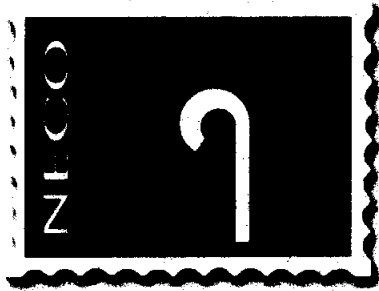


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Jayaswals Neco Limited

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BOARD OF DIRECTORS :	Shri Basant Lall Shaw	Chairman.
	Shri B K Agrawal	Director (Finance).
	Shri M M Vyas	Director.
	Shri D Singh	Director.
	Shri J K Ray	Director (IDBI Nominee).
	Shri A K Sridhar	Director (UTI Nominee).
	Dr. S S Jha	Director (IFCI Nominee).
	Shri D R Gangopadhyay	Director (IIBI Nominee).
	Shri John Mathew	Director (Exim Bank Nominee).
	Shri Manoj Jayaswal	Jt. Mg. Director.
	Shri Ramesh Jayaswal	Jt. Mg. Director.
	Shri Arbind Jayaswal	Managing Director.

COMPANY SECRETARY : Shri A D Karajgaonkar

BANKERS :

State Bank of India.
Punjab National Bank.
The Vysya Bank Ltd.
Union Bank of India.
State Bank of Travancore.

AUDITORS :	M/s V R Inamdar & Co. Chartered Accountants Nagpur.	M/s Chaturvedi & Shah, Chartered Accountants Mumbai.	M/s Agrawal Chhallani & CO. Chartered Accountants Nagpur.
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REGISTERED OFFICE: F-8 MIDC Industrial Area,
Hingna Road, Nagpur – 440 016.
Tel. No. : (07104) 37276, 37471, 37472.
Fax No. : (07104) 37583, 36255.
E-mail : contact@necoindia.com
Web Site www.necoindia.com

WORKS :	1. Construction Castings Division	- LI Area, Bhilai & Anjora.
	2. Centricast Division	- MIDC Area, Hingna Road, Nagpur.
	3. Engineering Castings Division	- MIDC Area, Hingna Road, Nagpur.
	4. Automotive Castings Division	- Butibori, Nagpur.
	5. Steel Plant Division	- Siltara Growth Centre, Raipur.
	6. Food Products Division	- Wadoda, Nagpur-Bhandara Road, Nagpur.

NOTICE

NOTICE is hereby given that TWENTY-NINTH Annual General Meeting of the Members of JAYASWALS NECO LIMITED will be held on Monday, the 30th day of September, 2002 at 11.30 A.M. at the Registered Office of the Company at F/8 M.I.D.C. Industrial Area, Hingna Road, Nagpur - 440016, to transact the Following business :

1. To receive, consider and adopt the Balance Sheet of the Company as at 31st March, 2002, the Profit and Loss Account for the period ended on that date and the reports of the Auditors and Directors thereon.
2. To appoint Director in place of Shri Ramesh Jayaswal who retires by rotation and being eligible offers himself for Re-appointment.
3. To appoint Auditors from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and fix their remuneration.

SPECIAL BUSINESS :

4. To consider and if thought fit, to pass with or without modifications, the following Resolution as **Ordinary Resolution** :

"RESOLVED THAT Shri Dhananjay Singh, Director who holds office of Director up to the date of this Meeting be and is hereby appointed Director liable to retire by rotation."

5. To consider and if thought fit, to pass with or without modifications, the following Resolution as **Special Resolution** :

"RESOLVED in accordance with the provisions of Section 198, 269, 309 read with Schedule XIII to the Companies Act, 1956 and all other applicable provisions of the said Act (including any statutory modifications or re-enactment thereof for the time being in force) and subject to approval of ICICI Limited in its capacity of a lead Institution acting for itself and on behalf other Term Loans lending Institutions Banks and Trustees for the Privately placed Secured Non-convertible Debentures issued by the Company, Banks who have lent Working Capital Facilities to the Company THAT the Consent of the Company, be and is hereby accorded to the appointment of SHRI ARBIND JAYASWAL ("the Appointee") as Managing Director of the Company for a period of 5 years w.e.f. 1st day of January, 2003, on the terms and conditions including remuneration as are set out in the Agreement to be entered into between the Company and the Appointee, a draft whereof is placed before this Meeting and initialled by the Chairman, for the purpose of identification and which draft is hereby

approved with the authority to the Board of Directors to alter and vary the terms and conditions including remuneration of the said Appointment and/or Agreement so as not to exceed the limits specified in part II of Schedule XIII to the Companies Act, 1956 including any statutory modifications or re-enactment thereof and/or to comply with 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."

