

# JAYASWAL NECO INDUSTRIES LTD

CIN : L28920MH1972PLC016154

(FORMERLY JAYASWALS NECO LIMITED)

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

PHONES : +91-7104-237276, 237471, 237472, 236251, 325682, 325683, 325684,

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



PART - I		( ₹ in Lakhs, except per equity share data)				
STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2018						
	PARTICULARS	QUARTER ENDED			YEAR ENDED	
		31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017
1.	<b>Income</b>					
	a) Revenue from Operations	103607	82102	79641	357767	284774
	b) Other Income	72	1890	639	2455	2883
	<b>Total Income</b>	<b>103679</b>	<b>83992</b>	<b>80280</b>	<b>360222</b>	<b>287657</b>
2.	<b>Expenses</b>					
	a) Cost of Materials Consumed	51134	41100	38478	177461	137386
	b) Purchase of Stock-in-Trade	520	699	928	2304	3094
	c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock- in-Trade	476	(1277)	(3392)	6996	(8119)
	d) Excise Duty on Income from Operations	-	-	8985	10027	31712
	e) Employee Benefits Expense	5275	5481	4667	19830	17433
	f) Finance Costs	18252	16877	13724	65818	54895
	g) Depreciation and Amortisation Expense	7690	6863	6292	27300	25507
	h) Consumables, Stores and Spares Consumed	17177	15223	7493	51254	27494
	i) Other Expenses	18188	16337	16750	59142	47771
	<b>Total Expenses</b>	<b>118712</b>	<b>101303</b>	<b>93925</b>	<b>420132</b>	<b>337173</b>
3.	<b>Loss Before Exceptional Items and Tax (1-2)</b>	<b>(15033)</b>	<b>(17311)</b>	<b>(13645)</b>	<b>(59910)</b>	<b>(49516)</b>
4.	Exceptional Items (Refer Note no. 3)	-	130	-	(706)	-
5.	<b>Loss Before Tax (3-4)</b>	<b>(15033)</b>	<b>(17441)</b>	<b>(13645)</b>	<b>(59204)</b>	<b>(49516)</b>
6.	<b>Tax Expenses</b>					
	Deferred Tax	(243)	15	(6108)	(10088)	(12999)
	Income Tax for Earlier years	20	-	2693	20	9414
7.	<b>Loss for the period / year (5-6)</b>	<b>(14810)</b>	<b>(17456)</b>	<b>(10230)</b>	<b>(49136)</b>	<b>(45931)</b>
8.	<b>Other Comprehensive Income (OCI)</b>					
	<b>(I) Item that will not be reclassified to profit or loss</b>					
	(a) Remeasurement (Gain) / Loss on Defined Benefit Plans	(702)	42	439	(577)	167
	(b) Tax Effect on above	243	(15)	(152)	200	(58)
	<b>(II) Item that will be reclassified to profit or loss</b>	-	-	-	-	-
	<b>Total Other Comprehensive Income (Net of Tax)</b>	<b>(459)</b>	<b>27</b>	<b>287</b>	<b>(377)</b>	<b>109</b>
9.	<b>Total Comprehensive Income for the period / year(7-8)</b>	<b>(14351)</b>	<b>(17483)</b>	<b>(10517)</b>	<b>(48759)</b>	<b>(46040)</b>
10.	<b>Paid-up Equity Share Capital</b> (Face Value per share : Rs. 10/- each)	63863	63863	63863	63863	63863
11.	<b>Earnings Per Share (of Rs. 10/- each)</b>					
	a) Basic	(2.32)	(2.73)	(1.60)	(7.69)	(7.19)
	b) Diluted	(2.32)	(2.73)	(1.60)	(7.69)	(7.19)
12.	<b>Other Equity excluding Revaluation Reserve</b>				51105	99864



## 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,  
KOLKATTA - 700012 INDIA FAX : 033-22122560  
PHONES: 033-22122368, 22120502

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



# JAYASWAL NECO INDUSTRIES LTD

CIN : L28920MH1972PLC016154

(FORMERLY JAYASWALS NECO LIMITED)

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

PHONES : +91-7104-237276, 237471, 237472, 236251, 325682, 325683, 325684,

FAX : +91-7104-237583, 236255 • E-mail : [contact@necoindia.com](mailto:contact@necoindia.com) • Website : [www.necoindia.com](http://www.necoindia.com)



