167,129,675
		87,117,890	433,501,103
Current assets			
Cash and Bank Balances	9	1,806,899	1,008,134
Short Term Loans and Advances	10	4,091	1,810,990
		3,410	1,011,544
TOTAL		168,940,665	434,512,647
Significant Accounting Policies	1		
Notes to the Financial Statements	2 to 21		

As per our Report of even date
For AGRAWAL CHHALLANI & CO.
Chartered Accountants
(Registration No. : 100125W)

For and on behalf of Board of Directors

S. R. CHHALLANI
Partner
Membership No.:30154

RAMESH JAYASWAL
Director
DIN : 00249947

ARBIND JAYASWAL
Managing Director
DIN : 00249864

For CHATURVEDI & SHAH
Chartered Accountants
(Registration No. : 101720W)

MURLI LAHOTI
Company Secretary
Membership No. : 18206

P.K.BHARDWAJ
Chief Financial Officer

R. KORIA
Partner
Membership No.:35629

Nagpur, 27th May, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Note	Year ended 31.03.2016 Rs.	Year ended 31.03.2015 Rs.
Other Income	11	788	18,739
Total Revenue		788	18,739
Expenses:			
Finance Costs	12	8,768,117	8,779,281
Depreciation Expense	7	37,275	37,274
Other Expenses	13	346,022	8,043,943
Total Expenses		9,151,414	16,860,498
Loss before Exceptional Items and Tax		(9,150,626)	(16,841,759)
Exceptional Items	14	264,333,180	-
Loss before tax		(273,483,806)	(16,841,759)
Tax Expense		-	-
Loss for the year		(273,483,806)	(16,841,759)
Earnings per equity share of Rs. 10/- each	15		
Basic and Diluted (Rs.)		(19.92)	(1.23)
Significant Accounting Policies	1		
Notes to the Financial Statements	2 to 21		

As per our Report of even date
For AGRAWAL CHHALLANI & CO.
Chartered Accountants
(Registration No. : 100125W)

For and on behalf of Board of Directors

S. R. CHHALLANI
Partner
Membership No.:30154

RAMESH JAYASWAL
Director
DIN : 00249947

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For CHATURVEDI & SHAH
Chartered Accountants
(Registration No. : 101720W)

MURLI LAHOTI
Company Secretary
Membership No. : 18206

P.K.BHARDWAJ
Chief Financial Officer

R. KORIA
Partner
Membership No.:35629

Nagpur, 27th May, 2016



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	31.03.2016 Rs.	31.03.2015 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss Before Tax as per Statement of Profit and Loss	(273,483,806)	(16,841,759)
ADJUSTED FOR		
Depreciation Expense	37,275	37,274
Interest Income	(788)	(18,739)
Pre Operative Expense written off	264,333,180	-
Finance Costs	8,768,117	8,779,281
OPERATING LOSS BEFORE WORKING CAPITAL CHANGES	(346,022)	(8,043,943)
ADJUSTMENTS FOR		
Other Payables	2,020,519	(101,906)
CASH GENERATED / (USED) IN OPERATIONS	1,674,497	(8,145,849)
Direct Taxes (paid) / refunded	973	97,258
NET CASH FLOW / (USED) IN OPERATING ACTIVITIES	1,675,470	(8,048,591)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Interest Income	107	398,740
Capital Advance Received back	2,000,000	-
NET CASH FLOW FROM INVESTING ACTIVITIES	2,000,107	398,740
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Long Term Borrowings	(2,000,000)	2,300,000
Finance Costs paid	(876,812)	(877,928)
Margin Money (Net)	-	6,553,662
NET CASH (USED IN) / GENERATED FROM FINANCING ACTIVITIES	(2,876,812)	7,975,734
NET INCREASE IN CASH AND CASH EQUIVALENTS	798,765	325,883
Cash and Cash Equivalents (Opening Balance)	998,134	672,251
Cash and Cash Equivalents (Closing Balance)	1,796,899	998,134

- i The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard -3 "Cash Flow Statements".
- 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 AGRAWAL CHHALLANI & CO.
Chartered Accountants
(Registration No. : 100125W)

For and on behalf of Board of Directors

S. R. CHHALLANI
Partner
Membership No.:30154

RAMESH JAYASWAL
Director
DIN : 00249947

ARBIND JAYASWAL
Managing Director
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For CHATURVEDI & SHAH
Chartered Accountants
(Registration No. : 101720W)

MURLI LAHOTI
Company Secretary
Membership No. : 18206

P.K.BHARDWAJ
Chief Financial Officer

R. KORIA
Partner
Membership No.:35629

Nagpur, 27th May, 2016

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE:1

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**1.01 BASIS OF PREPARATION OF FINANCIAL STATEMENTS:**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013 as adopted consistently by the Company. The financial statements have been prepared on a going concern basis under the historical cost convention.

1.02 USE OF ESTIMATES

The preparation of financial statements in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

1.03 FIXED ASSETS

- (i) Fixed Assets are stated at cost less accumulated depreciation. All costs including financial cost till commencement of commercial production are capitalized.
- (ii) Expenses incurred relating to project, prior to commencement of commercial operation, are considered pre-operative expenditure and disclosed under Capital Work-in-Progress.

1.04 DEPRECIATION

Depreciation on Fixed Assets is provided to the extent of depreciable amount on Straight line method over the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

1.05 REVENUE RECOGNITION

Interest income is recognised on a time proportion basis taking into account the amount outstanding and rate applicable

1.06 FOREIGN CURRENCY TRANSACTIONS

- (i) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- (ii) Monetary items denominated in foreign currencies at the year end are restated at the year end rates. In case of monetary items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference in the statement of profit and loss and the premium paid on forward contracts has been recognised over the life of the contract.
- (iii) Non monetary foreign currency items are carried at cost.
- (iv) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.

1.07 BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets (net of income earned on deployment of funds) are capitalized as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to Statement of Profit and Loss.

1.08 EMPLOYEE BENEFITS

- (i) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss/Preoperative expenditure of the year in which the related service is rendered.
- (ii) Post employment and other long term employee benefits are recognized as an expense in the Statement of Profit and Loss /Preoperative expenditure for the year in which the employee has rendered services. The expense is



recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Statement of Profit and Loss /Preoperative expenditure.

1.09 PRELIMINARY EXPENSES

Preliminary Expenses are charged to the Statement of Profit and Loss in the year in which they are incurred.

1.10 IMPAIRMENT OF ASSETS

An Asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

1.11 PROVISION FOR CURRENT AND DEFERRED TAX

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act 1961. Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rate and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax assets are recognized and carried forward only to the extent that there is a virtual certainty that the assets will be realized in future.

1.12 PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provision involving substantial degree of estimation in measurement is recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the financial statements. Contingent Assets are neither recognized nor disclosed in the financial statements.

NOTE : 2 SHARE CAPITAL

Particulars	As at	As at
	31.03.2016	31.03.2015
	Rs.	Rs.
Authorised		
50,000,000 (Previous Year 50,000,000) Equity Shares of Rs.10/- each	500,000,000	500,000,000
	<u>500,000,000</u>	<u>500,000,000</u>
Issued, Subscribed and Paid Up		
13,730,000 (Previous Year 13,730,000) Equity Shares of Rs.10/- each, fully Paid up	137,300,000	137,300,000
Total	<u>137,300,000</u>	<u>137,300,000</u>

2.01 Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31 st March, 2016		As at 31 st March, 2015	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning and end of the year	<u>13,730,000</u>	<u>137,300,000</u>	<u>13,730,000</u>	<u>137,300,000</u>

2.02 Details of Share Holders holding more than 5% shares of the Company

Name of Shareholder	As at 31 st March, 2016		As at 31 st March, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Jayaswal Neco Industries Ltd. (Holding Company)	13,705,500	99.82	13,705,500	99.82

2.03 Rights of Equity Shareholders

The Company has only one class of equity shares having a face value of Rs.10/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the company, the equity shareholders will be entitled to receive any of remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

NOTE : 3 RESERVES & SURPLUS

Particulars	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
	Rs.	Rs.	Rs.
Surplus/ (Deficit)			
Balance as per last Balance Sheet	(34,217,254)		(17,375,495)
Add: Loss for the year	(273,483,806)		(16,841,759)
		(307,701,060)	(34,217,254)
Total		(307,701,060)	(34,217,254)

NOTE : 4 LONG TERM BORROWINGS

Particulars	As at 31.03.2016	As at 31.03.2015
	Rs.	Rs.
Unsecured		
Loans from Related Parties		
Inter Corporate Deposits*	313,994,834	315,994,834
(Refer Note No. 18 (c))		
Total	313,994,834	315,994,834

* Includes Rs. 7,38,30,103/- (Previous Year Rs. 7,58,30,103/-) due to Holding Company.

4.01 The above loans include :

- The Zero Coupon Loans amounting to Rs. 24,01,64,731/ are repayable on demand at anytime after 1st April, 2019.
- Rs. 7,38,30,103/- due to holding company repayable after 31st March, 2017 and carry interest rate @ 14.5% p.a.

NOTE : 5 OTHER LONG TERM LIABILITIES

Particulars	As at 31.03.2016	As at 31.03.2015
	Rs.	Rs.
Interest Accrued but not due on borrowings	15,792,658	7,901,353
Total	15,792,658	7,901,353

NOTE : 6 OTHER CURRENT LIABILITIES

Particulars	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015	As at 31.03.2015
	Rs.	Rs.	Rs.	Rs.
Creditors for Capital Goods		5,777,385		5,777,385
Other Payables				
Due to Related Parties (Refer Note No.- 18 (c))	-		35,618	
Statutory Dues	900,342		898,485	
Others	2,876,506		822,226	
		3,776,848		1,756,329
Total		9,554,233		7,533,714

NOTE : 7 FIXED ASSETS

(Rs.)

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 01.04.2015	Additions	Deductions/ Adjustments	As at 31.03.2016	Upto 31.03.2015	For the Year	Deductions/ Adjustment	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
Tangible Assets										
Owned										
Freehold Land	81,950,507	-	-	81,950,507	-	-	-	-	81,950,507	81,950,507
Office Equipments	124,657	-	-	124,657	45,486	34,555	-	80,041	44,616	79,171
Furniture & Fixtures	26,419	-	-	26,419	6,064	2,720	-	8,784	17,635	20,355
Total	82,101,583	-	-	82,101,583	51,550	37,275	-	88,825	82,012,758	82,050,033
Previous Year	82,101,583	-	-	82,101,583	14,276	37,274	-	51,550	82,050,033	
Capital Work-in-Progress (Pre-operative Expenses)										
									-	264,333,180

7.01 Capital Work in Progress:

The company was in the process of setting up power plant project to use Middlings from the Holding Company's coal mines. The execution of the project has been affected due to cancellation of coal blocks allotted to Holding Company. As the project is no longer viable, the management has decided to abandon the project. In view of the above, project development expenses of Rs. 26,43,33,180/- incurred till the earlier years and disclosed as Capital Work-in-progress have been written off and charged to the statement of Profit and Loss. The Company is evaluating the possibility of implementation of some other project on the freehold land and accordingly prepared the financial statements on going concern basis.

NOTE : 8 LONG TERM LOANS AND ADVANCES (Unsecured and Considered Good)

Particulars	As at 31.03.2016	As at 31.03.2015
	Rs.	Rs.
Capital Advances	85,116,841	87,116,841
Advance Income Tax (Net)	76	1,049
Total	85,116,917	87,117,890

NOTE : 9 CASH AND BANK BALANCES

Particulars	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
	Rs.	Rs.	Rs.
Cash and Cash Equivalents			
Balances with banks :			
- In Current Accounts	929,050		979,551
Cheque in Hand	849,690		-
Cash on hand	18,159		18,583
		1,796,899	998,134
Other Bank Balance			
Fixed Deposits with Banks pledged as Margin Money/ Govt. Authority *		10,000	10,000
Total		1,806,899	1,008,134

* Includes Rs. 10,000/- (Previous Year Rs.10,000/-) having maturity period of more than 12 months.

NOTE : 10 SHORT TERM LOANS AND ADVANCE (Unsecured and Considered Good)

Particulars	As at 31.03.2016	As at 31.03.2015
	Rs.	Rs.
Interest Receivable	4,091	3,410
Total	4,091	3,410

NOTE : 11 OTHER INCOME

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
	Rs.	Rs.
Interest Income	788	18,739
Total	788	18,739

NOTE : 12 FINANCE COST

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
	Rs.	Rs.
Interest Expenses	8,768,117	8,779,281
Total	8,768,117	8,779,281

NOTE : 13 OTHER EXPENSES

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
	Rs.	Rs.
Administrative Expenses		
Rates and Taxes	124	574,690
Bank Guarantee Invoked	-	6,000,000
Travelling and Conveyance	300	2,560



Legal and Professional Charges	93,700	201,900
Directors Sitting Fees	16,030	-
Payment to Auditors		
- Audit Fees	232,280	224,720
Consultancy Charges	-	956,050
Office Expenses	-	4,200
Miscellaneous	2,100	184
Other Expenses		
Bank Charges & Commission	1,488	79,639
Total	346,022	8,043,943

NOTE:14

Exceptional Items

Pre Operative expenses written off (Refer Note No. 7.01) amounting to Rs. 264,333,180 (Previous year Nil)

NOTE : 15 EARNING PER SHARE

Particulars		Year ended 31.03.2016	Year ended 31.03.2015
		Rs.	Rs.
Net (Loss) after tax	(A)	(273,483,806)	(16,841,759)
Weighted average number of equity shares (Nos.)	(B)	13,730,000	13,730,000
Basic and Diluted Earnings Per Share of face value of Rs.10/- each	(A) / (B)	(19.92)	(1.23)

NOTE:16 In the opinion of the management, Current Assets, Loans and Advances are of the value stated, if realised in the ordinary course of business.