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

6. To consider and if thought fit, to pass with or without modifications, the following Resolution as **Special Resolution** :

"RESOLVED in accordance with the provisions of Section 198, 269, 309 read with Schedule XIII to the Companies Act, 1956 and all other applicable provisions of the said Act (including any statutory modifications or re-enactment thereof for the time-being in force) and subject to approval of ICICI Limited in its capacity of a lead Institution acting for itself and on behalf other Term Loans lending Institutions, Banks and Turstees for the Privately placed Secured Non-convertible Debentures issued by the Company, Banks who have lent Working Capital Facilities to the Company THAT the Consent of the Company, be and is hereby accorded to the appointment of SHRI RAMESH JAYASWAL ("the Appointee") as Joint Managing Director of the Company for a period of 5 years w.e.f 1st day of January, 2003, on the terms and conditions including remuneration as are set out in the Agreement to be entered into between the Company and the Appointee, a draft whereof is placed before this Meeting and initialled by the Chairman, for the purpose of identification and which draft is hereby approved with the authority to the Board of Directors to alter and vary the terms and conditions including remuneration of the said Appointment and/or Agreement so as not to exceed the limits specified in part II of Schedule XIII to the Companies Act, 1956 including any statutory modifications or re-enactment thereof and/or to comply with 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."

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

7. To consider and if thought fit, to pass with or without modifications, the following Resolution as **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956, the approval by way of ratification of the Company be and is hereby accorded to the issue and allotment of 1,50,00,000 Equity Shares of Rs. 10/- each at par and 9,50,000 0.0001% Redeemable Cumulative Preference Shares of Rs. 100/- each at par made by the Board of Directors of the Company at its Meeting held on 30.03.2002 to the Promoters and their Associates.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to seek approval(s), exemption(s), wherever necessary from the Central Government/ Securities and Exchange Board of India/Stock Exchanges/Depositories and such other authorities as may, for the time being, be the competent authorities in the matter of issue of shares on a preferential basis and other matters connected therewith or incidental thereto, with respect to the issue and allotment of the said Equity and 0.0001% Redeemable Cumulative Preference Shares to the Promoters and their Associates, made by the Board of Directors of the Company at its Meeting held on 30.03.2002.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby further authorised to do all such things, deeds, matters and take such actions as may be necessary and advised to it by the competent authorities for the purpose of obtaining requisite approvals, exemptions, ratifications and securing listing on Stock Exchanges and issue of Equity and 0.0001% Redeemable Cumulative Preference Shares in physical / electronic mode under the Depositories Act, 1996 and the rules made thereunder."

By Order of the Board of Directors,

A D KARAJGAONKAR
SECRETARY.

REGISTERED OFFICE :
F/8, M.I.D.C INDUSTRIAL AREA,
HINGNA ROAD,
NAGPUR - 440016.
DATE :30th July, 2002.

NOTES. :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE SAID MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER. THE PROXY IN ORDER TO BE EFFECTIVE, MUST BE LODGED WITH THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from 23rd September, 2002 to 30th September, 2002 (both days inclusive).
3. The Members are requested to write to the Company for Consolidation of Folio Nos. wherever required, and; Corrections, changes in their Registered Addresses, the particulars of their Bank Account and Branch immediately.
4. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of the special business at Item Nos. 4 to 7 is attached.
5. THE MEMBERS OF THE COMPANY WHO WERE THE SHAREHOLDERS OF THE ERSTWHILE NAGPUR ALLOY CASTINGS LIMITED AND JAYASWALS NECO LIMITED, SHOULD ONCE AGAIN NOTE THAT THE EQUITY SHARES OF THOSE ERSTWHILE COMPANIES ARE, IN VIEW OF AMALGAMATION, CANCELLED, AND DE-LISTED FROM STOCK EXCHANGES. THE TRANSFER AND DEMAT REQUESTS IN RESPECT OF THESE SHARES ARE NOT ENTERTAINED BY THE COMPANY. THEY ARE TO BE EXCHANGED WITH NEW SHARES OF THIS AMALGAMATED COMPANY AND ONLY SUCH NEW SHARES ARE VALID FOR TRANSFER AND OR DEMATERIALISATION. THOSE WHO HAVE NOT YET SURRENDERED THEIR ALL THE ORIGINAL SHARE CERTIFICATES OF THOSE ERSTWHILE COMPANIES FOR CANCELLATION, ARE ONCE AGAIN REQUESTED TO GET THEM EXCHANGED WITH NEW SHARE CERTIFICATES FROM THE REGISTERED OFFICE OF THE COMPANY. THE NEW CERTIFICATES OF THE COMPANY WILL BE ISSUED IN EXCHANGE AGAINST THE SURRENDER/ CANCELLATION OF THE OLD CERTIFICATES ONLY. (PLEASE REFER CALUSE 12 OF THE SCHEME OF AMALGAMATION).



EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.

ITEM NO. 4.

APPOINTMENT OF DIRECTOR (SHRI DHANANJAY SINGH)

Shri Dhananjay Singh was appointed Director by the Board of Directors of the Company at its Meeting held on 30.03.2002. Being Additional Director under section 260 of the Companies Act, 1956; he holds Office up to the date of the ensuing Annual General Meeting. Shri Dhananjay Singh has a rich experience of about 38 years in Iron and Steel Industry and possesses a proven track record of successfully monitoring the expansion activities in a Steel Plant and overseeing day to day operations. The Board is of the view that his continued association with the Company as Director will be immensely useful in furtherance of Interest of the Company. The Board recommends his appointment as Director liable to retire by rotation.

Requisite details pursuant to clause 49 of the Listing Agreement with Stock Exchanges in respect of Shri Dhananjay Singh, Director; are appended.

None of the Directors except Shri Dhananjay Singh is to be deemed as interested in or concerned with the Resolution.

ITEM NO. 5 and 6 :

APPOINTMENTS OF MANAGING/JOINT MANAGING DIRECTORS

The Board of Directors at its Meeting held on 30th July, 2002 has, subject to the approval of financial Institutions, Banks etc., and also the approval of Members by special Resolutions in General Meeting, approved the revised term and conditions of Appointment of Shri Arbind Jayaswal, and Shri Ramesh Jayaswal as Managing/and Joint Managing Director respectively for a period of 5 (five) years w.e.f. 1st January, 2003. While Shri Arbind Jayaswal, Managing Director, shall not, during the period of appointment as proposed, be liable to retire by rotation, Shri Ramesh Jayaswal, Joint Managing Director, shall be liable to retire by rotation in accordance with the provisions of Section 255 of the Companies Act, 1956. Both the Directors named above are the Promoter Directors and actively associated in the day to day affairs of the Company. The remuneration being considered to them jointly/severally is within the ceilings stipulated under the provisions contained in schedule XIII to the Companies Act, 1956. The Draft Agreements to be entered into by the Company with the said appointees, severally, in respect of their appointments as proposed, *inter-alia*, contain the following terms and conditions and remuneration; for a period of 5 years. w.e.f. 1st January, 2003.

1. Remuneration for 2 years ending 31st December, 2004 to each of them :

- (A) Salary : Rs. 80,000/- per month including Dearness and all other allowances.
- (B) Perquisites : As per the Rules of the Company subject to the ceilings stipulated under the provisions contained in schedule XIII to the Companies Act, 1956.
 - a. contribution to Provident Fund and Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.
 - b. Gratuity payable shall not exceed half a month's salary for each completed year of service.
 - c. Each of them shall be entitled to leave on full pay and allowances as per the rules of the Company but not exceeding one month's leave for every eleven months of service.
 - d. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.
- (C) Notwithstanding above, where in a financial year during the currency of tenure of the appointees, the Company has no profits or its profits are inadequate, it may subject to provisions of Part II of Schedule XIII to the Companies Act, 1956; pay remuneration by way of salary and perquisites not exceeding the limits specified hereinabove, as MINIMUM REMUNERATION.
- (D) The remuneration for the balance tenure of 3 years Commencing from 1st January, 2005 will be determined afresh after review.