## Notes :

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 30th April, 2018.
2. The Directorate of Enforcement vide its order dated 9th June, 2017 has provisionally attached, under sub-section 1 of section 5 of the Prevention of Money Laundering Act (PMLA), 2002, the plant and machinery under installation at Dagori Integrated steel plant situated at Bilha, Bilaspur (Chhattisgarh) to the extent of Rs. 20616 lakhs for alleged misuse of coal raised from Gare Palma IV/4 coal block at Chhattisgarh. The Company had challenged the provisional order before the Adjudicating Authority. The Adjudicating Authority vide its order dated 10th November, 2017, dismissed the appeal filed by the Company and confirmed the Provisional Attachment Order dated 9th June, 2017. The Company then filed appeal against the order dated 10th November, 2017 passed by the Adjudicating Authority, before the Appellate Authority. The Appellate Authority, vide its order dated 12th February, 2018, issued notice to Directorate of Enforcement and also directed Directorate of Enforcement not to take any coercive steps. The next date in the matter is 29th May, 2018. The Company has a good case on merits, is likely to succeed in refuting the allegations and does not expect any material liability on the Company on this account.
3. Exceptional Items for the quarter ended 31st December, 2017 and year ended 31st March, 2018 represent the amount realised (Net of written off) in respect of Company's Coal Mines at Moitra Coal Block which was cancelled by the Hon'ble Supreme Court of India during the year 2014.
4. The agreements in respect of non-current borrowings as at 31st March, 2018 of Rs. 254531 lakhs contains certain restrictive covenants including non-adherence of initial Rupee Term Loan repayment schedule and non-payment of interest thereon, as stipulated and debt service facility ratio. In the current year, the Company has not complied with the terms of these covenants. Further, one of secured lenders had given loan recall notice in respect of non-current borrowings but allowing regular operations to the Company. The Company has not classified the said non-current borrowings to current liabilities as required by Ind AS 1 – "Presentation of Financial Statements".
5. The Company underwent significant financial stress in the last four years due to cancellation of its three captive coal mines which resulted in significant viability issues of the end use Iron and Steel making facilities, payment of additional levy on mined coal as per the Hon'ble Supreme Court order, huge dumping of steel in the country which resulted in the low capacity utilisation of its new steel making facilities and unavailability of incremental working capital support due to Reserve Bank of India's (RBI's) Asset Quality review classifying the Company's accounts as technical Non-performing Asset from back date effect.

All these have resulted in financial constraints to the Company, losses in the operations, erosion of net worth and calling back of loans by few of the secured lenders. The Company had approached its secured lenders for an appropriate debt restructured plan with the objective to make the operations of the Company viable and sustainable, which was approved by the super majority of the secured lenders. The Company had complied with the conditions of Debt Restructuring Scheme including getting Independent Evaluation Committee recommendation to the scheme, infusion of stipulated additional funds as Promoters Contribution as per the scheme and signing of its Master Restructuring Agreement by the Lenders.

However on the directions of RBI, which had not agreed to the approved Debt Restructuring Scheme being fully implemented within the stipulated time line of 13th December, 2017, State Bank of India (SBI), the lead secured lender, had filed an application under section 7 of the Insolvency and Bankruptcy Code, 2016, against the Company, claiming an amount of Rs. 51383 lakhs as default as on 30th November, 2017. The matter has been listed for hearing on 6th July, 2018 before the National Company Law Tribunal (NCLT), Mumbai. The matter is currently in pre-admission stage.

Being aggrieved by the non implementation of the approved Debt Restructuring Scheme, the Company had filed Writ Petition (WP) before the Hon'ble Bombay High Court, Mumbai, against RBI and the other respondents, raising various questions of law and challenging various communications issued by RBI from time to time, which had adversely affected the implementation of the approved Debt Restructuring Scheme of the Company. The Hon'ble Bombay High Court had dismissed the WP of the Company. The Company has challenged the order of the Hon'ble Bombay High Court before the Hon'ble Supreme Court of India and subsequent to the year end, on 16th April, 2018 the Hon'ble Supreme Court was pleased to issue notice and directed parties to maintain status quo. The matter is now likely to be listed on 2nd July, 2018.