NOTE:17 SEGMENT REPORTING:

The construction and development activities have been abandoned as detailed in Note no. 7.01 and hence there is no reportable segment (business and/ or geographical) in accordance with the requirements of Accounting Standard - 17 "Segment Reporting" notified in the Companies (Accounting Standards) Rules, 2006.

NOTE : 18 RELATED PARTY DISCLOSURES

(a) List of related Parties

(As certified by the Company)

I. Holding Company

Jayaswal Neco Industries Limited

II. Key Managerial Personnel and their Relatives

Shri B.L. Shaw

Shri Arbind Jayaswal

Shri Ramesh Jayaswal

III. Enterprises in which Key Managerial Personnel and their Relatives are able to exercise significant influence and with whom transactions have taken place during the year:

(Other related Parties)

Jayaswal Neco Steel & Mining Limited

JLD Yavatmal Energy Limited

Maa Usha Urja Limited

Jayaswal Neco Infrastructures Private Limited

(b) Transactions with Related Parties

Rs.

Nature of Transaction	Holding Company	Key Managerial Personnel	Other Related Parties	Total
Long Term Borrowings				
Loan - Received / Converted during the year	-	-	-	-
	(8,699,045)	(-)	(2,300,000)	(10,999,045)
Loan - Refund during the year	2,000,000	-	-	2,000,000
	(-)	(-)	(-)	(-)
Closing Balance as at 31st March, 2016	73,830,103	-	240,164,731	313,994,834
	(75,830,103)	(-)	(240,164,731)	(315,994,834)
Interest Accrued but not due on borrowings	15,792,658	-	-	15,792,658
	(7,901,353)	(-)	(-)	(7,901,353)
Other Payables				
Closing balance as at 31st March, 2016	-	-	-	-
	(-)	(-)	(35,618)	(35,618)
Short Term Loans & Advances				
Other Advances - given during the year	-	-	849,690	849,690
	(-)	(-)	(-)	(-)
Received during the year	-	-	849,690	-
	(-)	(-)	(-)	(-)
Reimbursement of Expenses to the Company	-	-	-	-
	(-)	(-)	(699,193)	(699,193)
Interest Expenses	8,768,117	-	-	8,768,117
	(8,779,281)	(-)	-	(8,779,281)

Note: Figures in brackets represent previous year's figures.

(c) Details of major transactions with Related Parties

Nature of Transaction		As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
Long Term Borrowings			
-Received/Converted during the year	Jayaswal Neco Steel & Mining Ltd.	-	2,300,000
	Jayaswal Neco Industries Limited	-	8,699,045
- Balance as at 31st March, 2016	Maa Usha Urja Limited	73,386,481	73,386,481
	Jayaswal Neco Infrastructures Pvt. Limited	70,000,000	70,000,000
	Jayaswal Neco Steel & Mining Ltd.	96,778,250	96,778,250
	Jayaswal Neco Industries Limited	73,830,103	75,830,103
Interest Accrued but not due on borrowings	Jayaswal Neco Industries Limited	15,792,658	7,901,353
Other Payable			
- Balance as at 31st March, 2016	JLD Yavatmal Energy Limited	-	35,618
Other Advance			
Given during the year	JLD Yavatmal Energy Limited	849,690	-
Received During the year	JLD Yavatmal Energy Limited	849,690	-
Reimbursement of Expense to the Company	JLD Yavatmal Energy Limited	-	699,193
Interest paid	Jayaswal Neco Industries Limited	8,768,117	8,779,281



NOTE : 19 DEFERRED TAX ASSETS/ LIABILITIES (NET)

Particulars	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
(a) Deferred Tax Liabilities		
(i) Related to Fixed Assets	-	1,902
Total	-	1,902
(b) Deferred Tax Assets		
Unabsorbed Depreciation	21,869	17,831
Related to Fixed Assets	5,578	
Total	27,447	17,831
Net Deferred Tax Liability / (Assets)	(27,447)	(15,929)

19.01 As at 31st March, 2016, the Company has Net Deferred Tax Assets of Rs. 27,447/- (Previous Year Rs. 15,929/-). In the absence of virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized, the same has not been recognized in the books of account in line with Accounting Standard -22 dealing with "Accounting for Taxes on Income".

NOTE:20 The Company has not entered into any derivative contract and hence there is no outstanding derivative as on 31st March, 2016.

NOTE:21 Previous Year's figures have been reworked / regrouped / rearranged / reclassified wherever necessary to make them comparable with those of current year.

As per our Report of even date
For AGRAWAL CHHALLANI & CO.
Chartered Accountants
(Registration No. : 100125W)

For and on behalf of Board of Directors

S. R. CHHALLANI
Partner
Membership No.:30154

RAMESH JAYASWAL
Director
DIN : 00249947

ARBIND JAYASWAL
Managing Director
DIN : 00249864

For CHATURVEDI & SHAH
Chartered Accountants
(Registration No. : 101720W)

MURLI LAHOTI
Company Secretary
Membership No. : 18206

P.K.BHARDWAJ
Chief Financial Officer

R. KORIA
Partner
Membership No.:35629

Nagpur, 27th May, 2016

**Consolidated
Financial Statements
of
Jayaswal Neco
Industries Limited
(and its Subsidiary Company)**



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INDEPENDENT AUDITORS' REPORT

TO
THE MEMBERS OF
JAYASWAL NECO INDUSTRIES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **JAYASWAL NECO INDUSTRIES LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary company (the Holding Company and its subsidiary company together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at



31st March, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standard prescribed under Section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors of the Holding Company and subsidiary company as on 31st March, 2016 and taken on record by the Board of Directors of the respective Companies, none of the directors of the Group companies, is disqualified as on 31st March, 2016 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 over financial reporting and the operating effectiveness of such controls, refer to our separate report in “**Annexure A**”, which is based on the our reports of the Holding Company and subsidiary company.
 - g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as referred to in Note no. 12.08, 12.09, 12.10, 31(A), 31(B), 31(C) and 41 to the consolidated financial statements.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group Companies.

For Chaturvedi & Shah
Chartered Accountants
(Firm Registration No. – 101720W)

R Koria
Partner
Membership No. – 35629

Place: Mumbai
Date : 27th May, 2016

For Agrawal Chhallani & Co.
Chartered Accountants
(Registration No. : 100125W)

S. R. Chhallani
Partner
Membership No. – 30154

Place: Nagpur
Date : 27th May, 2016

"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date on consolidated financial statements of Jayaswal Neco Industries Limited for the year ended 31st March, 2016)

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

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended 31st March, 2016, we have audited the internal financial controls over financial reporting of **JAYASWAL NECO INDUSTRIES LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary company as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary 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. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 qualified audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit of the Group, the following material weaknesses have been identified in the operating effectiveness of the Holding Company's internal financial control over financial reporting as on 31st March, 2016 in respect of:

- a) Monitoring of EPC contract for projects under implementation, which could potentially result in excess advances to contractors and related monitoring issues.
- b) The information technology used by the company does not have stringent controls in respect of modification / editing of transactions, which may lead to incorrect reporting of information.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects / possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Holding Company and its subsidiary company have maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the 31st March, 2016 consolidated financial statements of the Company, and these material weaknesses does not affect our opinion on the consolidated financial statements of the Company.

For Chaturvedi & Shah

Chartered Accountants
(Firm Registration No. – 101720W)

R Koria

Partner
Membership No. – 35629

Place: Mumbai

Date : 27th May, 2016

For Agrawal Chhallani & Co.

Chartered Accountants
(Registration No. : 100125W)

S. R. Chhallani

Partner
Membership No. – 30154

Place: Nagpur

Date : 27th May, 2016

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CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2016

PARTICULARS	Note No.	As at 31.03.2016 Rs.in lacs	As at 31.03.2015 Rs.in lacs
I. EQUITY AND LIABILITIES			
1) Shareholders' Funds			
Share Capital	2	63862.58	63862.58
Reserves and Surplus	3	148215.48	157574.46
		212078.06	221437.04
2) Non Current Liabilities			
Long Term Borrowings	4	304592.14	298249.54
Deferred Tax Liability (Net)	5	18681.22	21390.42
Other Long Term Liabilities	6	26.75	23.42
Long Term Provisions	7	-	2694.95
		323300.11	322358.33
3) Current Liabilities			
Short Term Borrowings	8	89587.81	84494.41
Trade Payables			
Total outstanding dues of Micro and Small Enterprises	9	468.68	288.29
Total outstanding dues of Creditors other than Micro and Small Enterprises		37878.88	42922.76
Other Current Liabilities	10	41450.25	45128.25
Short Term Provisions	11	4987.66	6158.90
TOTAL		709751.45	722787.98
II. ASSETS			
1) Non Current Assets			
Fixed Assets	12		
Tangible Assets		219092.11	134752.69
Intangible Assets		1613.98	6215.77
Capital Work in Progress		284485.53	301012.82
Intangible Assets under Development		697.47	15303.22
		505889.09	457284.50
Non Current Investments	13	0.01	0.01
Long Term Loans and Advances	14	70370.79	101013.72
		576259.89	558298.23
2) Current Assets			
Current Investments	15	93.68	125.61
Inventories	16	63047.21	92459.41
Trade Receivables	17	31317.30	31446.08
Cash and Bank Balances	18	4810.23	6028.10
Short Term Loans and Advances	19	27273.72	34430.55
Other Current Assets	20	6949.42	-
		133491.56	164489.75
TOTAL		709751.45	722787.98
Significant Accounting Policies	1		
Notes to the Consolidated Financial Statements 2 to 44			

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

For and on behalf of Board of Directors

R. KORIA
Partner
Membership No.:35629

ARBIND JAYASWAL
Managing Director
DIN : 00249864

For AGRAWAL CHHALLANI & CO.
Chartered Accountants
(Registration No. : 100125W)

ASHUTOSH MISHRA
Company Secretary
Membership No.:A23011

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

S. R. CHHALLANI
Partner
Membership No.:30154

Nagpur, 27th May, 2016

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31st MARCH, 2016**

PARTICULARS	Note No.	Year ended 31.03.2016	Year ended 31.03.2015
		Rs.in lacs	Rs.in lacs
1 Revenue from Operations (Gross)	21	295187.04	335628.53
Less : Excise Duty / Service Tax Recovered		31925.47	33201.52
Revenue from Operations (Net)		263261.57	302427.01
2 Other Income	22	3432.85	1649.20
3 Total Revenue (1+2)		266694.42	304076.21
4 Expenses			
Cost of Materials Consumed	23	157186.05	166184.72
Purchase of Stock in Trade	24	9505.18	30459.10
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	25	7768.32	(4177.36)
Employee Benefits Expense	26	13188.13	15762.21
Finance Costs	27	21747.26	18484.72
Depreciation and Amortisation Expenses	12	8071.43	8284.16
Other Expenses	28	52769.14	58351.96
Total Expenses		270235.51	293349.51
5 (Loss) / Profit before Exceptional Items and Tax (3-4)		(3541.09)	10726.70
6 Exceptional Items	40	7503.78	9161.53
7 (Loss) / Profit before Tax (5-6)		(11044.87)	1565.17
8 Tax Expenses :			
Current Tax		-	446.51
MAT Credit Entitlement		-	(377.36)
Income Tax for Earlier Years		1023.31	8.62
Deferred Tax	5	(2709.20)	1458.97
		(1685.89)	1536.74
9 (Loss) / Profit for the year (7-8)		(9358.98)	28.43
10 Earnings per Equity Share of Rs.10/- each	29		
Basic (Rs.)		(1.47)	0.00
Diluted (Rs.)		(1.47)	0.00
Significant Accounting Policies	1		
Notes to the Consolidated Financial Statements	2 to 44		

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

R. KORIA
Partner
Membership No.:35629

For AGRAWAL CHHALLANI & CO.
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S. R. CHHALLANI
Partner
Membership No.:30154

For and on behalf of Board of Directors

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Managing Director
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Company Secretary
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P.K.BHARDWAJ
Executive Director
& Chief Financial Officer
DIN : 03451077

