

CHATURVEDI & SHAH
Chartered Accountants
912-913, Tulsiani Chambers,
212, Nariman Point,
Mumbai, 400021

AGRAWAL CHHALLANI & CO.
Chartered Accountants
51, New Colony,
Nagpur

REVIEW REPORT

To
The Board of Directors
Jayaswal Neco Industries Limited

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of *Jayaswal Neco Industries Limited* ("the Company") for the quarter and half year ended 30th September, 2014 ("the Statement") being submitted by the company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' and details of Investor Complaints which have been traced from disclosures made by the management and have not been audited by us. The Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the statement based on our review.
2. Our review has been restricted to figures shown in column headed "3 months ended 30/09/2014" and "Year to date figure for the current period ended 30/09/2014". We have traced the figures shown in the column headed "Corresponding 3 months ended in the previous year 30/09/2013" and "Year to date figure for the previous period ended 30/09/2013" from the statements of unaudited results as provided by the management. The figures shown in the column headed "Preceding 3 months ended 30/06/2014" and "for the previous year ended 31/03/2014" has been traced from the results published for that period/Year.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (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 financial statements are free of material misstatement. 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.



Basis for Qualified Conclusion

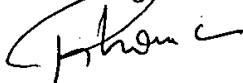
4. (i) Attention is drawn to the note no. 3 to the aforesaid financial results regarding provision for depreciation on its fixed assets as per Companies Act, 1956 as against over the useful life of the assets as required under the Companies Act, 2013, pending determination of useful life of these fixed assets. The impact of it on the financial results cannot be quantified at this stage.

(ii) Attention is drawn to the Note no. 4 to the aforesaid financial results dealing with cancellation of coal blocks by the Order of the Hon'ble Supreme Court of India and Ordinance issued by the Government of India implementing the said Order. The impact on the value of the fixed assets and the investments in coal mining operations has not been ascertained and as such cannot be commented upon by us. The additional levy on coal so far extracted from the coal block to the extent stated in the above note has not been provided for due to the reason explain therein.

Qualified Conclusion

5. Based on our review conducted as above, except for the possible effects of our observations in Para 4 (i) and (ii) above, nothing has come to our notice that causes us to believe that the accompanying statement of Standalone Unaudited Financial Results prepared in accordance with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 which continue to apply as per Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, and other recognised accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **Chaturvedi & Shah**
Chartered Accountants
Firm Reg. No. 101720W

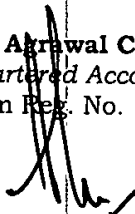


R. Koria
Partner
Membership No. 35629

Mumbai
Date: 13th November, 2014



For **Agrawal Chhallani & Co.**
Chartered Accountants
Firm Reg. No. 100125W



S. R. Chhallani
Partner
Membership No. 30154



Nagpur
Date: 13th November, 2014

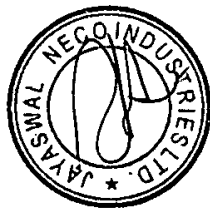
JAYASWAL NECO INDUSTRIES LIMITED

CIN No: - L28920MH1972PLC016154 (FORMERLY JAYASWALS NECO LIMITED)
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JAYASWAL NECO INDUSTRIES LIMITED

PART - I							(₹ in lacs)
Statement of Standalone Unaudited Result for the Quarter/Half Year Ended 30/09/2014							
PARTICULARS	3 months ended 30/09/2014	Preceding 3 months ended 30/06/2014	Corresponding 3 months ended in the previous year 30/09/2013	Year to date figure for the current period ended 30/09/2014	Year to date figure for the previous period ended 30/09/2013	For the previous year ended 31/03/2014	
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED	
1. Income from Operations							
a) Net sales/income from operations (Net of excise duty and Service Tax)	82940	68921	67827	151861	136194	316079	
b) Other operating income	4	5	6	9	10	26	
Total Income from Operations (Net)	82944	68926	67833	151870	136204	316105	
2. Expenses							
a) Cost of materials consumed	47101	38739	46093	85840	85598	187833	
b) Purchases of stock-in-trade	11038	1673	641	12711	1230	16906	
c) Changes in inventories of finished goods and work-in-progress	(3645)	927	(7913)	(2718)	(4539)	(3093)	
d) Employee benefits expenses	4251	3784	3513	8035	6811	14917	
e) Depreciation and amortisation expense (Refer Note No.3)	2978	2946	2895	5924	5761	11572	
f) Exchange difference (Net)	56	(263)	940	(207)	1749	1234	
g) Other expenses	14741	15201	15953	29942	28588	59214	
Total Expenses	76520	63007	62122	139527	125198	288583	
3. Profit from Operations before Other Income, Finance Costs & Exceptional Items (1-2)	6424	5919	5711	12343	11006	27522	
4. Other income	264	343	237	607	563	1032	
5. Profit from Ordinary Activities before Finance Costs & Exceptional Items (3+4)	6688	6262	5948	12950	11569	28554	
6. Finance costs	4150	4168	4446	8318	8652	17338	
7. Profit from Ordinary Activities after Finance Costs but before Exceptional Items (5-6)	2538	2094	1502	4632	2917	11216	
8. Exceptional items	-	-	-	-	-	-	
9. Profit from Ordinary Activities before tax (7-8)	2538	2094	1502	4632	2917	11216	
10. Tax expense							
Current tax (Net of MAT Credit)	-	440	-	440	-	864	
Deferred tax liability	423	265	759	688	2021	4022	
11. Net Profit from Ordinary Activities after tax (9-10)	2115	1389	743	3504	896	6330	
12. Extraordinary items (Net of tax expenses)	-	-	-	-	-	-	
13. Net Profit for the period (11 + 12)	2115	1389	743	3504	896	6330	
14. Paid-up equity share capital (Face Value per share : Rs. 10/-)	63863	59863	49718	63863	49718	59863	
15. Reserves excluding Revaluation Reserves as per the audited balance sheet of previous years	-	-	-	-	-	152502	
16. Earning Per Share (before and after extraordinary items) (of Rs.10 each) (not annualised)							
a) Basic	0.34	0.23	0.14	0.57	0.17	1.19	
b) Diluted	0.34	0.23	0.14	0.57	0.17	1.17	