In the last six months the steel sector in India has improved, the margins and orders of the Company have improved, further all the lenders of the Company are continually supporting the operations of the Company; accordingly the Management is of the view that the above circumstances will not affect the operations of the Company and continued to prepare the book of accounts on Going Concern basis.



## 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, TIGHT INDUSTRIAL AREA,  
BHILAI - 490026 CHHATISGARH, INDIA  
PHONES : 0788-2282845  
FAX : 0788-2286679



# JAYASWAL NECO INDUSTRIES LTD

CIN : L28920MH1972PLC016154

(FORMERLY JAYASWALS NECO LIMITED)

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

PHONES : +91-7104-237276, 237471, 237472, 236251, 325682, 325683, 325684,

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



6. Revenue from operations for periods up to 30th June, 2017 includes excise duty, which is discontinued effectively from 1st July, 2017 upon implementation of Goods and Service Tax (GST). In accordance with 'Ind AS 18 – Revenue', GST is not included in Revenue from Operations. In view of the aforesaid change in indirect taxes, Revenue from Operations for the quarter and year ended 31st March, 2018 is not comparable to the corresponding previous periods.
7. During the year the Company has suspended its active development of project of DRI and Captive Power Plant at Bilaspur, Chhattisgarh and accordingly the Company has also suspended the capitalisation of borrowing costs.
8. The figures for the corresponding previous period have been restated / regrouped / rearranged / reclassified wherever necessary, to make them comparable. The figures for the quarter ended 31st March, 2018 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the current financial year.

For Jayaswal Neco Industries Limited



NAGPUR

30th April, 2018

Arbind Jayaswal  
Managing Director  
DIN : 00249864

## 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

# JAYASWAL NECO INDUSTRIES LTD

CIN : L28920MH1972PLC016154

(FORMERLY JAYASWALS NECO LIMITED)

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

PHONES : +91-7104-237276, 237471, 237472, 236251, 325682, 325683, 325684,

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



## AUDITED SEGMENT INFORMATION FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

PARTICULARS	QUARTER ENDED			YEAR ENDED	
	31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017
<b>1. Segment Revenue</b>					
a) Steel	94118	72249	69362	319253	243798
b) Iron & Steel Castings	10532	10079	10350	40126	41259
c) Others	1	221	13	237	72
<b>Turnover</b>	<b>104651</b>	<b>82549</b>	<b>79725</b>	<b>359616</b>	<b>285129</b>
Less : Inter Segment Revenue	1044	447	84	1849	355
<b>Revenue from Operations</b>	<b>103607</b>	<b>82102</b>	<b>79641</b>	<b>357767</b>	<b>284774</b>
<b>2. Segment Results</b> (Profit / (Loss) before tax and interest from each segment)					
a) Steel	3540	555	97	7831	3328
b) Iron & Steel Castings	(341)	(1128)	(83)	(1346)	226
c) Others	0	5	(1)	5	5
<b>Total</b>	<b>3199</b>	<b>(568)</b>	<b>13</b>	<b>6490</b>	<b>3559</b>
Less : i) Finance Cost	18252	16877	13724	65818	54895
ii) Other Un-allocable Expenditure	123	114	108	472	474
Add : Unallocated Income	143	118	174	596	2294
<b>Loss Before Tax</b>	<b>(15033)</b>	<b>(17441)</b>	<b>(13645)</b>	<b>(59204)</b>	<b>(49516)</b>
<b>3. Segment Assets</b>					
a) Steel	637668	650038	655233	637668	655233
b) Iron & Steel Castings	33100	32119	34071	33100	34071
c) Others	284	330	294	284	294
d) Unallocated	5476	6747	6893	5476	6893
<b>Total Segment Assets</b>	<b>676528</b>	<b>689234</b>	<b>696491</b>	<b>676528</b>	<b>696491</b>
<b>4. Segment Liabilities</b>					
a) Steel	40255	45305	48264	40255	48264
b) Iron & Steel Castings	5994	4457	3814	5994	3814
c) Others	0	0	0	0	0
d) Unallocated	515290	510132	480665	515290	480665
<b>Total Segment Liabilities</b>	<b>561539</b>	<b>559894</b>	<b>532743</b>	<b>561539</b>	<b>532743</b>