Nagpur, 27th May, 2016



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	31.03.2016 (Rs.in lacs)	31.03.2015 (Rs.in lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net (Loss) / Profit Before Tax as per Statement of Profit and Loss	(11044.87)	1565.17
ADJUSTED FOR		
Depreciation and Amortisation Expenses	8071.43	8284.16
Exceptional Items	7503.78	-
Profit on sale of Fixed Assets (Net)	(1.07)	0.24
Profit on sale of Investments (Net)	(25.76)	(10.09)
Interest Income	(3327.45)	(1347.93)
Finance Costs	21747.26	18484.72
Unrealised Foreign Exchange differences	(277.48)	(51.05)
Provision for Sales Tax Deferral	545.68	493.98
Bad Debts / Advances written off (Net of reversal)	202.57	13.52
Provision for Doubtful Debts / Advances	1225.74	396.67
Provision for Diminution in value of Investments	2.49	(1.30)
Provision for Wealth Tax	-	1.66
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	24622.32	27829.75
ADJUSTMENTS FOR		
Trade and Other Receivables	4965.82	10460.83
Inventories	29412.20	(14294.36)
Trade and Other Payables	(7039.68)	10411.01
CASH GENERATED FROM OPERATIONS	51960.66	34407.23
Direct Taxes (Paid) / Refund	123.09	(1180.69)
Wealth Tax	(1.66)	(1.56)
NET CASH FLOW FROM OPERATING ACTIVITIES	52082.09	33224.98
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets and Capital Work-in-Progress	(15125.57)	(52216.08)
Sale of Fixed Assets	17.85	0.14
Compensation on Cancellation of Coal Mining Assets	8463.81	-
Sale of Investments	201.19	12.04
Purchase of Investments	(145.99)	(50.00)
Interest Income	3897.92	764.24
NET CASH USED IN INVESTING ACTIVITIES	(2690.79)	(51489.66)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceed against issue of Equity Shares	-	10000.00
Repayment of Lease Liability	(354.48)	(895.91)
Proceed from Long Term Borrowings	5576.36	71126.24
Repayment of Long Term Borrowings	(7225.12)	(17831.37)
Inter Corporate Deposits (Long Term)	2000.00	-
Short Term Loans (Net)	5093.40	(15561.80)
Finance Costs	(55622.14)	(48073.75)
Margin Money and Current Account not included in Cash and Cash Equivalents	(111.33)	345.80
NET CASH USED IN FINANCING ACTIVITIES	(50643.31)	(890.79)

NET DECREASE IN CASH AND CASH EQUIVALENTS	(1252.01)	(19155.47)
CASH AND CASH EQUIVALENTS (OPENING BALANCE)	2139.08	21294.55
Effect of Exchange rate on Cash and Cash Equivalents	0.00	0.04
Balance of Cash and Cash Equivalents	<u>887.07</u>	<u>2139.04</u>
CASH AND CASH EQUIVALENTS (CLOSING BALANCE)	<u><u>887.07</u></u>	<u><u>2139.08</u></u>

- (i) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statements".
- (ii) Figures in brackets indicate Outflows.
- (iii) Previous Year's figures have been regrouped / rearranged wherever necessary to make them comparable with those of current year.

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

For and on behalf of Board of Directors

R. KORIA
Partner
Membership No.:35629

ARBIND JAYASWAL
Managing Director
DIN : 00249864

For AGRAWAL CHHALLANI & CO.
Chartered Accountants
(Registration No. : 100125W)

ASHUTOSH MISHRA
Company Secretary
Membership No.:A23011

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

S. R. CHHALLANI
Partner
Membership No.:30154

Nagpur, 27th May, 2016

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE: 1

SIGNIFICANT ACCOUNTING POLICIES

1.01 Principles of Consolidation :

The consolidated financial statements relate to the Jayaswal Neco Industries Limited ('the Company') and its subsidiary company. The consolidated financial statements have been prepared on the following basis:

- a. The financial statements of the Company and its subsidiary company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - " Consolidated Financial Statements".
- b. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.
- c. The difference between the cost of investments in the subsidiary over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill, which is not being amortised.
- d. Minority Interest's share of net loss of consolidated financial statements in excess of minority interest is adjusted against the majority interest.
- e. Minority Interest in share of net assets of consolidated subsidiary is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

1.02 Investments other than in subsidiaries have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments"

1.03 Other significant accounting policies:

These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.

1.04 Following Subsidiary has been considered in the Consolidated Financial Statements:

Name of Subsidiary	Country of Incorporation	Proportion of Ownership
Jayaswal Neco Urja Limited	India	99.82%



NOTE : 2 SHARE CAPITAL

PARTICULARS	As at 31.03.2016	As at 31.03.2015
	Rs.in lacs	Rs.in lacs
Authorised		
1,00,00,00,000 (Previous Year 1,00,00,00,000) Equity Shares of Rs.10/- each	100000.00	100000.00
	<u>100000.00</u>	<u>100000.00</u>
Issued, Subscribed and Paid up		
63,86,33,063 (Previous Year 63,86,33,063) Equity Shares of Rs.10/- each fully paid up	63863.30	63863.30
Less : Allotment Money Unpaid (from other than Directors)	0.72	0.72
TOTAL	<u>63862.58</u>	<u>63862.58</u>

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

Particulars	As at 31.03.2016		As at 31.03.2015	
	No. of Shares	Amount Rs.in lacs	No. of Shares	Amount Rs.in lacs
Shares outstanding at the beginning of the year	63,86,33,063	63863.30	59,86,33,063	59863.30
Add : Shares issued on Preferential Basis	-	-	4,00,00,000	4000.00
Shares outstanding at the end of the year	<u>63,86,33,063</u>	<u>63863.30</u>	<u>63,86,33,063</u>	<u>63863.30</u>

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

Name of Shareholders	As at 31.03.2016		As at 31.03.2015	
	No of Share held	Percentage held	No of Share held	Percentage held
Jayaswal Holdings Private Limited	5,30,98,951	8.31	5,30,98,951	8.31
Karamveer Impex Private Limited	4,72,29,000	7.40	4,72,29,000	7.40
Nine Star Plastic Packaging Services Private Limited	4,42,94,600	6.94	4,42,94,600	6.94
Jayaswal Neco Metallica Private Limited	4,07,10,500	6.37	4,07,10,500	6.37
Jayaswal Neco Energy Private Limited	3,97,32,000	6.22	3,97,32,000	6.22
Avon Sales and Services Private Limited	3,90,95,000	6.12	3,90,95,000	6.12
Anurag Sales and Services Private Limited	3,89,31,000	6.10	3,89,31,000	6.10
Jayaswal Neco Power Private Limited	3,63,54,500	5.69	3,63,54,500	5.69
Apex Spinning Mills Private Limited	3,52,99,600	5.53	3,52,99,600	5.53
Jayaswal Neco Infrastructures Private Limited	3,43,85,500	5.38	3,43,85,500	5.38

2.03 3,26,49,600 (Previous Year 3,26,49,600) shares were allotted in the last five years pursuant to Scheme of Arrangement without payment being received in cash.

2.04 Rights of Equity Shareholders

The Company has only one class of equity shares having a face value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the equity shareholders will be entitled to receive any of remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

NOTE : 3 RESERVES AND SURPLUS

PARTICULARS	As at	As at	As at
	31.03.2016	31.03.2016	31.03.2015
	Rs.in lacs	Rs.in lacs	Rs.in lacs
Capital Reserve			
Balance as per last Balance Sheet		7762.89	7762.89
Capital Redemption Reserve			
Balance as per last Balance Sheet		5100.37	5100.37
Securities Premium Reserve			
Balance as per last Balance Sheet	96345.81		90345.81
Add : Received on issue of Equity Shares	-		6000.00
		96345.81	96345.81
Revaluation Reserve			
Balance as per last Balance Sheet	21.47		22.23
Less : Amount of Depreciation attributable on appreciated value transferred to Surplus	0.76		0.76
		20.71	21.47
General Reserve			
Balance as per last Balance Sheet		16700.87	16700.87
Surplus			
Balance as per last Balance Sheet	31643.05		32385.59
Add : (Loss) / Profit for the year	(9358.98)		28.43
Add : Transferred from Revaluation Reserve	0.76		0.76
Less : Adjustment related to Fixed Assets (Refer Note No. 12.11)	-		1180.16
Add : Deferred Tax Adjustment related to Fixed Assets (Refer Note No. 12.11)	-		408.43
		22284.83	31643.05
TOTAL		<u>148215.48</u>	<u>157574.46</u>

NOTE : 4 LONG TERM BORROWINGS

PARTICULARS	As at	As at
	31.03.2016	31.03.2015
	Rs.in lacs	Rs.in lacs
Secured		
Term Loans		
- From Banks	294804.63	290480.83
Unsecured		
Sales Tax Deferral (Under Package Scheme of Incentives) (Refer Note No. 4.08)	4729.12	4350.54
Inter Corporate Deposits from Related Parties (Refer Note No. 4.01 & 36(c))	4401.66	2401.66
Long Term Maturities of Finance Lease Obligations (Refer Note No. 4.07)	656.73	1016.51
TOTAL	<u>304592.14</u>	<u>298249.54</u>

4.01 Inter Corporate Deposits include :

Rs. 2000.00 lacs, Interest free, are repayable after the repayment of Term Loans taken for Long Term Working Capital Margin i.e. after December, 2025.

Rs. 2401.66 lacs, Zero Coupon Loans, were repayable on demand at anytime on or after 31st March, 2016. However, during the year, the Board of Directors in their meeting held on 12th February, 2016 has decided to request the lenders to extend the date of maturity after 1st April, 2019. The lenders have accepted the said request vide letter dated 31st March, 2016.

4.02 The Term Loans from Banks referred to above aggregating to Rs. 294764.08 lacs and Rs. 16462.33 lacs included in Current Maturities of Long Term Debts in Note No. 10 are guaranteed by some of the Directors in their personal capacities. Out of the above, loans amounting to Rs. 9046.15 lacs and Rs.1303.11 lacs included in Current Maturities of Long Term Debts in Note No. 10 are further secured by way of pledge of 49857285 equity shares of the Company held by the Promoters.

4.03 Term Loans from Banks referred to above aggregating to Rs. 294764.08 lacs and Rs. 16462.33 lacs included in Current Maturities of Long Term Debts in Note No. 10 are secured by way of :

- First Charge on the moveable and immoveable fixed assets of the Company, both present and future on pari-passu basis.
- First Ranking Charge on all titles and interest of the borrower in respect of all project documents / contracts / licenses including insurance contracts and rights except mining rights pertaining to the assets of the borrower on pari-passu basis.
- Charge on all the current assets of the Company including raw materials, finished goods, stock-in-process, trade receivable, both present and future on pari-passu basis amongst them ranking next to the charge in favour of bankers to secure their working capital loans.

4.04 Term Loans of Rs. 40.55 lacs and Rs. 37.77 lacs included in Current Maturities of Long Term Debts are secured by way of hypothecation of the specific Equipments / Vehicles financed.

4.05 During the year the Company has been sanctioned flexible structuring of its existing project term loans, in term of RBI circular no. DBR.No.BP.BC.53/21.04.132/2014-15 dated 15th December, 2014, by all its concerned bankers and has also been implemented by them. The said flexible structuring provides for total door to door tenor of 17 years for the Company's term loans ending on 31st March, 2032 with refinancing to be done at the end of every seven years either by the same bankers or new bankers.

4.06 Term Loans from Banks referred to above and Rs. 15759.17 lacs included in Current Maturities of Long Term Debts (excluding overdue of principal) in Note No.10 are to be repaid as under :

Rs. 637.50 lacs is repayable in 12 equal monthly instalments of Rs. 53.13 lacs each, ending in March, 2017.

Rs. 195244.22 lacs is repayable in 192 structured monthly instalments, commencing from April, 2016 and ending in March, 2032.

Rs. 29575.71 lacs is repayable in 192 structured monthly instalments, ending in March, 2032.

Rs. 183.33 lacs is repayable in 4 equal monthly instalments of Rs. 45.83 lacs each, ending in July, 2016.

Rs. 5159.41 lacs is repayable in 39 equal monthly instalments of Rs. 132.29 lacs each, ending in June, 2019.

Rs. 43560.31 lacs is repayable in 78 equal monthly instalments of Rs. 558.47 lacs each, commencing from September, 2016 and ending in February, 2023.

Rs. 9515.45 lacs is repayable in 46 structured monthly instalments, ending in January, 2020.

Rs. 13300.00 lacs is repayable in 72 equal monthly instalments of Rs. 184.72 lacs each, commencing from June, 2017 and ending in May, 2023.

Rs. 9611.55 lacs is repayable in 104 structured monthly instalments, ending in November, 2024.

Rs. 3698.00 lacs is repayable in 84 equal monthly instalments of Rs. 44.02 lacs each, commencing from January, 2019 and ending in December, 2025.

Vehicle Loans amounting to Rs. 78.32 Lacs are repayable in 36 to 60 monthly equal instalments as per repayment schedule.

