

JAYASWAL NECO INDUSTRIES LTD

CIN : L28920MH1972PLC016154

(FORMERLY JAYASWALS NECO LIMITED)

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

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(₹ in Lakhs, except per equity share data)						
STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2019						
	PARTICULARS	QUARTER ENDED			NINE MONTHS ENDED	
		31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
1.	Income					
	a) Revenue from Operations	88162	84203	108612	283289	326240
	b) Other Income	99	50	73	439	913
	Total Income	88261	84253	108685	283728	327153
2.	Expenses					
	a) Cost of Materials Consumed	47827	53320	61113	160003	177686
	b) Purchase of Stock-in-Trade	283	275	309	811	1173
	c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	8103	(663)	(8579)	13937	(13953)
	d) Employee Benefits Expense	6407	5292	5582	17002	16906
	e) Finance Costs	21360	20845	17935	64856	53226
	f) Depreciation and Amortisation Expense	7163	6870	6871	20830	20558
	g) Consumables, Stores and Spares Consumed	6743	5899	15774	24391	41831
	h) Other Expenses	15168	16805	22121	51010	60702
	Total Expenses	113054	108643	121126	352840	358129
3.	Loss Before Exceptional Items and Tax (1-2)	(24793)	(24390)	(12441)	(69112)	(30976)
4.	Exceptional Items	-	-	-	-	-
5.	Loss Before Tax (3-4)	(24793)	(24390)	(12441)	(69112)	(30976)
6.	Tax Expenses					
	Deferred Tax	7	6	50	20	151
	Income Tax for Earlier years	-	-	-	-	(9)
7.	Loss for the period / year (5+6)	(24786)	(24384)	(12391)	(69092)	(30834)
8.	Other Comprehensive Income (OCI)					
	(I) Item that will not be reclassified to profit or loss					
	(a) Remeasurement Gain / (Loss) on Defined Benefit Plans	20	19	144	58	433
	(b) Tax Effect on above	(7)	(6)	(50)	(20)	(151)
	(II) Item that will be reclassified to profit or loss	-	-	-	-	-
	Total Other Comprehensive Income (Net of Tax)	13	13	94	38	282
9.	Total Comprehensive Income for the period / year (7+8)	(24773)	(24371)	(12297)	(69054)	(30552)
10.	Paid-up Equity Share Capital (Face Value per share : Rs. 10/- each)	63863	63863	63863	63863	63863
11.	Other Equity excluding Revaluation Reserve					6096
12.	Earnings Per Share (of Rs. 10/- each)					
	a) Basic (Not Annualised) *	(3.88)*	(3.82)*	(1.94)*	(10.82)*	(4.83)*
	b) Diluted (Not Annualised) *	(3.88)*	(3.82)*	(1.94)*	(10.82)*	(4.83)*



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Notes :

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 11th February, 2020. The Statutory Auditors of the Company have carried out a Limited Review of the above results.
- 2 As reported earlier, eight out of twelve bankers of the Company have assigned their fund based debt along with underlying financial documents together with their rights, benefits and obligations in favour of Assets Care & Reconstruction Enterprise Limited (ACRE) acting in its capacity as trustee of various trusts; accordingly, total assignment till date amounts to Rs. 339354 lakhs constituting 94.20% of the total Principal Fund Based Outstanding.
- 3 As reported earlier, the Directorate of Enforcement had provisionally attached the Plant and Machinery under installation at Dagori Integrated steel plant situated at Bilha, Bilaspur (Chhattisgarh) to the extent of Rs. 20616 lakhs for alleged misuse of coal raised from Gare Palma IV/4 coal block at Chhattisgarh - (First attachment) and also had provisionally attached certain property, plant and equipment to the extent of Rs. 2092 lakhs situated at Dagori Project, Bilha, Bilaspur (Chhattisgarh) and Rs. 8050 lakhs situated at Steel Plant Division, Siltara, Raipur. The Order inter-alia alleging that the benefits to the extent of Rs. 10142 lakhs accrued to the Company, in the form of fresh share capital issuance for setting up end use projects related to captive coal mine of Gare Palma IV/4 coal block, constitutes as part of Proceeds of Crime - (Second attachment).
The Adjudicating Authority had confirmed the above both provisional attachments. Subsequently the Appellate Authority stayed both the attachments on an appeal filed by the Company. On 15th March, 2019, upon Company's request, the ED Appellate Authority has clubbed the matter of first attachment with the matter of second attachment. The matter has been put up for hearing now on 7th April, 2020 with the ED Appellate Authority. 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.
- 4 The Company underwent significant financial stress in the last five years due to cancellation of its three captive coal mines, payment of additional levy on mined coal as per the Hon'ble Supreme Court order and various other reasons which have resulted in financial constraints to the Company, losses in the operations, erosion of net worth and calling back of loans by few of the secured lenders. Further, an appropriate Debt Restructured Plan was approved by the super majority of the secured lenders and the Company had complied with the conditions of Debt Restructuring Scheme including getting Independent Evaluation Committee recommendation to the scheme, infusion of stipulated additional funds as Promoters Contribution as per the scheme and signing of its Master Restructuring Agreement by the Lenders.
However on the directions of Reserve Bank of India (RBI), which had not agreed to the approved Debt Restructuring Scheme being fully implemented within the stipulated time line of 13th December, 2017, State Bank of India (SBI), the erstwhile lead secured lender, had filed an application under section 7 of the Insolvency and Bankruptcy Code, 2016, against the Company, claiming an amount of Rs. 51383 lakhs as default as on 30th November, 2017.
In view of the Status Quo order issued by the Hon'ble Supreme Court, the case has been adjourned sine die by the National Company Law Tribunal (NCLT), Mumbai in its hearing dated 14th November, 2019. The matter is still at pre admission stage in NCLT. The matter would be listed only after the Special Leave Petition (SLP) filed by the Company is disposed of by the Honourable Supreme Court.
Being aggrieved by the non-implementation of the approved Debt Restructuring Scheme, the Company had filed Writ Petition (WP) before the Hon'ble Bombay High Court, Mumbai, against RBI, which got dismissed. The Company had challenged the order of the Hon'ble Bombay High Court before the Hon'ble Supreme Court of India and on 16th April, 2018 the Hon'ble Supreme Court was pleased to issue notice and directed the parties to maintain status quo. The matter is yet to be listed on the bench.
All the lenders of the Company continue to support 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 it continues to prepare the books of account on Going Concern basis.
- 5 During the period, no impairment testing of the assets is undertaken by the Company, accordingly the impairment if any, will be assessed at the year end.
- 6 The figures for the corresponding previous periods / year have been regrouped / rearranged wherever necessary, to make them comparable.

