

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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31st January, 2019

To,
Manager (Listing),
National Stock Exchange of India Ltd.,
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.

Dear Sirs,

Sub.: - Outcome of Board Meeting dated 31st January, 2019.

Pursuant to Regulation 30 & 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of Directors of the Company at its Meeting dated 31st January, 2019 has inter-alia approved and took on records the Unaudited Financial Results for the Quarter and Nine months ended 31st December, 2018 and has also:

1. Noted the cessation of Shri Vallabh Ghate, Company Secretary & Compliance Officer of the Company who has tendered his resignation citing personal reasons and will cease as the Company Secretary & Compliance Officer of the Company with effect from the end of the day of 31st January, 2019. However, Shri Vallabh Ghate will continue to remain in the employment of the Company.
2. Approved the Appointment of Shri Vikash Kumar Agarwal, as the Company Secretary & Compliance Officer of the Company w.e.f 01st February, 2019.

Brief profile of Mr. Vikash Kumar Agarwal is attached herewith for records.

The meeting commenced at 12.30 p.m. and concluded at 06.40 p.m.

This is for your kind information and records.

Thanking You,

Yours Faithfully,

For Jayaswal Neco Industries Limited


Arbind Jayaswal
Managing Director and CEO
DIN: 00249864



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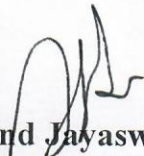
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Brief Profile of CS Vikash Kumar Agarwal

Vikash Kumar Agarwal, aged 38 years, is a Commerce Graduate from St. Xavier's College, Kolkata. He is a qualified Company Secretary (CS) and Chartered Accountant (CA) with more than 15 years' experience in the areas of Company Secretary ship, Corporate Laws, Company Law, Corporate Restructuring, Corporate Governance, Mergers & Acquisitions, Legal cases etc.

For Jayaswal Neco Industries Limited


Arbind Jayaswal
Managing Director and CEO
DIN: 00249864



PATHAK H. D. & ASSOCIATES

Chartered Accountants
814-815, Tulsiani Chambers,
212, Nariman Point,
Mumbai – 400021

NARESH PATADIA & CO.

Chartered Accountants
Opposite Ram Mandir,
Tilak Road, Mahal,
Nagpur – 440002

INDEPENDENT AUDITORS' REVIEW REPORT

To,
The Board of Directors
Jayaswal Neco Industries Limited

1. We have reviewed the accompanying statement of Unaudited Financial Results ("the statement") of Jayaswal Neco Industries Limited ("the Company") for the quarter and nine months ended 31st December, 2018, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016. This statement is the responsibility of the Company's Management and approved by the Board of Directors. Our responsibility is to issue a report on the statement based on our review.
2. We conducted our review of the statement in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatements. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. Emphasis of Matter

We draw your attention to the:

- a) Note no. 3 to the statement regarding the attachment of the properties of the Company to the extent of Rs. 30758 lakhs by the Directorate of Enforcement, which has been contested by the Company.
- b) Note no. 4 to the statement regarding preparation of financial results of the Company on going concern basis, notwithstanding the fact that the Company has been incurring cash losses, its net worth has been eroded as on 31st December, 2018, loans have been called back by few of the secured lenders, application has been made to National Company Law Tribunal (NCLT), Mumbai, under section 7 of the Insolvency and Bankruptcy Code 2016 by State Bank of India, the erstwhile lead secured lender, which has been contested by the Company, for the reasons stated in the said note. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as going concern. During the quarter, Banks holding 76.14% (by value) of the total principal debt, equivalent to Rs. 273688 Lakhs, assigned all their rights, title and interests in financial assistances granted by them to the

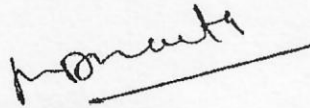


Company in favour of Assets Care & Reconstruction Enterprise Limited (ACRE) acting in its capacity as Trustee of four different Trust as referred in note no. 2 to the statement. The appropriateness of assumption of going concern is critically dependent upon the Company's ability to raise requisite finance / generate cash flows in future to meet its obligations and approval of its resolution plan.