Interest rate on the above Term Loans ranging from 12.70 % p.a. to 14.25 % p.a.

Maturity Profile of Term Loans is as under :

	(Rs.in lacs)			
	Financial Year	Amount	Financial Year	Amount
Term Loans from Banks	2016-17	16500.10	2024-25	18335.82
	2017-18	19972.37	2025-26	17153.74
	2018-19	20469.95	2026-27	16757.53
	2019-20	23256.41	2027-28	16757.53
	2020-21	23185.32	2028-29	16757.53
	2021-22	24535.30	2029-30	16757.53
	2022-23	27220.70	2030-31	16757.53
	2023-24	19230.26	2031-32	17657.11

4.07 The Minimum Lease Rentals outstanding as on 31st March, 2016 in respect of assets having the Gross Liability of Rs. 4574.93 lacs (Previous Year Rs. 4574.93 lacs) taken on financial lease is as follows :

	31.03.2016 (Rs.in lacs)	31.03.2015 (Rs.in lacs)
Minimum Lease Payments		
(i) Payable not later than 1 year	747.23	561.71
(ii) Payable later than 1 year and not later than 5 years	765.00	1305.00
(iii) Payable later than 5 years	-	-
Total Minimum Lease Payments	1512.23	1866.71
Less : Future Finance Charges	288.49	536.36
Present Value of Minimum Lease Payments	1223.74	1330.35
Present Value of Minimum Lease Payments		
(i) Payable not later than 1 year	567.01	313.84
(ii) Payable later than 1 year and not later than 5 years	656.73	1016.51
(iii) Payable later than 5 years	-	-
Total Present Value of Minimum Lease Payments	1223.74	1330.35

General description of Lease terms :

- (i) Lease Rentals are charged on the basis of agreed terms.
- (ii) Assets are taken on lease for a period of 5 to 10 years.

4.08 The Company is 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, 2016 is Rs. 7808.35 lacs (Previous Year Rs. 7797.64 lacs) which is provided for on the basis of its Net Present Value of Rs. 4981.95 lacs (Previous Year Rs. 4411.10 lacs). This Sales-tax liability is repayable in five equal annual instalments 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.

4.09 As on 31st March, 2016, the Company has overdue of principal of Rs. 740.93 lacs (Previous Year Rs. 1618.89 lacs) and Interest of Rs. 9502.36 lacs (Previous Year Rs. 6557.07 lacs) included in Current Maturities of Long Term Debts and Interest Accrued and Due respectively in Note No. 10 for a period of less than 90 days. Further due to non-achievement of Date of Commencement of Commercial Operations (DCCO) for the Company's project, 13 banks have classified the credit facilities given to the Company aggregating to Rs. 329729.11 lacs as at 31st March, 2016 as Non Performing Asset (NPA) in their Books of Account.

As on 31st March, 2016, the Company has overdue of Lease Obligations of Rs. 207.24 lacs (Previous Year Rs. 23.29 lacs) included in Current Maturities of Lease Obligations in Note No. 10.



NOTE : 5 DEFERRED TAX LIABILITY (NET)

PARTICULARS	As at	As at	As at
	31.03.2016	31.03.2016	31.03.2015
	Rs.in lacs	Rs.in lacs	Rs.in lacs
Deferred Tax Liabilities			
Related to Fixed Assets	27264.46		21259.44
Leased Asset	47.04		47.85
Sales Tax Deferral not debited to Statement of Profit and Loss	978.16		1172.01
		28289.66	22479.30
Deferred Tax Assets			
Items disallowed under section 43B of Income Tax Act, 1961	426.16		478.30
Provision for Doubtful Trade Receivables and Advances	1032.43		610.58
Unabsorbed Depreciation	8149.85		-
		9608.44	1088.88
Net Deferred Tax Liability TOTAL		18681.22	21390.42
Net Increase / (Decrease) in Deferred Tax Liability		(2709.20)	1050.54
Add : Deferred Tax Adjustment related to Fixed Assets		-	408.43
Amount Debited / (Credited) to Statement of Profit and Loss		(2709.20)	1458.97

5.01 The above does not include Net Deferred Tax Assets of Rs. 0.27 lacs (Previous Year Rs 0.16 Lacs) pertaining to the Subsidiary which, in the absence of virtual certainty that sufficient future Taxable Income will be available against which Deferred Tax Assets can be realized, the same has not been recognised in the books of accounts of the Subsidiary in line with Accounting Standard - 22 dealing with Accounting for Taxes on Income.

NOTE : 6 OTHER LONG TERM LIABILITIES

PARTICULARS	As at	As at
	31.03.2016	31.03.2015
	Rs.in lacs	Rs.in lacs
Security Deposits	26.75	23.42
TOTAL	26.75	23.42

NOTE : 7 LONG TERM PROVISIONS

PARTICULARS	As at	As at
	31.03.2016	31.03.2015
	Rs.in lacs	Rs.in lacs
Provision for Site Restoration Expenses	-	2694.95
TOTAL	-	2694.95

7.01 The Provision for Site Restoration Expenses was made in terms of guidelines for preparation of mines closure plan issued by Ministry of Coal, Government of India. In view of the cancellation of the mines, during the year the provision has been reversed and adjusted to the cost of mining assets (Refer Note No. 12.10)

NOTE : 8 SHORT TERM BORROWINGS

PARTICULARS	As at 31.03.2016 Rs.in lacs	As at 31.03.2016 Rs.in lacs	As at 31.03.2015 Rs.in lacs
Secured			
Working Capital Rupee Loans from Banks		75442.39	68044.53
Unsecured			
Inter Corporate Deposits taken from :			
i) Related Parties (Refer Note No.36 (c))	2796.75		2775.03
ii) Others	11348.67		11852.79
		14145.42	14627.82
Buyer's Credits		-	355.97
Suppliers Credits*		-	1466.09
TOTAL		89587.81	84494.41

* Backed by Letter of Credit and includes Rs. Nil (Previous Year Rs. 2.73 lacs) relating to Capital Goods to be paid out of Term Loans.

- 8.01** Working Capital Loans from Banks are secured / to be secured by the hypothecation of whole of moveable properties including Stocks and Book Debts, both present and future, and by second charge on immoveable properties of the Company.
- 8.02** The Working Capital Loans from Banks are guaranteed by some of the Directors in their personal capacities.
- 8.03** Working Capital Rupee Loans from Banks referred to above includes Devolved Letter of Credit aggregating to Rs. 1036.67 lacs (Previous Year Rs. Nil).
- 8.04** As on 31st March, 2016, the Company has overdue of Working Capital Interest of Rs. 157.74 lacs (Previous Year Rs. Nil) included in Interest Accrued and Due in Note No. 10 for a period of less than 60 days.

NOTE : 9 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 available with the Company and the required disclosures are given below :

Particulars	As at 31.03.2016 Rs.in lacs	As at 31.03.2015 Rs.in lacs
Principal amount remaining unpaid	468.68	288.29
Interest due thereon	35.43	28.32
Interest paid by the Company in terms of Section 16	-	-
Interest due and payable for the period of delay in payment	-	-
Interest accrued and remaining unpaid	35.43	28.32
Interest remaining due and payable even in succeeding years	-	-

NOTE : 10 OTHER CURRENT LIABILITIES

PARTICULARS	As at 31.03.2016 Rs.in lacs	As at 31.03.2016 Rs.in lacs	As at 31.03.2015 Rs.in lacs
Current Maturities of Long Term Debts		16500.10	22412.10
Current Maturities of Sales Tax Deferral		167.10	60.56
Current Maturities of Lease Obligations		567.01	313.84
Interest Accrued but not due on Borrowings		542.02	509.45
Interest Accrued and due		9695.53	6557.07



Advances from Customers	6131.03	5046.82
Creditors for Capital Goods	89.21	97.21
Book Overdraft	-	28.10
Other Payables		
Statutory Liabilities	2710.86	3264.99
Security Deposits	15.00	15.00
Others*	5032.39	6823.11
	7758.25	10103.10
TOTAL	41450.25	45128.25

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

NOTE : 11 SHORT TERM PROVISIONS

PARTICULARS	As at	As at
	31.03.2016	31.03.2015
	Rs.in lacs	Rs.in lacs
Provision for Employee Benefits	1231.40	1382.05
Provision for Wealth Tax	-	1.66
Provision for Excise Duty	3359.51	4378.44
Other Provisions*	396.75	396.75
TOTAL	4987.66	6158.90

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

11.01 The Company has recognised liabilities based on substantial degree of estimation for Excise Duty payable on clearance of goods lying in stock, Entry Tax and Cess on Metallurgical Coke paid under dispute. The Excise Duty payable on clearance of goods lying in stock as at 31st March, 2015 was of Rs. 4378.44 lacs as per the estimated pattern of dispatches. During the year Rs. 4378.44 lacs was utilised for clearance of goods. Liability recognised under this clause for the year end is Rs. 3359.51 lacs which is outstanding as on 31st March, 2016. Actual outflow is expected in the next financial year. Any additional information in this regard can be expected to prejudice seriously the position of the Company.

NOTE : 12 FIXED ASSETS (Rs.in lacs)

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK			
	As at 01.04.2015	Additions	Deductions/ Adjustments	As at 31.03.2016	Upto 31.03.2015	For the Year	Deductions/ Adjustments	Transfer to Surplus	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
Tangible Assets :											
Owned :											
Land	7275.80	-	3064.95	# 4210.85	-	-	-	-	-	4210.85	7275.80
Buildings	24648.23	3466.45	269.55	27845.13	7426.62	796.94	174.07	-	8049.49	19795.64	17221.61
Railway Sidings	3212.86	-	-	3212.86	2482.77	25.25	-	-	2508.02	704.84	730.09
Plant & Equipments	181447.05	93746.84	3155.14	272038.75	75562.93	6829.58	1305.05	-	81087.46	190951.29	105884.12
Office Equipments	525.83	58.09	23.20	560.72	381.66	48.43	14.66	-	415.43	145.29	144.17
Furniture & Fixtures	514.53	4.03	28.24	490.32	400.83	21.37	20.98	-	401.22	89.10	113.70
Vehicles	883.57	24.03	40.79	866.81	603.88	71.10	27.16	-	647.82	218.99	279.69
Sub-Total	218507.87	97299.44	6581.87	309225.44	86858.69	7792.67	1541.92	-	93109.44	216116.00	131649.18
Leased :											
Land	1811.47	6.43	#	1817.90	176.55	24.92	-	-	201.47	1616.43	1634.92
Plant & Equipments	4574.93	-	-	4574.93	3106.34	108.91	-	-	3215.25	1359.68	1468.59
Sub-Total	6386.40	6.43	-	6392.83	3282.89	133.83	-	-	3416.72	2976.11	3103.51
Total (A)	224894.27	97305.87	6581.87	315618.27	90141.58	7926.50	1541.92	-	96526.16	219092.11	134752.69
Intangible Assets :											
Goodwill (on consolidation)	38.03	-	-	38.03	-	-	-	-	-	38.03	38.03
Process Development*	3400.28	-	3400.28	-	3400.28	-	3400.28	-	-	-	-
Softwares**	132.95	3.37	0.14	136.18	85.78	28.56	0.08	-	114.26	21.92	47.17
Technical Know-How**	642.21	-	-	642.21	305.00	28.23	-	-	333.23	308.98	337.21
Indefeasible Right to Use**	3437.29	-	3435.49	1.80	527.74	0.20	527.24	-	0.70	1.10	2909.55
Mining Rights	3640.01	966.10	3257.99	1348.12	756.20	87.95	739.98	-	104.17	1243.95	2883.81
Total (B)	11290.77	969.47	10093.90	2166.34	5075.00	144.94	4667.58	-	552.36	1613.98	6215.77
Total (A+B)	236185.04	98275.34	16675.77	317784.61	95216.58	8071.44 @	6209.50	-	97078.52	220706.09	140968.46
Previous Year	233888.75	2297.10	0.81	236185.04	85751.08	8285.77	0.43	1180.16	95216.58	140968.46	
Capital Work-in-Progress											
Intangible Assets under Development											
										284485.53	301012.82
										697.47	15303.22

* Internally generated

** Other than internally generated

@ Rs.Nil (Previous Year Rs.1.61 lacs) transferred to Pre-operative Expenses.

Includes Rs. 6.43 lacs reclassified from Freehold Land to Leasehold Land.



- 12.01** Buildings include cost of building aggregating to Rs.144.43 lacs (Previous Year Rs. 144.43 lacs) constructed on land, ownership of which does not vest with the Company.
- 12.02** 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.
- 12.03** Addition to Plant and Equipments includes Borrowing Cost of Rs. 21451.87 lacs (Previous Year Rs. Nil).
- 12.04** The gross block of fixed assets includes Rs. 44.28 lacs (Previous Year Rs. 44.28 lacs) on account of revaluation of fixed assets. Consequent to said revaluation there is an additional charge of depreciation of Rs. 0.76 lacs (Previous Year Rs. 0.76 lacs) and an equivalent amount has been withdrawn from Revaluation Reserve and credited to Surplus.