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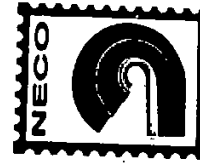
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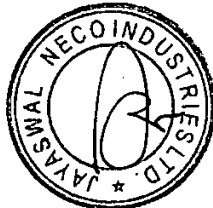


PART - II

Selected Information for the Quarter and Half Year Ended 30/09/2014

PARTICULARS		3 months ended 30/09/2014	Preceding 3 months ended 30/06/2014	Corresponding 3 months ended in the previous year 30/09/2013	Year to date figure for the current Period ended 30/09/2014	Year to date figure for the previous Period ended 30/09/2013	For the previous year ended 31/03/2014
A	PARTICULARS OF SHAREHOLDING						
1	Public Shareholding						
	- Number of shares	199330222	186730222	153353842	199330222	153353842	186730222
	- Percentage of shareholding	31.21%	31.19%	30.84%	31.21%	30.84%	31.19%
2	Promoters and Promoter group Shareholding						
a)	Pledged / Encumbered						
	- Number of shares	8927000	8927000	8927000	8927000	8927000	8927000
	- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	2.03%	2.17%	2.60%	2.03%	2.60%	2.17%
	- Percentage of Shares (as a % of the total share capital of the company)	1.40%	1.49%	1.80%	1.40%	1.80%	1.49%
b)	Non - Encumbered						
	- Number of shares	430375841	402975841	334902621	430375841	334902621	402975841
	- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	97.97%	97.83%	97.40%	97.97%	97.40%	97.83%
	- Percentage of Shares (as a % of the total share capital of the company)	67.39%	67.32%	67.36%	67.39%	67.36%	67.32%

PARTICULARS		3 months ended 30/09/2014
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	Nil
	Received during the quarter	1
	Disposed off during the quarter	1
	Remaining unresolved at the end of the quarter	Nil



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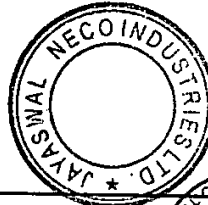
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Notes :

1. The above results have been reviewed by Audit Committee and approved and taken on record by the Board of Directors at its Meeting held on 13th November, 2014.
2. The statutory auditors of the Company have carried out a Limited Review of the results for the quarter and half year ended 30th September, 2014 in accordance with clause 41 of the listing agreement.
3. The Company is in the process of technical evaluation to determine useful life of its fixed assets and pending thereof it continued to provide the depreciation on its fixed assets for the quarter and half year ended 30th September, 2014 at the rates and in the manner as prescribed in the schedule XIV to the Companies Act, 1956 and also as per the accounting policy followed during the year ended 31st March 2014. Upon the completion of evaluation and determination of useful life the Company intends to provide the depreciation on its fixed assets in terms of Schedule II to the Companies Act, 2013 in the subsequent quarters.
4. The Hon'ble Supreme Court of India by its Order dated 24th September 2014 has cancelled number of coal blocks allotted to various entities which include three coal blocks consisting of one operational and two under development blocks allotted to the Company by Ministry of Coal, Government of India. The Company has filed three separate review petitions before the Hon'ble Supreme Court of India seeking review of the said Order relating to cancellation of allocation of coal blocks and additional levy of Rs.295 per MT against coal extracted. The Ministry of Law and Justice (Legislative Department), Government of India, has issued an Ordinance on 21st October, 2014 for implementing the order of Hon'ble Supreme Court and fixation of Compensation etc. Pending decision of the Review Petitions by Hon'ble Supreme Court and based on the legal opinion :
 - i) No adjustment has been given in the value of mining assets.
 - ii) No effect has been given on working results on account of additional levy of Rs. 295 per MT arising against the coal extracted till September 30, 2014 amounting to Rs.9869.32 lacs.
5. The published figures for the corresponding quarter and year to date figures for the previous period ended 30th September 2013 have been restated to give the effects of the scheme of arrangement providing for the merger of steel division of Corporate Ispat Alloys Limited with the Company as approved by the Hon'ble High Courts of Judicature at Calcutta and Bombay.
6. The Company's Project for enhancement of Iron and Steel making capacities of its Integrated Steel Plant, Captive Power Plants and Iron Ore Mines in Chhattisgarh are facing time delay of around twelve months. However, the Projects for implementation of 1.2 MTPA Pellets Plant at Raipur, Bottlenecking and augmentation of its facilities at Raipur and Nagpur are progressing as per schedule. The Company is confident and committed to commission the projects at the earliest.
7. During the quarter 4,00,00,000 equity shares of Rs. 10/- each have been allotted at Rs. 25/- per share to the promoters and others on a preferential basis.
8. The above results are prepared in accordance with the recognition and measurement principles laid down in the Accounting Standard 25 (AS 25 - Interim Financial Reporting) as those followed in previous year. The figures for the corresponding previous periods have been regrouped / rearranged wherever necessary to make them comparable.