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2. The terms and conditions set out for appointments hereinabove and/or in the Agreement shall be altered and varied from time to time by the Board of Directors of the Company as it may, at its discretion, deem fit so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), or any amendments made thereto and/or to Comply with terms and conditions stipulated by Financial Institutions, Banks and other Authorities, as may be agreed to by the Board of Directors and respective Appointees.
3. The Agreements may be determined by either party by giving to other party THREE months notice. However, the Agreement with the proposed Joint Managing Director further stipulate that with his ceasing to be Director of the Company by way of retirement by rotation, his appointment as Joint Managing Director shall also be determined concurrently.
4. The Appointees shall not be entitled to supplement their earnings under any agreement with any buying or selling agency and shall also not be interested or concerned directly or indirectly through spouse or minor children in any Selling Agency of the Company without the prior approval of the Central Government.

The Draft Agreements to be entered into between the Company and the said Appointees, are available for inspection at the Registered Office of the Company on any working day upto the date of the Annual General Meeting between 10.00 a.m. and 1.30 p.m.

The above may also be treated as an abstract of the terms of contract/agreement between the Company and Shri Arbind Jayaswal, and Ramesh Jayaswal, as may be applicable to them with respect to their appointments pursuant to Section 302 of the Companies Act, 1956.

The terms and conditions of appointments of the abovenamed Managing and Joint Managing Director have been passed and recommended by the Remuneration Committee and is subject to approval of Financial Institutions in accordance with the provisions of Loan Agreements entered into by the Company with them.

Requisite details pursuant to clause 49 of the Listing Agreement with Stock Exchanges in respect of Shri Arbind Jayaswal Managing Director and Shri Ramesh Jayaswal Joint Managing Director, are appended.

None of the Directors of the Company except S/shri Basant Lall Shaw, Arbind Jayaswal, Manoj Jayaswal And Ramesh Jayaswal, may be deemed to be concerned or interested in the Resolutions.

ITEM NO. 7.

ISSUE OF SHARES TO FINANCIAL INSTITUTIONS/PROMOTERS AND ASSOCIATES

BACKGROUND

As was reported in the previous report, the Members are aware that the Company has made applications to the Financial Institutions and Banks for restructuring of the term loans granted by such Financial Institutions and Banks. During the year under review, certain Financial Institutions and Banks agreed to the restructuring of their respective term loans, as and by way of rescheduling of repayment plans, waiver of outstanding penal charges, relief in the rate of interest for the time being and conversion of about 5% of their total outstandings into Equity Share Capital of the Company. While ICICI Limited ("ICICI") the Lead Institution, IFCI Limited ("IFCI") and Industrial Investment Bank of India Limited ("IIBI"), conveyed the approvals for restructuring of their respective outstandings, the approvals of certain other Financial Institutions and Banks on similar lines are awaited. **The aforesaid Restructuring Scheme approved by ICICI, IFCI and IIBI are, *inter-alia*, subject to the condition that the 16.00% Preference Share Capital of the Company amounting to Rs.2450 Lacs, held by the Promoters and their Associates shall be converted into Equity Share Capital of Rs.1500 Lacs and new 0.0001% Preference Share Capital of Rs.950 Lacs.**

ALLOTMENT OF SHARES

Pursuant to sanction of the restructuring scheme from the aforesaid Financial Institutions, the Company has made allotment of 2,27,62,452 Equity Shares of Rs.10/- each at par and 9,50,000 0.0001% Redeemable Cumulative Preference Shares of Rs.100/- each at par at its Board Meeting held on 30.3.2002 to the aforesaid Financial Institutions, Promoters and their Associates, in the manner hereinafter stated. Consequently, the then existing Preference Share Capital of the nominal value of Rs.2450 lacs held by Promoters and their Associates has been concurrently converted into Equity Shares of Rs.1500 lacs and new 0.0001% Redeemable Cumulative Preference



Shares of Rs.950 lacs. A part of term loans granted by the aforesaid Financial Institutions have been converted into Equity Shares of approximately Rs.776 lacs

A summary of the Equity and 0.0001% Redeemable Cumulative Preference Shares allotted to the Financial Institutions and Promoters is as under.