12.05 Capital Work-in-Progress includes :	As at 31.03.2016	As at 31.03.2015
	Rs.in lacs	Rs.in lacs
Building under Construction	439.66	2972.12
Plant and Equipments under installation	187399.00	214468.55
Pre-operative Expenses	96646.87	83572.15
TOTAL	284485.53	301012.82

12.06 Intangible Assets under Development :	As at 31.03.2016	As at 31.03.2015
	Rs.in lacs	Rs.in lacs
Mining Rights	543.61	6752.33
Pre-operative Expenses	153.86	8550.89
TOTAL	697.47	15303.22

- 12.07** The Company has undertaken Projects for enhancement of capacities of its Integrated Steel Plant in Chhattisgarh by expanding its Steel Melt Shop, Rolling Mills, Sponge Iron Plant, Captive Power Plants, and developing its Iron Ore Mines (the Projects) etc. Since the projects are under construction stage, the expenditure incurred towards construction of projects has been considered as Pre-operative Expenditure, the details of which are as under :

Particulars	31.03.2016 (Rs.in lacs)	31.03.2015 (Rs.in lacs)
Opening Stock of Pellet	1357.46	-
Raw Materials Consumed	27923.36	3112.27
Consumables, Stores and Spares Consumed	2058.24	78.89
Power and Fuel	4742.14	766.57
Remuneration and Benefits to Employees	2123.09	2409.13
Repairs and Maintenance - Others	27.06	111.48
Rent	0.63	0.70
Rates, Taxes and Fees	1.57	28.62
Travelling and Conveyance	1.06	20.14
Loading, Unloading and Freight	299.69	94.73
Legal and Professional	2.57	48.02
Insurance	0.58	0.01
Miscellaneous Expenses	43.40	82.85
Depreciation	-	1.61
Finance Costs	37293.78	36510.61
	75874.63	43265.63
Less : Miscellaneous Income	0.03	0.66
Interest Received	4.13	-
Sales	14258.71	-

Stock of Trial run production	-	1357.46
Cost of Trial run product transfer to other plant	23745.30	3001.25
Pre-operative Expenses for the year	37866.46	38906.26
Add : Pre-operative Expenses upto Previous Year	92123.04	53278.63
Less : Pre-operative Expenses written off	2570.16	
	127419.34	92184.89
Less : Allocated during the year to Fixed Assets / Mining Assets Cancellation	30618.61	61.85
TOTAL	96800.73	92123.04

The Subsidiary Company was in the process of setting up power plant projects at Raigarh, Chhattisgarh and at Jharkhand. The execution of the project has been affected due to cancellation of coal blocks allotted to the Holding Company. As the project is no longer viable, accordingly, the management of the subsidiary company has decided to abandoned the project. In view of the above, project development expenses of Rs. 2570.16 lacs incurred till the earlier years and disclosed as Capital Work-in-progress have been written off and charged to the Statement of Profit and Loss.

12.08 The Ministry of Coal (MoC) had invoked Bank Guarantee of Rs. 1000 lacs for delay in start of production of Moitra Coal Block, Jharkhand. The Company has challenged the Bank Guarantee (BG) invocation before the Hon'ble Delhi High Court, vide W. P. (C) 8117 of 2015, wherein vide order dated 24.08.2015 granted interim relief to the Company, that no coercive steps will be taken subject to Company keeping the BG alive. The matter is now listed for 04.08.2016. The Company is confident that its case is on merits and doesn't envisage any financial impact of the above matter. In identical matters Ministry of Coal has not invoked BG of other companies.

12.09 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 same allegations before the Chief Vigilance Commission (CVC). The Central Bureau of Investigation (CBI) on the directions of the CVC had registered an FIR against the Company alleging certain irregularities. Post completion of the investigations by CBI the case is subjudiced.

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

12.10 The Hon'ble Supreme Court of India by its Order dated 24th September, 2014 had cancelled number of coal blocks allotted to various entities which included three coal blocks consisting of one operational coal block at Gare Palma IV/4 - Raigarh, Chhattisgarh and two under development coal blocks at Gare Palma IV/8 - Raigarh, Chhattisgarh and Moitra at North Karanpura, Jharkhand allotted to the Company by the Ministry of Coal, Government of India.

The Government of India has issued second Ordinance on 26th December, 2014 for implementing the order of the Hon'ble Supreme Court and fixation of Compensation etc.

The Company had filed a Writ Petition (WP) before the Hon'ble Delhi High Court, challenging the provisions of Ordinance and Tender process. The Hon'ble Delhi High Court after hearing all the parties has closed the matter for orders.

In the E Auction, above three coal mines of the Company got awarded to different bidders.

In respect of the above Coal Mining Assets, the Company has received Rs. 7682.18 lacs towards moveable assets from a successful bidder and Rs. 6757.91 lacs is receivable against other assets as per the letter dated 17th September, 2015 issued by the Ministry of Coal, Government of India against mining assets having carrying value of Rs. 19373.71 lacs (net of provisions of Rs. 2694.95 lacs for Site Restoration expenses). Consequently, the Company has adjusted and charged off the net balance of Rs. 4933.62 lacs to the Statement of Profit and Loss.

12.11 During the Previous Year, the Company had applied the estimated useful lives as specified in Schedule II of the Act or as determined based on technical evaluation in respect of certain plant and machineries of the Company. Accordingly the unamortised carrying value was being depreciated / amortised over the revised / remaining useful life. The written down value of fixed assets whose life had expired as at 1st April, 2014 amounting to Rs. 1180.16 lacs had been adjusted net of deferred tax of Rs. 408.43 lacs against the retained earnings.

12.12 In accordance with the Accounting Standard (AS-28) on "Impairment of Assets", the Management during the year carried out an exercise of identifying the assets that may have been impaired in respect of each cash generating unit in accordance with the said Accounting Standard. On the basis of this review carried out by the management, there was no impairment loss on Fixed Assets during the year ended 31st March, 2016.



NOTE : 13 NON CURRENT INVESTMENTS

(Long Term Investments)

PARTICULARS			As at		As at
			31.03.2016	31.03.2015	31.03.2015
	Number of Shares		Rs.	Rs.in lacs	Rs.in lacs
	31.03.2016	31.03.2015	Face Value		
Trade Investments (Unquoted, Fully Paid Up)					
In Equity Shares - Others					
Punjab and Maharashtra Co-operative Bank Limited	40	40	25	0.01	0.01
The City Co-operative Bank Limited (Rs. 250)	10	10	25	0.00	0.00
TOTAL				0.01	0.01
13.01 Aggregate Amount of Unquoted Investments				0.01	0.01

NOTE : 14 LONG TERM LOANS AND ADVANCES

(Unsecured and Considered Good)

PARTICULARS			As at		As at
			31.03.2016	31.03.2015	31.03.2015
			Rs.in lacs	Rs.in lacs	
Capital Advances			57987.78	87515.32	
Deposits			1712.58	1681.57	
Advance Payment of Income-tax (Net)			1334.13	1887.00	
MAT Credit Entitlement			9336.30	9929.83	
TOTAL			70370.79	101013.72	

14.01 During the year, the Company is not liable to pay Minimum Alternate Tax (MAT) under section 115JB of the Income Tax Act, 1961 (The Act). However, the amount paid as MAT during earlier years are allowed to be carried forward for being set off against the future tax liabilities computed in accordance with the provisions of the Act, other than Section 115JB, in next ten years. Based on the future projection of the performances, the Company will be liable to pay the income tax computed as per provisions, other than under section 115JB of the Act. Accordingly as advised in Guidance note on "Accounting for Credit available in respect of Minimum Alternate Tax under the Income Tax Act 1961" issued by the Institute of Chartered Accountants of India, Rs. Nil (Previous Year Rs. 377.36 lacs) being the excess of tax payable under section 115JB of the Act over tax payable as per the provisions other than section 115JB of the Act has been considered as MAT Credit Entitlement and credited to Statement of Profit and Loss. The total MAT Credit as at 31st March, 2016 is Rs. 9336.30 lacs (Previous Year Rs. 9929.83 lacs).

NOTE : 15 CURRENT INVESTMENTS

PARTICULARS			As at		As at
			31.03.2016	31.03.2015	31.03.2015
	Number of Shares		Rs.	Rs.in lacs	Rs.in lacs
	31.03.2016	31.03.2015	Face Value		
In Equity Shares - Fully Paid Up (Quoted)					
Datar Switchgears Limited	2200	2200	10	1.05	1.05
Elbee Services Limited	1400	1400	10	1.96	1.96
Triveni Sheet Glass Limited	1000	1000	10	1.00	1.00
In Equity Shares - Fully Paid Up (Unquoted)					
Antarctica Graphics Limited	53000	53000	1	0.53	0.53
Essar Steel Limited	60	60	10	0.03	0.03

Other Investments - Unquoted

In Mutual Funds (In Units)

SBI Magnum Equity Fund	-	24273	10	-	10.43
SBI Infrastructure Fund	-	50000	10	-	5.00
SBI Dual Advantage Fund	500000	500000	10	50.00	50.00
Union KBC Mutual Fund (EFGR)	-	231472	10	-	25.00
Union KBC Cap. Protection Oriented Fund (EFGR)	-	250000	10	-	25.00
KBC Fixed Maturity Plan	-	99990	10	-	10.00
Axis Long Term Equity Fund	149087	-	10	45.99	-
				<u>100.56</u>	<u>130.00</u>
Less : Provision for Diminution in the value				6.88	4.39
TOTAL				<u>93.68</u>	<u>125.61</u>

15.01 Aggregate Amount of Quoted Investments	0.17	0.17
15.02 Aggregate Market Value of Quoted Investments	0.17	0.17
15.03 Aggregate Amount of Unquoted Investments	93.51	125.44

NOTE : 16 INVENTORIES

PARTICULARS	As at 31.03.2016 Rs.in lacs	As at 31.03.2015 Rs.in lacs
Raw Materials	19644.97	35296.96
Raw Materials-in-Transit	6823.27	10418.16
Work-in-Progress	5093.19	5264.34
Finished Goods *	24142.62	30997.16
Finished Goods-in-Transit	54.89	64.45
Stock in Trade	304.97	673.15
Stores, Spares and Consumables	6983.30	9745.19
TOTAL	<u>63047.21</u>	<u>92459.41</u>

* Includes Rs. Nil (Previous Year Rs. 1357.46 lacs) being stock of trial run products.

16.01 Broad Heads of Work-in-Progress :

Particulars	As at 31.03.2016 Rs.in lacs	As at 31.03.2015 Rs.in lacs
Iron and Steel Castings	4983.05	5103.17
Coke	54.76	89.47
Sponge Iron	55.38	71.70
TOTAL	<u>5093.19</u>	<u>5264.34</u>

16.02 Broad Heads of Finished Goods :

Particulars	As at 31.03.2016 Rs.in lacs	As at 31.03.2015 Rs.in lacs
Iron and Steel Castings	682.71	1143.11
Pig Iron / Skull	1165.29	750.47
Billets / Rolled Products	19957.08	24373.01
Sponge Iron	543.73	187.58
Pellet	602.21	1491.91
Others	1246.49	3115.53
TOTAL	<u>24197.51</u>	<u>31061.61</u>



NOTE : 17 TRADE RECEIVABLES

(Unsecured)

PARTICULARS	As at	As at	As at
	31.03.2016	31.03.2016	31.03.2015
	Rs.in lacs	Rs.in lacs	Rs.in lacs
Outstanding for a period exceeding six months from the date they were due for payment			
Considered Good	2547.79		2930.75
Considered Doubtful	1048.10		949.73
	3595.89		3880.48
Less : Provision for Doubtful Receivables	1048.10		949.73
		2547.79	2930.75
Other Trade Receivables - Considered Good		28769.51	28515.33
TOTAL		31317.30	31446.08

NOTE : 18 CASH AND BANK BALANCES

PARTICULARS	As at	As at	As at
	31.03.2016	31.03.2016	31.03.2015
	Rs.in lacs	Rs.in lacs	Rs.in lacs
Cash and Cash Equivalents			
Balances with Banks			
In Current Accounts	714.29		1201.74
Cheques on hand	104.72		826.70
Cash on hand	68.06		110.64
		887.07	2139.08
Other Bank Balances			
In Current Account		-	77.19
Fixed Deposits with Banks			
Pledged as Margin Money *		3923.16	3811.83
TOTAL		4810.23	6028.10

* Includes Rs. 629.99 lacs (Previous Year Rs. 481.00 lacs) having maturity period of more than 12 months.