Our conclusion is not modified in respect of these matters.

4. Based on our review conducted as stated above, read with our comments in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **Pathak H. D. & Associates**
Chartered Accountants
Firm Reg. No. 107783W



Mukesh Mehta
Partner
Membership No. 43495

Mumbai
Date: 31st January, 2019



For **Naresh Patadia & Co.**
Chartered Accountants
Firm Reg. No. 106936W



Naresh Patadia
Proprietor
Membership No. 35620

Nagpur
Date: 31st January, 2019



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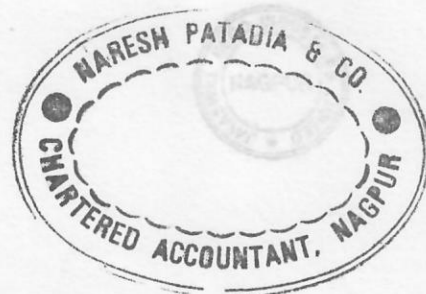
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PART - I		(₹ in Lakhs, except per equity share data)				
STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2018						
PARTICULARS	QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
	31.12.2018	30.09.2018	31.12.2017	31.12.2018	31.12.2017	31.03.2018
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
1. Income						
a) Revenue from Operations	108612	116650	82102	326240	254160	357767
b) Other Income	73	668	1890	913	2383	2455
Total Income	108685	117318	83992	327153	256543	360222
2. Expenses						
a) Cost of Materials Consumed	61113	62441	41100	177686	126327	177461
b) Purchase of Stock-in-Trade	309	516	699	1173	1784	2304
c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(8579)	(2167)	(1277)	(13953)	6520	6996
d) Excise Duty on Income from Operations	-	-	-	-	10027	10027
e) Employee Benefits Expense	5582	6141	5481	16906	14555	19830
f) Finance Costs	17935	17949	16877	53226	47566	65818
g) Depreciation and Amortisation Expense	6871	6879	6863	20558	19610	27300
h) Consumables, Stores and Spares Consumed	15774	13934	15223	41831	34077	51254
i) Other Expenses	22121	20299	16337	60702	40954	59142
Total Expenses	121126	125992	101303	358129	301420	420132
3. Loss Before Exceptional Items and Tax (1-2)	(12441)	(8674)	(17311)	(30976)	(44877)	(59910)
4. Exceptional Items	-	-	130	-	(706)	(706)
5. Loss Before Tax (3-4)	(12441)	(8674)	(17441)	(30976)	(44171)	(59204)
6. Tax Expenses						
Deferred Tax	(50)	(51)	15	(151)	(9845)	(10088)
Income Tax for Earlier years	-	-	-	9	-	20
7. Loss for the period / year (5-6)	(12391)	(8623)	(17456)	(30834)	(34326)	(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)	(145)	42	(433)	126	(577)
(b) Tax Effect on above	50	51	(15)	151	(44)	200
(II) Item that will be reclassified to profit or loss	-	-	-	-	-	-
Total Other Comprehensive Income (Net of Tax)	(94)	(94)	27	(282)	82	(377)
9. Total Comprehensive Income for the period / year (7-8)	(12297)	(8529)	(17483)	(30552)	(34408)	(48759)
10. Paid-up Equity Share Capital	63863	63863	63863	63863	63863	63863
(Face Value per share - Rs. 10/- each)						
11. Earnings Per Share (of Rs. 10/- each)						
a) Basic	(1.94)	(1.35)	(2.73)	(4.83)	(5.37)	(7.69)
b) Diluted	(1.94)	(1.35)	(2.73)	(4.83)	(5.37)	(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 31st January, 2019. The Statutory Auditors of the Company have carried out a Limited Review of the above results.