(A) Financial Institutions

(towards conversion of Part of their outstandings into Equity)

Sr. No.	Names of Allottees	Equity Shares of Rs.10/- each
1	ICICILimited	51,54,740
2	IFCI Limited	19,50,911
3	Industrial Investment Bank of India Limited	6,56,801
	Total	77,62,452

(B) Promoters/Associates

(towards conversion of their 16.00% Preference Share Capital of the Nominal Value of Rs.2450 Lacs into Equity of Rs. 1500 lacs and 0.0001% Redeemable Cumulative Preference Shares of the Nominal Value of Rs.950 Lacs)

Sr. No.	Names of Allottees	Equity Shares of Rs.10/- each	0.0001% Redeemable Cumulative Preference Shares of Rs.100/- each
1.	Corporate Ispat Alloys Limited.	1,04,08,163	6,59,184
2.	Nagpur Agro and Food Processors Limited	33,67,347	2,13,264
3.	Shri Basant Lall Shaw	3,06,123	19,388
4.	Shri Arbind Jayaswal	3,06,123	19,388
5.	Shri Manoj Jayaswal	3,06,122	19,388
6.	Shri Ramesh Jayaswal	3,06,122	19,388
	Total	1,50,00,000	9,50,000

ECONOMIES TO THE COMPANY

The Members may be pleased to note that the allotment of the Equity and 0.0001% Redeemable Cumulative Preference Shares as above, apart from being a part of implementation of the restructuring scheme, has resulted into considerable savings for the Company. The interest overheads on term loans granted by the aforesaid Financial Institutions to that extent would be lower for the time being. Similarly the preferential dividend of 16.00% on the Preference Shares, held by the Promoters and Associates is reduced to nil. Thus, the actions on the part of the aforesaid Financial Institutions and Promoters of sustaining the loss of returns on their investments in the Company have helped the Company, during its hard times, as at the present.

PRICING OF SHARES

The issue of Equity Shares at Rs.10/- each per share is far above the average price of the Equity Shares of the Company at around Rs.3.75 per Equity Share [being the "offer price" as per the pricing formula specified in Clause 13.1.1 of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 based upon weekly high/low of the closing prices in the Stock Exchanges during the period of 6 months / 2 weeks preceding the date of allotment].

EQUITY SHAREHOLDING PATTERN

The Equity Shareholding Pattern of the Company before and after the issue and allotment of aforesaid Equity Shares is as under:

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Sr. No.	Category	Before Allotment		After Allotment	
		No. of Equity Shares	% of the Total	No. of Equity Shares	% of the Total
1.	Promoters Holding	6411454	32.07	21413740	50.08
2.	Financial Institutions, Mutual Funds, Banks, Insurance Companies etc.	1296770	6.49	9058127	21.20
3.	Other Corporate Bodies	6237157	31.20	5464465	12.85
4.	NRIs	115683	0.58	115683	0.27
5.	Indian Public	5927098	29.66	6698599	15.60
	Total	19988162	100.00	42750614	100.00

There would be no change in the Board of Directors of the Company or in the control over the Company, in pursuance of the aforesaid allotment of the said 1,50,00,000 Equity Shares to the Promoters and their Associates.

APPLICABILITY OF PROVISIONS / GUIDELINES

The Company has been advised that the issue of aforesaid Shares to the Promoters and their Associates, as above, would attract the provisions of Section 81(1A) of the Companies Act, 1956, the SEBI (Disclosure and Investor Protection) Guidelines, 2000 on issue of shares on preferential basis and the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. On the plain reading of these provisions, the Company has erred in issuing Shares without complying with the specific requirements under these provisions. It is now necessary for the Company to seek from the Members of the Company approval by way of ratification of the aforesaid issue and allotment of 1,50,00,000 Equity Shares and 9,50,000 0.0001% Redeemable Cumulative Preference Shares made by the Board of Directors at their Meeting held on 30.3.2002 to the Promoters and their Associates. The said allotment was essential to protect the financial interests of the Company. The Company also proposes to seek approvals/exemptions from the competent authorities with respect to the issue and allotment of the said Equity Shares and 0.0001% Redeemable Cumulative Preference Shares to the Promoters and their Associates.

PROPOSED ACTIONS

The Board of Directors therefore, place before the Members of the Company, a Special Resolution as proposed for the purpose of seeking their approval and ratification to the allotment of Shares made by it at its Meeting held on 30.3.2002. The Members may consider and accord approval as proposed. Upon obtaining the approval from the Members of the Company, further actions for exemptions and ratifications etc., from the competent authorities will be taken as may be advised in that behalf.

GENERAL

The Auditors Certificate with respect to the pricing of shares at Rs. 10.00 per share vis-a-vis the offer price under clause 13.1.1 of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 as well as the copies of the sanctions from the Financial Institutions under which the allotment of shares has been made and other documents related thereto are available for inspection at the Registered Office of the Company during usual working hours.