NOTE : 19 SHORT TERM LOANS AND ADVANCES

(Unsecured, Considered Good unless stated otherwise)

PARTICULARS	As at	As at	As at
	31.03.2016	31.03.2016	31.03.2015
	Rs.in lacs	Rs.in lacs	Rs.in lacs
Loans and Advances to Related Parties (Refer Note No.36(c))		213.09	188.05
Advances to Suppliers	3561.22		3540.90
Prepaid Expenses	106.68		137.65
Balances with Central Excise Authorities	463.91		3173.03
Others *	22807.66		27274.93
	26939.47		34126.51
Considered Doubtful	1919.06		805.10
	28858.53		34931.61
Less : Provision for Doubtful Advances	1919.06		805.10
		26939.47	34126.51

Deposits		
Considered Good	121.16	115.99
Doubtful	16.06	9.44
	<u>137.22</u>	<u>125.43</u>
Less : Provision for Doubtful Deposits	16.06	9.44
	<u>121.16</u>	<u>115.99</u>
TOTAL	27273.72	34430.55

* Mainly includes capital MODVAT receivable ,VAT refund receivable, Interest receivable, Mines project contract cancellation refund and Advances to employees and others.

NOTE : 20 OTHER CURRENT ASSETS

PARTICULARS	As at 31.03.2016	As at 31.03.2015
	Rs.in lacs	Rs.in lacs
Receivable against Mining Assets (Refer Note No. 12.10)	6757.91	-
Gratuity Fund Surplus	191.51	-
TOTAL	6949.42	-

NOTE : 21 REVENUE FROM OPERATIONS

PARTICULARS	Year ended 31.03.2016	Year ended 31.03.2015
	Rs.in lacs	Rs.in lacs
Sale of Products	294358.61	333066.44
Sale of Services / Job Work Income	816.36	2546.51
Other Operating Revenues - Export Incentives	12.07	15.58
TOTAL	295187.04	335628.53

21.01 Broad Heads of Sale of Products

PARTICULARS	Year ended 31.03.2016	Year ended 31.03.2015
	Rs.in lacs	Rs.in lacs
Iron and Steel Castings	40609.78	42128.98
Pig Iron / Skull	64505.88	77682.53
Billets / Rolled Products	145580.11	160839.09
Sponge Iron	35623.37	37083.86
Power	489.89	2139.82
Cotton Yarn	1895.62	7327.58
Others	5653.96	5864.58
TOTAL	294358.61	333066.44

21.02 Broad Heads of Sale of Services / Job Work Income

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
	Rs.in lacs	Rs.in lacs
Job Work	809.71	978.05
Management Consultancy	-	1179.78
Others	6.65	388.68
TOTAL	816.36	2546.51



NOTE : 22 OTHER INCOME

PARTICULARS	Year ended 31.03.2016	Year ended 31.03.2015
	Rs.in lacs	Rs.in lacs
Interest Income	3327.45	1347.93
Profit on Sale of Fixed Assets (Net)	1.07	-
Profit on Sale of Current Investments (Net)	25.76	10.09
Other Miscellaneous Receipts	78.57	291.18
TOTAL	3432.85	1649.20

NOTE : 23 COST OF MATERIALS CONSUMED

PARTICULARS	Year ended 31.03.2016	Year ended 31.03.2015
	Rs.in lacs	Rs.in lacs
Materials Consumed		
Iron and Steel Scrap	13070.27	16683.85
Iron Ore	49133.31	61558.76
Metallurgical Coke	45187.75	47589.64
Coal and Coke	23945.08	12467.80
Billets / Rolled Products	20103.36	19663.01
Others	5746.28	8221.66
TOTAL	157186.05	166184.72

NOTE : 24 PURCHASE OF STOCK IN TRADE

PARTICULARS	Year ended 31.03.2016	Year ended 31.03.2015
	Rs.in lacs	Rs.in lacs
Purchase of Stock in Trade		
Iron and Steel Castings	1629.92	1585.76
Pig Iron / Skull	94.00	715.17
Rolled products	3272.58	18575.48
Cotton Yarn	1837.30	6957.67
Coal	2619.17	1480.22
Others	52.21	1144.80
TOTAL	9505.18	30459.10

NOTE : 25 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

PARTICULARS	Year ended 31.03.2016	Year ended 31.03.2016	Year ended 31.03.2015
	Rs.in lacs	Rs.in lacs	Rs.in lacs
Closing Inventories			
Finished Goods	24197.51		31061.61
Less : Stock of trial run product	-		1357.46
	24197.51		29704.15

Work-in-Progress	5093.19	5264.34
Stock in Trade	304.97	673.15
	29595.67	35641.64
Opening Inventories		
Finished Goods	31061.61	26873.13
Less : Stock of trial run product	1357.46	-
	29704.15	26873.13
Work-in-Progress	5264.34	4399.60
Stock in Trade	673.15	191.55
	35641.64	31464.28
Add : Transfer from trial run production	1722.35	-
	37363.99	31464.28
(Increase) / Decrease in Inventories	7768.32	(4177.36)

NOTE : 26 EMPLOYEE BENEFITS EXPENSE

PARTICULARS	Year ended 31.03.2016	Year ended 31.03.2015
	Rs.in lacs	Rs.in lacs
Salaries, Wages and Allowances	11133.91	13146.53
Contribution to P.F. and Other Funds	1009.76	1332.70
Welfare and Other Amenities	1044.46	1282.98
TOTAL	13188.13	15762.21

26.01 As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee Benefits as defined in the Accounting Standard are given below :

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
	Rs.in lacs	Rs.in lacs
Defined Contribution Plan		
Employer's Contribution to Provident Fund, ESIC and Other Funds	973.29	1112.21

Defined Benefit Plan

The employees Gratuity Fund Scheme, which is a defined benefit plan, is managed by a Trust maintained with 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	As at 31.03.2016	As at 31.03.2015
	(Funded)	(Funded)
	Rs.in lacs	Rs.in lacs
Reconciliation of Opening and Closing balance of Defined Benefit Obligation		
Defined Benefit Obligation at the beginning of the year	3096.39	2726.34
Current Service Cost	300.66	375.55
Interest Cost	235.23	214.26
Past Service Benefit	-	-
Benefit Paid	(312.11)	(96.19)
Transfer In	(125.78)	43.17
Actuarial Loss / (Gain)	(279.59)	(166.74)



Defined Benefit Obligation at year end	2914.80	3096.39
Reconciliation of Opening and Closing balance of Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	2855.13	2131.25
Expected Return on Plan Assets	252.19	212.94
Employer Contribution	170.92	608.47
Benefit Paid	(310.88)	(96.19)
Actuarial Gain / (Loss) on Plan Assets	(29.63)	(1.34)
Fair Value of Plan Assets at year end	2937.73	2855.13
Reconciliation of Fair Value of Assets and Obligations		
Fair Value of Plan Assets	2937.73	2855.13
Present Value of Funded Obligations	2914.80	3096.39
Amount recognised in the Balance Sheet	(22.93)	241.26
Expense recognised in the Statement of Profit and Loss		
Current Service Cost	300.66	375.55
Interest on Defined Benefit Obligation	235.23	214.26
Expected Return on Plan Assets	(252.19)	(212.94)
Net Actuarial Loss / (Gain) Recognised in the year	(249.96)	(165.40)
Past Service Cost	-	-
Total included in "Remuneration and Benefits to Employees "	33.74	211.47

Amounts for the current and previous periods are as follows :

	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Defined Benefit Obligation	2914.80	3096.39	2726.34	2280.80	1798.59
Plan Assets	2937.73	2855.13	2131.25	1387.80	801.40
Surplus / (Deficit)	22.93	(241.26)	(595.09)	(893.00)	(997.19)
Experience adjustment on Plan Assets (Gain) / Loss	24.64	16.98	9.31	*	*
Experience adjustment on Plan Liabilities Gain / (Loss)	279.59	166.74	19.52	*	*

Actuarial Assumptions

	31.03.2016	31.03.2015
Mortality Table (LIC)	2006-08	2006-08
	(Ultimate)	(Ultimate)
Discount Rate (per annum)	8.00%	8.00%
Expected Rate of Escalation in Salary (per annum)	8.00%	8.00%
Expected Rates of Return on Plan Assets (per annum)	8.70% & 8.75%	8.50%&8.75%

* The details are not furnished as the informations are not available with the Company.

NOTE : 27 FINANCE COSTS

PARTICULARS	Year ended	Year ended
	31.03.2016	31.03.2015
	Rs.in lacs	Rs.in lacs
Interest Paid	19498.38	16319.06
Lease Finance Charges	247.87	340.63
Other Borrowing Costs	2001.01	1825.03
TOTAL	21747.26	18484.72

NOTE : 28 OTHER EXPENSES

PARTICULARS	Year ended 31.03.2016	Year ended 31.03.2016	Year ended 31.03.2015
	Rs.in lacs	Rs.in lacs	Rs.in lacs
MANUFACTURING EXPENSES			
Consumables, Stores and Spares Consumed	21109.70		19931.75
Power and Fuel	6729.77		8292.82
Excise Duty	(957.49)		702.93
Repairs and Maintenance -			
Buildings	61.16		62.65
Plant and Equipments	6689.04		7227.76
Others	2.06		3.25
Royalty and Cess	186.55		4247.84
Internal Material Movement	3419.11		3532.87
Lease Rent	286.00		72.00
Other Manufacturing Expenses	1806.08		1607.78
		39331.98	45681.65
SELLING AND DISTRIBUTION EXPENSES			
Advertisement and Publicity	41.80		43.31
Discount and Commission	891.79		453.38
Sales Promotion Expenses	74.08		72.86
Freight and Forwarding	6524.29		6795.97
Sales Tax	5.90		9.53
Provision for Sales Tax Deferral	545.68		493.98
		8083.54	7869.03
ADMINISTRATIVE EXPENSES			
Rent	195.74		214.92
Rates and Taxes	125.10		105.50
Bank Guarantee Invoke	-		60.00
Insurance	211.09		216.20
Foreign Currency Fluctuation (Net)	363.31		58.71
Printing and Stationery	39.42		67.45
Communication	131.53		143.39
Travelling and Conveyance	917.31		1257.25
Vehicle Maintenance	212.29		141.27
Legal and Professional Charges	764.31		792.59
Payment to Auditors	74.36		74.47
Security Expenses	299.08		434.94
Miscellaneous	460.43		678.96
		3793.97	4245.65
OTHER EXPENSES			
Bank Charges and Commission	122.01		114.23
Bad Debts / Advances written off	209.35		317.40
Less : Provision written back	6.78	202.57	303.88
			13.52
Provision for Doubtful Debts / Advances	1225.74		396.67
Provision for Diminution in value of Investments	2.49		-
Provision for Wealth Tax	-		1.66
Loss on Sale of Assets (Net)	-		0.24
Donations	6.84		29.31
		1559.65	555.63
TOTAL		52769.14	58351.96



NOTE : 29 EARNINGS PER SHARE

PARTICULARS		Year ended 31.03.2016	Year ended 31.03.2015
		Rs.in lacs	Rs.in lacs
Basic Earnings Per Share			
Net (Loss) / Profit for the Year	(A)	(9358.98)	28.43
Weighted average number of Equity Shares (Nos.)	(B)	638633063	626030323
Basic Earnings Per Share of Rs.10/- each	Rs. (A) / (B)	(1.47)	0.00
Diluted Earnings Per Share			
Amount available for calculation of Diluted EPS	(A)	(9358.98)	28.43
Weighted average number of Equity Shares (Nos.)		638633063	626030323
Add : Potential number of Equity Shares		-	-
No. of shares used for calculation of Diluted EPS	(B)	638633063	626030323
Diluted Earnings Per Share of Rs.10/- each	Rs. (A) / (B)	(1.47)	0.00

NOTE :30 Previous Year's figures have been reworked / regrouped / rearranged / reclassified wherever necessary.

NOTE : 31 CONTINGENT LIABILITIES AND COMMITMENTS	31.03.2016	31.03.2015
(to the extent not provided for)	(Rs.in lacs)	(Rs.in lacs)
A Contingent Liabilities :		
(No cash outflow is expected except stated otherwise)		
a. Guarantees given by the Company's Bankers	1815.46	3603.91
(Bank guarantees are provided under contractual / legal obligation)		
b. Corporate Guarantee	1181.00	1181.00
(Given to Banks against the borrowings taken by one of the Associate Company)		
c. Demands not acknowledged as debts		
i) Disputed Excise Duty and Service Tax	1550.23	2803.14
ii) Disputed Sales Tax	1535.91	2480.80
iii) Disputed Customs Duty	100.00	865.10
iv) Other Disputed Demands	9939.70	6571.77
(Mainly related to demand of Cess on Power, Electricity Duty and Stamp Duty)		
v) Third Party Claims	243.00	243.00
(Matters are pending before various forums)		
d. Liability in respect of Bills Discounted	9743.17	19709.59
e. Letters of Credit opened in favour of Suppliers	6002.03	10304.53
(Cash flow is expected on receipt of material from suppliers)		
B Management is of the view that above litigations will not impact significantly the financial position of the Company.		
C The Company has received Show Cause notices from the Excise department which mainly relate to demand of duty for sale of exempted goods and differential duty on sale to related parties and denial of credit on structural steel, bank expenses and outward freight. The Company does not foresee any losses on this account.		
D Capital Commitments :		
Estimated amount of contracts remaining to be executed on Capital Accounts and not provided for (Net of Advances)	4230.60	21237.49

NOTE : 32 The Consolidated Accounts have been prepared in accordance with Accounting Standard (AS) 21 on Consolidated Financial Statements notified in the Companies (Accounting Standards) Rules 2006.