### Notes to Segment Information for the Quarter and Year Ended 31st March, 2018 :

- As per Indian Accounting Standard 108 'Operating Segments' (Ind-AS 108), the Company has reported 'Segment Information', as described below :
  - Steel Segment is engaged in manufacture and sale of Pig Iron, Billets, Rolled Products including Alloy Steel and Sponge Iron and includes its captive power plants at its units located at Siltara, Raipur and Mining activities in the state of Chhattisgarh and Maharashtra and trading of steel items.
  - Iron and Steel Castings Segment is engaged in manufacture and sale of Engineering and Automotive Castings with production facilities at Nagpur in Maharashtra and Bhilai and Anjora in Chhattisgarh.
  - Other Segment comprises of trading of Coal, Coke and PVC pipes.
- The Company have operations in India. There is no identified Geographical Segment.

NAGPUR

30th April, 2018



### 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 CHHATTISGARH, INDIA  
PHONES : 0788-2282845  
FAX : 0788-2286679



# JAYASWAL NECO INDUSTRIES LTD

CIN : L28920MH1972PLC016154

(FORMERLY JAYASWALS NECO LIMITED)

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

PHONES : +91-7104-237276, 237471, 237472, 236251, 325682, 325683, 325684,

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



## AUDITED STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH, 2018

( ₹ in Lakhs)

PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017
<b>A ASSETS</b>		
<b>1. Non-Current Assets</b>		
(a) Property, Plant and Equipment	488143	476562
(b) Capital Work in Progress	47710	44025
(c) Intangible Assets	1779	1986
(d) Intangible Assets under Development	1640	1636
(e) Financial Assets		
(i) Loans	-	0
(ii) Other Financial Assets	106	609
(f) Non Current Tax Assets (Net)	113	-
(g) Other Non Current Assets	3437	25373
<b>Total Non Current Assets</b>	<b>542928</b>	<b>550191</b>
<b>2. Current Assets</b>		
(a) Inventories	54284	68135
(b) Financial Assets		
(i) Investments	60	113
(ii) Trade Receivables	56079	41081
(iii) Cash and Cash Equivalents	7985	2062
(iv) Bank Balances other than (iii) above	3338	3749
(v) Loans	0	-
(vi) Other Financial Assets	1345	12149
(c) Current Tax Assets (Net)	1179	1560
(d) Other Current Assets	9330	17451
<b>Total Current Assets</b>	<b>133600</b>	<b>146300</b>
<b>TOTAL ASSETS</b>	<b>676528</b>	<b>696491</b>
<b>B EQUITY AND LIABILITIES</b>		
<b>1. EQUITY</b>		
(a) Equity Share Capital	63863	63863
(b) Other Equity	51126	99885
<b>Total Equity</b>	<b>114989</b>	<b>163748</b>
<b>2. LIABILITIES</b>		
<b>Non Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	260245	280747
(ii) Other Financial Liabilities	26	26
(b) Provisions	19	18
(c) Deferred Tax Liabilities (Net)	-	9889
<b>Total Non Current Liabilities</b>	<b>260290</b>	<b>290680</b>
<b>3. Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	91973	104580
(ii) Trade Payables	27990	28648
(iii) Other Financial Liabilities	169839	91121
(b) Other Current Liabilities	4993	6993
(c) Provisions	6454	10721
<b>Total Current Liabilities</b>	<b>301249</b>	<b>242063</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>676528</b>	<b>696491</b>

NAGPUR  
30th April, 2018Arbind Jayaswal  
Managing Director  
DIN : 00249864

### BRANCH OFFICES :

"NECO HOUSE" D-307, Defence Colony,  
NEW DELHI - 110 024. (INDIA)  
PHONES : 011-32041695  
FAX NO. : 011-24642190301, TULSIANI CHAMBERS  
NARIMAN POINT, MUMBAI 400 021 (INDIA)  
P.H. : (022) 4213-4813,  
(022) : 22832381 FAX : (022) 22832367TRUST HOUSE, 5th FLOOR,  
32-A, CHITTARANJAN AVENUE,  
KOLKATA - 700012 INDIA FAX : 033-22122560  
PHONES: 033-22122368, 22120502178-A, LIGHT INDUSTRIAL AREA,  
BHILAI - 490026 CHHATISGARH, INDIA  
PHONES : 0788-2282845  
FAX : 0788-2286679