

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,

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PART - I		(₹ in Lakhs, except per equity share data)			
STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2018					
	PARTICULARS	QUARTER ENDED			YEAR ENDED
		30.06.2018	31.03.2018	30.06.2017	31.03.2018
1.	Income				
	a) Revenue from Operations	100983	103607	88814	357767
	b) Other Income	167	72	388	2455
	Total Income	101150	103679	89202	360222
2.	Expenses				
	a) Cost of Materials Consumed	54132	51134	40663	177461
	b) Purchase of Stock-in-Trade	348	520	699	2304
	c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock- in-Trade	(3207)	476	2008	6996
	d) Excise Duty on Income from Operations	-	-	10027	10027
	e) Employee Benefits Expense	5183	5275	4512	19830
	f) Finance Costs	17342	18252	14058	65818
	g) Depreciation and Amortisation Expense	6808	7690	6343	27300
	h) Consumables, Stores and Spares Consumed	12123	17177	8429	51254
	i) Other Expenses	18282	18188	15412	59142
	Total Expenses	111011	118712	102151	420132
3.	Loss Before Exceptional Items and Tax (1-2)	(9861)	(15033)	(12949)	(59910)
4.	Exceptional Items	-	-	(836)	(706)
5.	Loss Before Tax (3-4)	(9861)	(15033)	(12113)	(59204)
6.	Tax Expenses				
	Deferred Tax	(50)	(243)	(2280)	(10088)
	Income Tax for Earlier years	9	20	-	20
7.	Loss for the period / year (5-6)	(9820)	(14810)	(9833)	(49136)
8.	Other Comprehensive Income (OCI)				
	(I) Item that will not be reclassified to profit or loss				
	(a) Remeasurement (Gain) / Loss on Defined Benefit Plans	(144)	(702)	41	(577)
	(b) Tax Effect on above	50	243	(14)	200
	(II) Item that will be reclassified to profit or loss		-	-	-
	Total Other Comprehensive Income (Net of Tax)	(94)	(459)	27	(377)
9.	Total Comprehensive Income for the period / year (7-8)	(9726)	(14351)	(9860)	(48759)
10.	Paid-up Equity Share Capital	63863	63863	63863	63863
	(Face Value per share : Rs. 10/- each)				
11.	Earnings Per Share (of Rs. 10/- each)				
	a) Basic	(1.54)	(2.32)	(1.54)	(7.69)
	b) Diluted	(1.54)	(2.32)	(1.54)	(7.69)
12.	Other Equity excluding Revaluation Reserve				51105



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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 27th July, 2018. The Statutory Auditors of the Company have carried out a Limited Review of the above results. 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 that financial year.

2. In previous year, 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. The Company challenged the provisional order before the Adjudicating Authority. The Adjudicating Authority dismissed the appeal filed by the Company and confirmed the Provisional Attachment. The Company has filed an appeal before the Appellate Authority. The Appellate Authority issued notice to Directorate of Enforcement and also directed Directorate of Enforcement not to take any coercive steps and also directed the Company not to create any third party interest in the property. The matter is now listed for hearing on 6th September, 2018.

Subsequent to the quarter ended 30th June, 2018, on 20th July, 2018 the Company has received another provisional attachment order dated 13th July, 2018 from the Directorate of Enforcement for a period of 180 days. The attached properties include the Freehold Land situated at Dagori Project, Bilha, Bilaspur (Chhattisgarh) valuing Rs. 2092 lakhs and Office and Factory Building and Plant and Machinery of the Sponge Iron Plants (350 TPD + 500 TPD) at Steel Plant Division, Siltara, Raipur to the extent of Rs. 8050 lakhs. 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 (POC) and it also directed the Company to not remove, part with or otherwise dealt with, the said properties so attached, without prior permission of the 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.

3. The Company underwent significant financial stress in the last four 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 and erosion of net worth. The Company had approached its secured lenders for an appropriate Debt Restructured Plan, 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 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 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 now been listed for hearing on 4th September, 2018 before the National Company Law Tribunal (NCLT), Mumbai. In view of the Status Quo order issued by the Hon'ble Supreme Court, the matter is still at pre admission stage in NCLT.

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 has 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 now likely to be listed there on 7th September, 2018.

During the recent past 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 it continues to prepare the books of account on Going Concern basis.

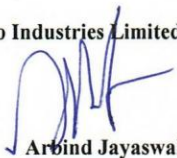
4. The Ministry of Corporate Affairs (MCA), on 28th March, 2018 notified Ind AS 115 "Revenue from Contracts with Customers" as part of the Companies (Indian Accounting Standards) Amendment Rules, 2018 and the same is effective for the accounting periods beginning on or after 1st April, 2018. The Company has applied modified retrospective approach in adopting the new standard and accordingly the revenue from operations for the quarter ended 30th June, 2018 is not comparable with other periods reported. The adoption of this standard did not have any material impact to the financial statements of the Company.

5. The figures for the corresponding previous periods / year have been regrouped / reclassified wherever necessary, to make them comparable.

NAGPUR
27th July, 2018



For Jayaswal Neco Industries Limited


Arbind Jayaswal
Managing Director and CEO
DIN : 00249864

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UNAUDITED SEGMENT INFORMATION FOR THE QUARTER ENDED 30TH JUNE, 2018

PARTICULARS	QUARTER ENDED			(₹ in Lakhs) YEAR ENDED
	30.06.2018	31.03.2018	30.06.2017	31.03.2018
1. Segment Revenue				
a) Steel	90611	94118	78784	319253
b) Iron & Steel Castings	11340	10532	10032	40126
c) Others	4	1	15	237
Turnover	101955	104651	88831	359616
Less : Inter Segment Revenue	972	1044	17	1849
Revenue from Operations	100983	103607	88814	357767
2. Segment Results (Profit / (Loss) before tax and interest from each segment)				
a) Steel	7307	3540	1892	7831
b) Iron & Steel Castings	208	(341)	(3)	(1346)
c) Others	0	0	0	5
Total	7515	3199	1889	6490
Less : i) Finance Cost	17342	18252	14058	65818
ii) Other Un-allocable Expenditure	166	123	124	472
Add : Unallocated Income	132	143	180	596
Loss Before Tax	(9861)	(15033)	(12113)	(59204)
3. Segment Assets				
a) Steel	639956	637668	660467	637668
b) Iron & Steel Castings	32938	33100	33555	33100
c) Others	324	284	312	284
d) Unallocated	5472	5476	6812	5476
Total Segment Assets	678690	676528	701146	676528
4. Segment Liabilities				
a) Steel	45873	40255	58497	40255
b) Iron & Steel Castings	5837	5994	3833	5994
c) Others	0	0	0	0
d) Unallocated	522387	515290	484928	515290
Total Segment Liabilities	574097	561539	547258	561539

Notes to Segment Information for the Quarter Ended 30th June, 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
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