NOTE : 33 In the opinion of the Management, Current Assets and Loans and Advances are of the value stated, if realised in the ordinary course of business.

31.03.2016 31.03.2015
(Rs.in lacs) (Rs.in lacs)

NOTE : 34 i) Derivative Contracts entered into by the Company and outstanding (Forward Contract) **801.24** 1862.35

ii) Foreign Currency exposures that are not hedged by derivatives instruments are as under :

a) Receivable : **162.65** 486.57

b) Payable : **527.54** 321.76

iii) The expenditure on account of exchange difference on outstanding forward exchange contracts to be recognised in the Statement of Profit and Loss of subsequent period - Rs. 4.56 lacs (Previous Year Rs. 37.69 lacs).

NOTE : 35 SEGMENT REPORTING :

A. Segment information as per Accounting Standard - 17 on Segment Reporting :

Information provided in respect of revenue items for the year ended 31st March, 2016 and in respect of assets / liabilities as at 31st March, 2016.

Information about Primary (Product wise) segments :

						(Rs. In lacs)
PARTICULARS	Steel	Iron & Steel Castings	Others	Unallo-cated	Elimina-tions	Total
1. REVENUE						
External Sales	250234.86 (283194.37)	40233.20 (43317.62)	4718.98 (9116.54)	- (-)		295187.04 (335628.53)
Inter-segment sales	294.58 (876.69)	260.79 (299.92)	- (-)	- (-)	(555.37) (-1176.61)	- (-)
Total Revenue	250529.44 (284071.06)	40493.99 (43617.54)	4718.98 (9116.54)	- (-)	(555.37) (-1176.61)	295187.04 (335628.53)
2. RESULTS						
Segment Results	15649.73 (27212.43)	(408.21) (629.06)	124.82 (443.91)	- (-)		15366.34 (28285.40)
Unallocated Corporate Expenses	- (-)	- (-)	2.32 (2.27)	513.64 (431.55)		515.96 (433.82)
Operating Profit / (-) Loss	15649.73 (27212.43)	(408.21) (629.06)	122.50 (441.64)	(513.64) (-431.55)		14850.38 (27851.58)
Less : Finance Cost	- (-)	- (-)	- (-)	21747.26 (18484.72)		21747.26 (18484.72)
Add : Unallocated Income	- (-)	- (-)	0.01 (0.18)	3355.78 (1359.66)		3355.79 (1359.84)
Less : Exceptional Items	4933.62 (9161.53)	- (-)	2570.16 (-)	- (-)		7503.78 (9161.53)
Less : Tax Expenses (Including Deferred Tax)	- (-)	- (-)	- (-)	(1685.89) (1536.74)		(1685.89) (1536.74)
Net Profit / (-) Loss	10716.11 (18050.90)	(408.21) (629.06)	(2447.65) (441.82)	(17219.23) (-19093.35)		(9358.98) (28.43)

3. OTHER INFORMATION						
Segment Assets	656491.96 (662361.82)	35536.96 (37119.11)	2238.00 (7057.84)	- (-)		694266.92 (706538.77)
Unallocated Corporate Assets	- (-)	- (-)	- (-)	15484.53 (16249.21)		15484.53 (16249.21)
Total Assets	656491.96 (662361.82)	35536.96 (37119.11)	2238.00 (7057.84)	15484.53 (16249.21)		709751.45 (722787.98)
Segment Liabilities	52183.70 (60274.36)	9652.96 (9180.25)	97.56 (2036.68)	- (-)		61934.22 (71491.29)
Unallocated Corporate Liabilities	- (-)	- (-)	- (-)	435739.17 (429859.65)		435739.17 (429859.65)
Total Liabilities	52183.70 (60274.36)	9652.96 (9180.25)	97.56 (2036.68)	435739.17 (429859.65)		497673.39 (501350.94)
Capital Expenditure	51062.60 (68320.08)	1398.29 (486.20)	(20.00) (-0.44)	- (43.93)		52440.89 (68849.77)
Depreciation	6700.00 (6899.10)	1366.35 (1382.16)	0.37 (0.37)	4.71 (4.14)		8071.43 (8285.77)
Non-cash Expenses other than Depreciation	- (-)	- (-)	- (-)	- (-)		- (-)

Note : Figures in brackets represent previous year's amounts.

B. Segment Identification, Reportable Segments and definition of each segment :

i. 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.

ii. Reportable Segments :

Segments 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.

iii. Segment Composition :

- Steel Segment is engaged in manufacture and sale of Pig Iron, Billets, Rolled Products, Sponge Iron and includes its captive Power Plants at its unit located at Siltara, Raipur and Mining activities in the state of Chhattisgarh and Maharashtra.
- Iron and Steel Castings Segment comprises of manufacture and sale of Engineering and Automotive Castings with production facilities at Nagpur, Bhilai and Anjora.
- Other Segment comprises of trading of cotton yarn, coal and PVC pipes and the project under implementation by the Subsidiary.

NOTE : 36 RELATED PARTY DISCLOSURES :

A. List of Related Parties :

(As certified by the Management)

I. Associate Company

Maa Usha Urja Limited

II. Key Management Personnel and their Relatives

Shri B.L. Shaw

Shri Arbind Jayaswal

Shri Ramesh Jayaswal

Shri P.K.Bhardwaj

Shri M.P. Singh

Shri Avneesh Jayaswal

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	Anurag Sales and Services Private Limited
AMR Iron and Steel Private Limited	Avon Sales and Services Private Limited
Jayaswal Neco Infrastructures Private Limited	Jayaswal Neco Energy Private Limited
Jayaswal Neco Power Private Limited	Jayaswal Neco Metallica Private Limited
JLD Yavatmal Energy Limited	Jayaswal Neco Steel and Mining Limited
Karamveer Impex Private Limited	Neco Ceramics Limited
Neco Defence Systems Limited	Neco Heavy Engineering and Castings Limited
NSSL Private Limited	Nine Star Plastic Packaging Services Private Limited
Steel and Tube Exports Limited	The Jayaswal Basant Lal Shaw Family Trust
Vibrant Electronics Private Limited	Jyotikant Investments Private Limited
Parivar Food Industries Private Limited	Nagpur Scrap Suppliers Private Limited

B. Transactions with Related Parties :

(Rs. In lacs)

Nature of Transactions	Associate	Other Related Parties	Key Management Personnel & Relatives	Total
Shares Allotted during the year	-	-	-	-
	(-)	(6850.00)	(-)	(6850.00)
Corporate Guarantee Given	1181.00	-	-	1181.00
	(1181.00)	(-)	(-)	(1181.00)
Long Term Borrowings				
Taken during the year	-	2000.00	-	2000.00
	(-)	(23.00)	(-)	(23.00)
Balance as on 31st March, 2016	733.87	3667.79	-	4401.66
	(733.87)	(1667.79)	(-)	(2401.66)
Short Term Borrowings				
Taken during the year	-	479.61	-	479.61
	(352.20)	(371.82)	(-)	(724.02)
Repaid during the year	124.91	332.98	-	457.89
	(469.06)	(616.87)	(-)	(1085.93)
Balance as on 31st March, 2016	2290.41	506.34	-	2796.75
	(2415.32)	(359.71)	(-)	(2775.03)
Fixed Assets				
Purchase of Fixed Assets	-	1430.27	-	1430.27
	(-)	(10.16)	(-)	(10.16)
Purchase of Goods and Services				
Purchase of Goods and Services	-	4843.26	-	4843.26
	(-)	(7382.09)	(-)	(7382.09)
Other Manufacturing Expenses	-	719.56	-	719.56
	(1095.51)	(1032.61)	(-)	(2128.12)
Sale of Goods and Services				
Sale of Goods and Services	-	6087.71	-	6087.71
	(39.13)	(11705.65)	(-)	(11744.78)
Trade Payables				
Balance as on 31st March, 2016	-	16.65	-	16.65
	(-)	(297.48)	(-)	(297.48)

(Rs. In lacs)

Nature of Transactions	Associate	Other Related Parties	Key Management Personnel & Relatives	Total
Other Current Liabilities				
Balance as on 31st March, 2016	-	16.47	-	16.47
	(-)	(16.83)	(-)	(16.83)
Interest Accrued but not due on Borrowings				
Balance as on 31st March, 2016	-	76.25	-	76.25
	(-)	(25.58)	(-)	(25.58)
Deposit Received as on 31st March, 2016	-	15.00	-	15.00
	(-)	(15.00)	(-)	(15.00)
Deposit Given as on 31st March, 2016	-	22.35	-	22.35
	(-)	(-)	(-)	(-)
Loans and Advances				
Balance as on 31st March, 2016	4.00	209.09	-	213.09
	(16.94)	(171.11)	(-)	(188.05)
Trade Receivables				
Balance as on 31st March, 2016	-	1753.21	-	1753.21
	(-)	(4183.03)	(-)	(4183.03)
Income				
Rent Received	-	0.90	-	0.90
	(-)	(0.90)	(-)	(0.90)
Commission Income	6.63	-	-	6.63
	(6.63)	(-)	(-)	(6.63)
Reimbursement of Expenses to the Company	32.59	30.70	-	63.29
	(25.80)	(201.31)	(-)	(227.11)
Expenditure				
Payment of Salaries / Perquisites	-	-	396.62	396.62
	(-)	(-)	(315.44)	(315.44)
Sitting Fees	-	-	1.00	1.00
	(-)	(-)	(0.65)	(0.65)
Service Charges	-	-	-	-
	(-)	(0.96)	(-)	(0.96)
Rent / Lease Rent Paid	186.00	38.09	16.20	240.29
	(72.00)	(-)	(13.20)	(85.20)
Interest Paid	333.53	101.25	-	434.78
	(352.20)	(65.83)	(-)	(418.03)
Reimbursement of Expenses by the Company	0.15	5.65	-	5.80
	(35.70)	(12.44)	(-)	(48.14)

Note : Figures in brackets represent previous year's amounts.

C. Details of major transactions with Related Parties :

		31.03.2016 (Rs.in lacs)	31.03.2015 (Rs.in lacs)
Shares Allotted during the year	Avon Sales and Services Private Limited	-	750.00
	Anurag Sales and Services Private Limited	-	790.00
	Apex Spinning Mills Private Limited	-	725.00
	Nine Star Plastic Packaging Services Private Limited	-	680.00
	Karamveer Impex Private Limited	-	740.00
	Jayaswal Neco Metallica Private Limited	-	700.00
	Jayaswal Neco Energy Private Limited	-	775.00
	Jayaswal Neco Power Private Limited	-	850.00
	Jayaswal Neco Infrastructures Private Limited	-	840.00
Corporate Guarantee Given	Maa Usha Urja Limited	1181.00	1181.00
Long Term Borrowings Taken	Jayaswal Neco Steel and Mining Limited	400.00	23.00
	Apex Spinning Mills Private Limited	100.00	-
	Nine Star Plastic Packaging Services Private Limited	200.00	-
	Jayaswal Neco Infrastructures Private Limited	400.00	-
	Jayaswal Neco Energy Private Limited	400.00	-
	Jayaswal Neco Metallica Private Limited	500.00	-
Long Term Borrowings			
Balance as on 31st March, 2016	Maa Usha Urja Limited	733.87	733.87
	Jayaswal Neco Infrastructures Private Limited	1100.00	700.00
	Jayaswal Neco Steel and Mining Limited	1367.79	967.79
	Apex Spinning Mills Private Limited	100.00	-
	Nine Star Plastic Packaging Services Private Limited	200.00	-
	Jayaswal Neco Energy Private Limited	400.00	-
	Jayaswal Neco Metallica Private Limited	500.00	-
Short Term Borrowings Taken	AMR Iron and Steel Private Limited	479.61	371.82
	Maa Usha Urja Limited	-	352.20
Short Term Borrowings Repaid	AMR Iron and Steel Private Limited	332.98	591.26
	Maa Usha Urja Limited	124.91	469.06
Short Term Borrowings			
Balance as on 31st March, 2016	AMR Iron and Steel Private Limited	506.34	359.71
	Maa Usha Urja Limited	2290.41	2415.32
Purchase of Fixed Assets	Neco Defence Systems Limited	5.49	10.16
	Neco Heavy Engineering and Castings Limited	333.18	-
	NSSL Private Limited	1091.60	-
Purchase of Goods and Services	NSSL Private Limited	3675.78	5952.06
	Neco Heavy Engineering and Castings Limited	1122.20	1393.06
Other Manufacturing Expenses	NSSL Private Limited	196.25	207.27
	Neco Ceramics Limited	473.94	702.50
	Maa Usha Urja Limited	-	1095.51
Sale of Goods and Services	NSSL Private Limited	5747.60	10159.80
	Neco Heavy Engineering and Castings Limited	291.68	1507.97
Trade Payables	Neco Ceramics Limited	8.91	-
	NSSL Private Limited	3.59	287.84
Other Current Liabilities	Steel and Tube Exports Limited	16.47	16.47
	JLD Yavatmal Energy Limited	-	0.36
Interest Accrued but not due on Borrowings	AMR Iron and Steel Private Limited	76.25	25.58
Deposit Received	Neco Heavy Engineering and Castings Limited	15.00	15.00
Deposit Given	The Jayaswal Basant Lal Shaw Family Trust	22.35	-
Loans and Advances			
- Closing Balance	Neco Ceramics Limited	202.47	168.81