2. During the quarter, four bankers of the Company viz. State Bank of India, Union Bank of India, Punjab National Bank and Indian Overseas Bank have assigned their fund based debt along with underlying financial documents together with their rights, benefits and obligations to Assets Care & Reconstruction Enterprise Limited (ACRE) acting in its capacity as trustee of ACRE 54 Trust (for State Bank of India Debt assignment), ACRE 59 Trust (for Union Bank of India Debt assignment), ACRE 64 Trust (for Punjab National Bank Debt assignment) and ACRE 63 Trust (for Indian Overseas Bank Debt assignment) vide Assignment Agreements executed by them in favour of ACRE. The aggregate principal outstanding of the assigned debt is Rs. 273688 lakhs which is around 76.14% (by value) of the total principal outstanding debt of Rs. 359434 lakhs of the Company.

3. In the 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 Adjudicating Authority confirmed the Provisional Attachment. The Company then 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 15th March, 2019.

Further, during the previous quarter, the Company received another provisional attachment order dated 13th July, 2018 from the Directorate of Enforcement for an amount of Rs. 10142 lakhs 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 deal with, the said properties so attached, without prior permission of the authority. The Adjudicating Authority confirmed the Provisional Attachment. The Company is in the process of filing its appeal before the 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 this account.

4. 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, 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, 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 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. The matter has now been listed for hearing on 27th February, 2019 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 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.

During the recent past the steel sector in India has improved, certain bankers as detailed in Note - 2 above have assigned their fund based debt along with underlying financial documents together with their rights, benefits and obligations to Assets Care & Reconstruction Enterprise Limited (ACRE) and the remaining lenders of the Company are also 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.

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5. 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 and nine months ended 31st December, 2018 is not comparable with previous year / periods reported. The adoption of this standard did not have any material impact to the financial results of the Company.
6. The figures for the corresponding previous periods / year have been regrouped / rearranged wherever necessary, to make them comparable.

NAGPUR
31st January, 2019



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, 2018

(₹ in Lakhs)

PARTICULARS	QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
	31.12.2018	30.09.2018	31.12.2017	31.12.2018	31.12.2017	31.03.2018
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
1. Segment Revenue						
a) Steel	95689	105416	72249	291716	225135	319253
b) Iron & Steel Castings	13961	12526	10079	37822	29594	40126
c) Others	5	4	221	13	236	237
Turnover	109655	117946	82549	329551	254965	359616
Less: Inter Segment Revenue	1943	1296	447	3311	805	1849
Revenue from Operations	108612	116650	82102	326240	254160	357767
2. Segment Results (Profit / (Loss) before tax and interest from each segment)						
a) Steel	5166	8841	555	21314	4291	7831
b) Iron & Steel Castings	403	408	(1128)	1019	(1005)	(1346)
c) Others	0	3	5	3	5	5
Total	5569	9252	(568)	22336	3291	6490
Less: i) Finance Cost	17935	17949	16877	53226	47566	65818
n) Other Un-allocable Expenditure	127	116	114	409	349	472
Add: Unallocated Income	52	139	118	323	453	596
Loss Before Tax	(12441)	(8674)	(17441)	(30976)	(44171)	(59204)
3. Segment Assets						
a) Steel	635267	636248	650038	635267	650038	637668
b) Iron & Steel Castings	33360	33872	32119	33360	32119	33100
c) Others	314	321	330	314	330	284
d) Unallocated	11036	11057	6747	11036	6747	5476
Total Segment Assets	679977	681498	689234	679977	689234	676528
4. Segment Liabilities						
a) Steel	47415	49499	45305	47415	45305	40255
b) Iron & Steel Castings	6309	6309	4457	6309	4457	5994
c) Others	0	0	0	0	0	0
d) Unallocated	542487	529627	510132	542487	510132	515290
Total Segment Liabilities	596211	585435	559894	596211	559894	561539

Notes to Segment Information for the Quarter and Nine Months Ended 31st December, 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 Sihara, 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 Bhitai 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 Segments.

NAGPUR
31st January, 2019



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