S/Shri Basant Lall Shaw, Arbind Jayaswal, Manoj Jayaswal, Ramesh Jayaswal, Directors of the Company are to be deemed as interested in and concerned with the resolution by reason of the allotment of the Equity Shares and the 0.0001% Redeemable Cumulative Preference Shares to them as aforesaid. The abovenamed and Shri M.M. Vyas, Directors of the Company may also be deemed to be interested in the Special Resolution to the extent that they or their relatives are Shareholders / Directors on the Board of Directors of the companies to which the allotment of the said Equity Shares and 0.0001% Redeemable Cumulative Preference Shares has been made.

Shareholding in Corporate Ispat Alloys Limited by S/Shri Basant Lall Shaw, Arbind Jayaswal, Manoj Jayaswal, Ramesh Jayaswal, Directors of the Company either by themselves, their relatives or companies in which they are interested is 2,00,400 equity shares of Rs. 100 each fully paid, being 97.09% of the total paid up capital of the said company.

Shareholding in Nagpur Agro and Food Processors Limited by S/Shri Basant Lall Shaw, Arbind Jayaswal, Manoj Jayaswal, Ramesh Jayaswal, Directors of the Company either by themselves, their relatives or companies in which they are interested is 15,89,200 equity shares of Rs. 10 each fully paid, being 100.00% of the total paid up capital of the said company.

It is clarified that for the purpose of this Special Resolution, the Promoters and their Associates will not be entitled to vote in relation to the aforesaid 1,50,00,000 Equity Shares allotted to them by the Board of Directors at their Meeting held on 30.3.2002 and the votes cast, if any, by the Promoters and their Associates in relation to the aforesaid 1,50,00,000 Equity Shares the will be disregarded. The Promoters and their Associates have given an undertaking to the Company to the effect that they shall not exercise their voting rights with respect to the aforesaid 1,50,00,000 Equity Shares allotted to them.

Details of Directors seeking re-appointment at forthcoming Annual General Meeting.

Names of Directors	Shri Arbind Jayaswal	Shri Ramesh Jayaswal	Shri Dhananjay Singh
Date of Birth	26.11.1953	02.02.1960	02.01.1941
Date of Appointment	28.11.1972	05.03.1983	30.03.2002
Qualification	B.Sc.	B.Com.	B.Sc. Engg. (Met)
Experience in Specific Functional Areas	<ul style="list-style-type: none"> Ø Associated with foundry operations for over 26 years. Ø Actively engaged in Production and overall Administration functions of the Company. Ø Possesses sound knowledge of Iron and Foundry operations. Ø Chairman - Share Transfer Committee. Ø Member - Audit Committee. 	<ul style="list-style-type: none"> Ø Associated with Iron & Steel business for over 17 years. Ø Looks after the implementation of new Projects, expansions, Project finance and other allied matters. 	<ul style="list-style-type: none"> Ø Rich experience of about 38 years in Steel business (Technical and Administration) Ø Has led setting up of several Plant operations in Steel Industries, and achieving reduction in coke rate.
Other Directorships	<ol style="list-style-type: none"> 1. Ashutosh Castings Ltd. 2. Corporate Ispat Alloys Ltd. 3. Jas Toll Road Company Ltd. 4. Neco Castings Ltd. 5. Neco Tech Auto Components Ltd. 6. Neco Industries Ltd. 7. Nagpur Agro and Food Processors. Ltd. 8. Jayaswal Ashoka Infrastructure Pvt. Ltd. 9. Jayaswal Holdings Pvt. Ltd. 10. Jyotikant Investments Pvt. Ltd. 11. Neco Global Inc. 12. Neco Valves and Pumps Pvt. Ltd. 13. Neco Leasing and Finance Pvt. Ltd. 14. Nagpur Scrap Suppliers Pvt. Ltd. 15. Parivar Food Industries Pvt. Ltd. 16. Steel and Tube Exports Pvt. Ltd. 	<ol style="list-style-type: none"> 1. Ashutosh Castings Ltd. 2. Corporate Ispat Alloys Ltd. 3. Jas Toll Road Company Ltd. 4. Neco Castings Ltd. 5. Neco Tech Auto Components Ltd. 6. Neco Industries Ltd. 7. Nagpur Agro and Food Processors. Ltd. 8. Neco Schubert and Salzer Ltd. 9. Jayaswal Holdings Pvt. Ltd. 10. Jyotikant Investments Pvt. Ltd. 11. Jas Toll Road Company Ltd. 12. Neco Global Inc. 13. Neco Valves and Pumps Pvt. Ltd. 14. Neco Leasing and Finance Pvt. Ltd. 15. Nagpur Scrap Suppliers Pvt. Ltd. 16. Parivar Food Industries. Pvt. Ltd. 17. Siltara Carriers Pvt. Ltd. 18. Steel and Tube Exports Pvt. Ltd. 	<ol style="list-style-type: none"> 1. Neco Industries Limited
Membership on Committees of other Companies.	Nil	Nil	Nil