	Maa Usha Urja Limited	4.00	16.94
	Neco Defence Systems Limited	-	2.30
	Neco Heavy Engineering and Castings Limited	6.62	-
Trade Receivables	NSSL Private Limited	1619.13	3249.83
	Neco Heavy Engineering and Castings Limited	134.08	933.20
Rent Received	Neco Heavy Engineering and Castings Limited	0.90	0.90
Commission Income	Maa Usha Urja Limited	6.63	6.63
Payment of Salaries / Perquisites	Arbind Jayaswal	127.11	118.62
	Ramesh Jayaswal	127.11	118.62
	P.K.Bhardwaj	45.56	43.64
	M.P. Singh	58.00	20.17
	Avneesh Jayaswal	38.84	14.39
Sitting Fees	B. L. Shaw	1.00	0.65
Service Charges	Steel and Tube Exports Limited	-	0.96
Rent / Lease Rent Paid	Arbind Jayaswal	8.10	6.60
	Ramesh Jayaswal	8.10	6.60
	Maa Usha Urja Limited	186.00	72.00
	The Jayaswal Basant Lall Shaw Family Trust	38.09	-
Interest Paid	AMR Iron and Steel Private Limited	101.25	65.50
	Maa Usha Urja Limited	333.53	352.20
Reimbursement of Expenses to the Company	Maa Usha Urja Limited	32.59	25.80
	Neco Heavy Engineering and Castings Limited	13.42	174.14
	NSSL Private Limited	17.28	-
Reimbursement of Expenses by the Company	Maa Usha Urja Limited	0.15	35.70
	Steel and Tube Exports Limited	-	11.66
	NSSL Private Limited	5.35	-

NOTE : 37 DIVIDEND ACCRUED ON REDEEMABLE PREFERENCE SHARES NOT PROVIDED FOR :

PARTICULARS	Year ended 31.03.2016 (Rs.in lacs)	Year ended 31.03.2015 (Rs.in lacs)
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 : 38 DETAILS OF PRIOR PERIOD EXPENDITURES :

PARTICULARS	Year ended 31.03.2016 Rs.in lacs	Year ended 31.03.2015 Rs.in lacs
a. Rent	0.72	-
b. Power and Electricity	94.11	-
c. Rates and Taxes	-	6.69
d. Travelling and Conveyance	-	0.38
e. Legal and Professional Charges	-	0.68
f. Commission on Sales	-	1.17
g. Interest Paid	-	0.02
TOTAL	94.83	8.94

NOTE : 39 DETAILS OF EXCISE DUTY / SERVICE TAX RECOVERED :

PARTICULARS	Year ended 31.03.2016	Year ended 31.03.2015
	Rs.in lacs	Rs.in lacs
a. Shown as Reduction from Turnover	31925.47	33201.52
b. Charged to the Statement of Profit and Loss on account of difference in stock	(957.49)	702.93

NOTE : 40 THE EXCEPTIONAL ITEMS :

(i) **The Exceptional items for the year ended 31st March, 2016 include :**

- a. Write off of Mining Assets amounting to Rs. 4933.62 lacs pursuant to cancellation of coal blocks (Refer Note No. 12.10).
- b. The subsidiary, Jayaswal Neco Urja Limited was setting up a power plant to use Middlings from the Company's coal mines. In view of the cancellation of coal mines as detailed in Note No. 12.10, the subsidiary has abandoned its power plant project and has charged off the pre-operative expenses Rs. 2570.16 lacs incurred by it towards the project to the Statement of Profit and Loss.

(ii) **The Exceptional item for the year ended 31st March, 2015 represents :**

- a. Additional levy @ Rs. 295 per MT amounting to Rs. 9161.53 lacs on the coal extracted till 31st March, 2014, in pursuance of the order dated 24th September, 2014 of Hon'ble Supreme Court.

NOTE : 41 Corporate Ispat Alloys Limited has filed a winding up petition under the provisions of Section 434 of the Companies Act, 1956 before the Hon'ble Bombay High Court, Nagpur Bench, Nagpur, against claiming an amount of Rs. 10226.78 lacs. The petition is still at pre admission stage and as per the Company the petition is not sustainable.

NOTE : 42 EXPENDITURE RELATED TO CORPORATE SOCIAL RESPONSIBILITY AS PER SEC 135 OF THE COMPANIES ACT, 2013 READ WITH SCHEDULE VII.

- a. CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company during the year is Rs. 118.80 lacs (Previous Year Rs. 161.84 lacs)
- b. Expenditure incurred related to Corporate Social Responsibility is Rs. 92.30 lacs (Previous Year Rs. 101.12 lacs).

Details of Expenditure incurred towards CSR given below:

PARTICULARS	Year ended 31.03.2016	Year ended 31.03.2015
	Rs.in lacs	Rs.in lacs
Rural Development Projects	37.79	7.66
Environmental Sustainability	22.63	0.46
Education and Training	18.63	37.61
Health Care, Sanitation and providing Drinking Water	5.59	34.43
Others	7.66	20.96



NOTE: 43 DETAILS OF CORPORATE GUARANTEE GIVEN COVERED U/S 186(4) OF THE COMPANIES ACT, 2013.

Sr. No.	PARTICULARS	Year ended	Year ended
		31.03.2016	31.03.2015
		Rs.in lacs	Rs.in lacs
I	Corporate Guarantee Given		
	Maa Usha Urja Limited	1181.00	1181.00

Corporate Guarantee given by the Company for the purpose of loans.

NOTE: 44 ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISE CONSOLIDATED AS SUBSIDIARY.

Name of the Enterprise	Net Assets, i.e., Total Assets less Total Liabilities		Share in Profit or Loss	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount
		Rs. In lacs		Rs. In lacs
Parent				
Jayaswal Neco Industries Limited	100.51 (100.17)	213157.98 (221811.91)	92.47 (692.37)	(8653.93) (196.84)
Subsidiary				
Jayaswal Neco Urja Limited	(0.80) (0.47)	(1704.01) (1030.83)	29.22 (-592.37)	(2734.84) (-168.41)
Minority Interest	- (-)	- (-)	- (-)	- (-)
Total Eliminations	0.29 (-0.64)	624.09 (-1405.70)	(21.69) (-)	2029.79 (-)
	100.00 (100.00)	212078.06 (221437.04)	100.00 (100.00)	(9358.98) (28.43)

Note : Figures in brackets represent previous year's amounts.

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

R. KORIA
Partner
Membership No.:35629

For AGRAWAL CHHALLANI & CO.
Chartered Accountants
(Registration No. : 100125W)

S. R. CHHALLANI
Partner
Membership No.:30154

For and on behalf of Board of Directors

ARBIND JAYASWAL
Managing Director
DIN : 00249864

ASHUTOSH MISHRA
Company Secretary
Membership No.:A23011

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

Nagpur, 27th May, 2016

JAYASWAL NECO INDUSTRIES LIMITED

CIN - L28920MH1972PLC016154

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

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

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



Form No. MGT-11

Proxy Form

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my / our behalf at the 43rd Annual General Meeting of the Company, to be held on Thursday, the 29th day of September, 2016 at 12.30 P.M. at the registered office of the Company at F-8, MIDC Industrial Area, Hingna Road, Nagpur – 440 016 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars details of the Resolutions	Optional (Refer Note No. 2)		
		For	Against	Abstain
1.	Adoption of the Audited Financial Statement of the Company for the financial year ended 31st March, 2016 and the reports of Board of Directors and Auditors thereon.			
2.	Adoption of the Audited Consolidated Financial Statement of the Company for the Financial year ended 31st March, 2016 and the report of the Auditors thereon.			
3.	Appointment of Shri Basant Lall Shaw, who retires by rotation as Director and, being eligible, offers himself for re- appointment.			
4.	Appointment of Shri Pramod Kumar Bhardwaj , who retires by rotation as Director and, being eligible, offers himself for re- appointment.			
5.	Appointment of M/s Pathak H. D. & Associates, Chartered Accountants as the Statutory auditors of the Company and fixing their remuneration.			
6.	Ratification of the appointment of M/s Agrawal Chhallani & Co., Chartered Accountants as the Statutory auditors of the Company and fixing their remuneration.			
7.	Re-appointment of Shri S. N. Singh as an Independent Director for the period of 5(Five) years.			
8.	Re-Appointment of Smt. Raji Nathani as an Independent Director for the period of 5(Five) years.			

(P.T.O.)



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9.	Re-Appointment of Shri Darshan kumar Sahni as an Independent Director for the period of 5(Five) years.			
10.	Re-Appointment of Shri Arvind Iyer as an Independent Director for the period of 5(Five) years.			
11.	Re-Appointment of Shri Arbind Jayaswal as Managing Director for the period of 3(Three) years.			
12.	Re-Appointment of Shri Ramesh Jayaswal as Joint Managing Director for the period of 3(Three) years.			
13.	Re-Appointment of Shri P. K. Bhardwaj as Executive Director & Chief Financial Officer for the period of 3(Three) years.			
14.	Ratification of the Cost Auditor's remuneration.			
15.	Alteration in the Articles of Association.			
16.	Alteration in the Incidental or Ancillary Objects for the attainment of the Main Object Clause of the Memorandum of Association.			

Signed thisday of2016.

Signature of shareholder _____

Signature of Proxy holder(s) _____

Affix Re. 1/- Revenue Stamp

Note :

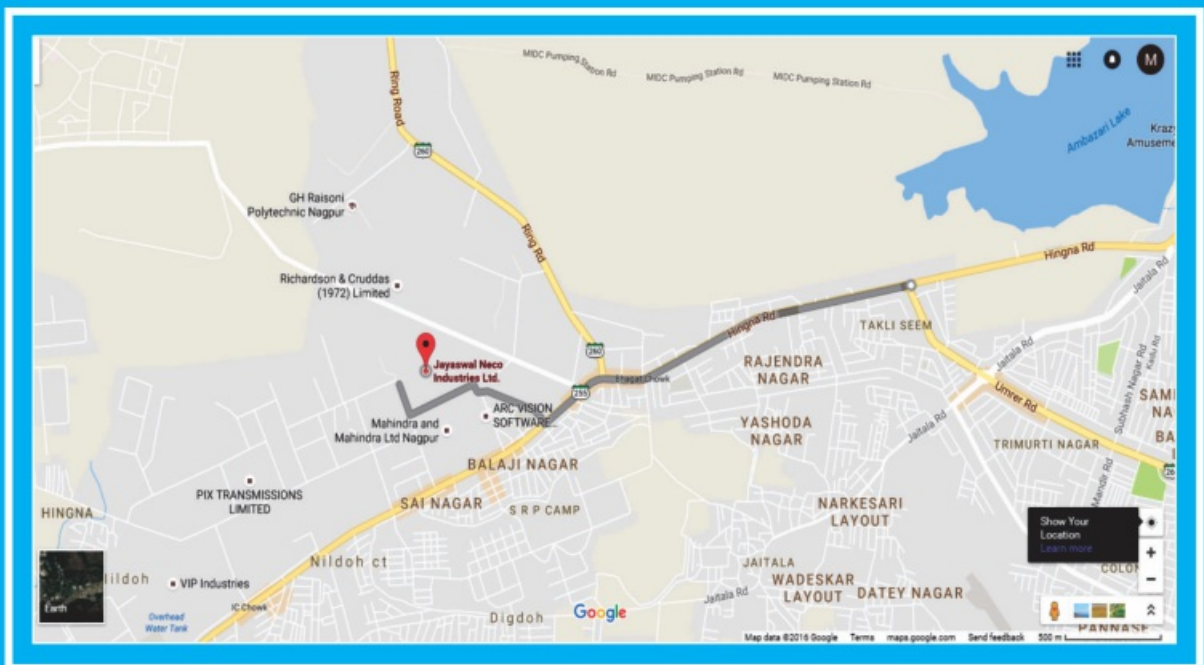
1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. Optional. Please put a '✓' in the appropriate column against the resolutions indicated in the box.

BE NECO FRIENDLY

E-mail : contact@necoindia.com

Web Site : www.necoindia.com

Route Map to Jayaswal Neco Industries Limited (AGM Venue)



To



If undelivered please return to :

Jayaswal Neco Industries Limited

CIN - L28920MH1972PLC016154

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

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

Fax No. : (07104) 237583, 236255

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