NAGPUR

11th February, 2020



For Jayaswal Neco Industries Limited

Arbind Jayaswal
Managing Director and CEO
DIN : 00249864

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UNAUDITED SEGMENT INFORMATION FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2019

(₹ in Lakhs)

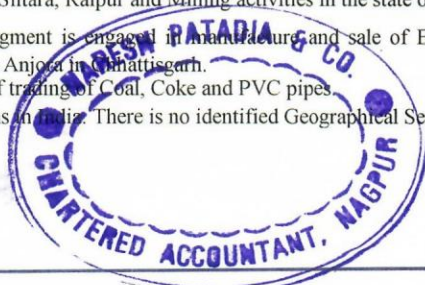
PARTICULARS	QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
	31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
1. Segment Revenue						
a) Steel	78822	74569	95689	254441	291716	375686
b) Iron & Steel Castings	9930	10517	13961	31372	37822	50856
c) Others	2	-	5	3	13	16
Turnover	88754	85086	109655	285816	329551	426558
Less : Inter Segment Revenue	592	883	1043	2527	3311	3905
Revenue from Operations	88162	84203	108612	283289	326240	422653
2. Segment Results (Profit / (Loss) before tax and interest from each segment)						
a) Steel	(3838)	(3795)	5166	(5019)	21314	25298
b) Iron & Steel Castings	592	331	403	1100	1019	1115
c) Others	(132)	(5)	-	(139)	3	4
Total	(3378)	(3469)	5569	(4058)	22336	26417
Less : i) Finance Cost	21360	20845	17935	64856	53226	71147
ii) Other Un-allocable Expenditure	106	124	127	346	409	483
Add : Unallocated Income	51	48	52	148	323	810
Loss Before Tax	(24793)	(24390)	(12441)	(69112)	(30976)	(44403)
3. Segment Assets						
a) Steel	592729	601721	635267	592729	635267	628530
b) Iron & Steel Castings	31452	32332	33360	31452	33360	31925
c) Others	145	273	314	145	314	284
d) Unallocated	11070	11011	11036	11070	11036	10817
Total Segment Assets	635396	645337	679977	635396	679977	671556
4. Segment Liabilities						
a) Steel	33560	36879	47415	33560	47415	48290
b) Iron & Steel Castings	4929	6156	6309	4929	6309	5053
c) Others	-	-	-	-	-	-
d) Unallocated	595981	576602	542487	595981	542487	548232
Total Segment Liabilities	634470	619637	596211	634470	596211	601575

Notes to Segment Information for the Quarter and Nine Months Ended 31st December, 2019 :

- 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 has operations in India. There is no identified Geographical Segment.

NAGPUR

11th February, 2020



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(₹ in Lakhs, except per equity share data)

Extract of Statement of Unaudited Financial Results for the Quarter and Nine Months Ended 31st December, 2019

	PARTICULARS	QUARTER ENDED 31.12.2019	NINE MONTHS ENDED 31.12.2019	QUARTER ENDED 31.12.2018
		UNAUDITED	UNAUDITED	UNAUDITED
1	Total Income from Operations	88261	283728	108685
2	Net Loss for the period (before tax and Exceptional items)	(24793)	(69112)	(12441)
3	Net Loss for the period before tax (after Exceptional items)	(24793)	(69112)	(12441)
4	Net Loss for the period after tax (after Exceptional items)	(24786)	(69092)	(12391)
	Total Comprehensive Income for the period			
	[Comprising Loss for the period (after tax) and Other Comprehensive Income	(24773)	(69054)	(12297)
5	(after tax)]			
6	Equity Share Capital	63863	63863	63863
7	Other Equity (excluding Revaluation Reserve as shown in the Audited Balance Sheet)			
8	Earnings Per Share (of Rs.10/- each)			
	a) Basic (Not Annualised)*	(3.88)*	(10.82)*	(1.94)*
	b) Diluted (Not Annualised)*	(3.88)*	(10.82)*	(1.94)*

Notes :

- a) The above is an extract of the detailed format of Quarter and Nine Months Ended Financial Results filed with the Stock Exchanges on 11th February, 2020 under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the Quarter and Nine Months Ended Financial Results are available on the Stock Exchange websites (www.bseindia.com & www.nseindia.com) and the Company's Website (www.necoindia.com).
- b) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 11th February, 2020. The Statutory Auditors of the Company have carried out a Limited Review of the above results.

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11th February, 2020



For Jayaswal Neco Industries Limited

Arbind Jayaswal

Managing Director and CEO

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