DIRECTORS' REPORT

Dear Members,

The Directors present their TWENTY-NINTH Annual Report on the affairs of the Company together with the Audited Balance Sheet as at 31st March, 2002 and the Profit and Loss Account for the period ended on that date. The summarised financial results for the period vis-à-vis the previous year are as follows:

Particulars	(Rs. In Lacs)	
	31.03.2002 (15 months)	31.12.2000 (12 months)
Total Income	61042	45999
Total Expenditure	57905	39907
Profit before Interest		
Depreciation & Tax	3137	6092
Interest	7392	5961
(Loss)/Profit after Interest	(4255)	131
Depreciation	2686	2130
(Loss) for the year	(6941)	(1999)
Credit for Deferred Tax	182	0
(Loss) after Tax	(6759)	(1999)
Transfer from Reserves and other adjustments	5214	(74)
	(1545)	(2073)
Appropriations		
Transfer to Debenture Redemption Reserve	-	175
Transfer to Capital Redemption Reserve	-	150
(Loss) Carried to Balance Sheet	(1545)	(2398)
	(1545)	(2073)

Current period figures appearing above are for a period of 15 months ended 31.03.2002; in view of the extension of year by 3 months.

In view of the losses, the Directors express their inability to recommend any dividend to the Members of the Company for the period ended 31st March, 2002.

2. MANAGEMENT DISCUSSION AND ANALYSIS :

A. BUSINESS AND FINANCIAL RESTRUCTURING:

Under the compelling circumstances arising out of adverse market conditions in the Iron and Steel Industry, High Interest Cost, Working Capital Constraints and Time and Cost over-run in the Automotive Castings Division (Project II), the Company has been experiencing severe liquidity

problems since last couple of years. The Company made, therefore, an application to Financial Institutions and Banks for Business and Financial Restructuring. The lead Institution ICICI Limited; in consultations with other participating Institutions and Banks approved Restructuring Scheme w.e.f. 1st January, 2001. As per the Scheme sanctioned by ICICI Ltd., and certain other Institutions the entire term loans together with interest outstanding thereon as on 31.12.2000 have been restructured as and by way of relief in rate of interest for the time being, extended repayment schedules, conversion of part of the Loans into Equity and waiver of outstanding penal charges as on 31.12.2000.

Sanction of the Scheme is subject to *inter-alia*; the following main conditions.

- 16.00% Preference Share Capital of Rs.2450 Lacs held by Promoters/Associates shall be converted into Equity (Rs.1500 Lacs) and new 0.0001%, Redeemable Cumulative Preference Shares (Rs.950 Lacs).
- Pledge of not less than 28% of the then existing Equity Share Capital held by Promoters/Associates to Institutions. In addition, Equity Shares of Rs.1500 Lacs (arising out of conversion of the Preference Capital) are also to be pledged.

Formal sanctions on similar lines from some other Institutions are awaited.

The Directors gratefully acknowledge the gesture of Financial Institutions and their helping hand in the hour of need.

In compliance with the terms of the Scheme; the Company allotted new shares to some of the Financial Institutions on conversion of part of their loans into Equity and also to the Promoters / Associates on conversion of their Preference Shares into Equity and new Preference Shares. Consequently 16.00% Preference Share capital of Rs.2450 Lacs in view of its conversion as above, stands redeemed. Authorised Share Capital has been suitably restructured to facilitate enhanced Equity and new Preference Share Capital. The Company has contemplated seeking *POST FACTO* approvals/exemptions from the Competent Authorities. Resolution for approval of Members to allotment of Shares to Promoters / Associates as above is included in the Notice convening the