NAGPUR
13th November, 2014



ARBIND JAYASWAL
MANAGING DIRECTOR

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Report of Segment wise Revenue, Results and Capital Employed, under Clause 41 of the Listing Agreement :

(₹ in Lacs)

PARTICULARS	3 months ended 30/09/2014	Preceding 3 months ended 30/06/2014	Corresponding 3 months ended in the previous year 30/09/2013	Year to date figure for the current Period ended 30/09/2014	Year to date figure for the previous Period ended 30/09/2013	For the previous year ended 31/03/2014
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
1. Segment Revenue						
a) Steel	65518	58876	58328	124394	118206	279623
b) Iron & Steel Castings	10328	10679	10373	21007	20064	39575
c) Others	7467	-	-	7467	-	-
Total	83313	69555	68701	152868	138270	319198
Less : Inter-segment Revenue	373	634	874	1007	2076	3119
Sales/Income from Operations (Net)	82940	68921	67827	151861	136194	316079
2. Segment Results (Segment Revenue - Segment Expenses)						
a) Steel	6034	5818	5501	11852	10615	26347
b) Iron & Steel Castings	145	271	340	416	770	1813
c) Others	416	-	-	416	-	-
Total	6595	6089	5841	12684	11385	28160
Less : i) Finance Cost	(4150)	(4168)	(4446)	(8318)	(8652)	(17338)
ii) Unallocated Corporate Expenses	(96)	(93)	(24)	(189)	(131)	(283)
Add : Unallocated Income	189	266	131	455	315	677
Total Profit Before Tax	2538	2094	1502	4632	2917	11216
3. Capital Employed (Segment Assets - Segment Liabilities)						
a) Steel	584127	562872	477681	584127	477681	540864
b) Iron & Steel Castings	29052	28752	28713	29052	28713	30832
c) Others	733	-	-	733	-	-
d) Unallocated (Assets - Liabilities)	(388022)	(377848)	(315755)	(388022)	(315755)	(359309)
Total	225890	213776	190639	225890	190639	212387

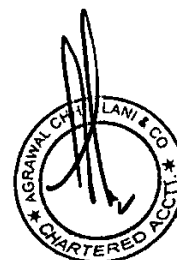
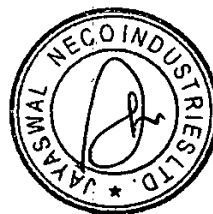
Notes :

Segments have been identified in line with the Accounting Standard on Segment Reporting (AS 17).

Steel Segment is engaged in manufacture and sale of Pig Iron, Billets, Rolled Products including alloy steel and Sponge Iron and its captive power plants at its units located at Siltara, Raipur and Mining activities in the state of Chhattisgarh, Jharkhand and Maharashtra and trading of steel items.

Iron and Steel Castings Segment comprises of manufacture and sale of Engineering and Automotive Castings with production facilities at Nagpur in Maharashtra and Bhilai and Anjora in Chhattisgarh.

NAGPUR
13th November, 2014



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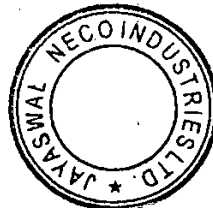
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Statement of Assets and Liabilities

PARTICULARS	(₹ In Lacs)	
	AS AT 30/09/2014 UNAUDITED	AS AT 31/03/2014 AUDITED
A EQUITY AND LIABILITIES		
1 Shareholders' Funds :		
(a) Share Capital		
(b) Reserves and Surplus	63863	59863
Sub-total - Shareholders' funds	162027	152524
2 Share application money pending allotment		
3 Non-current liabilities		
(a) Long-term borrowings	285736	245594
(b) Deferred tax liabilities (net)	21028	20340
(c) Other long-term liabilities	17	17
(d) Long-term provisions	2695	2695
Sub-total - Non-current liabilities	309476	268646
4 Current liabilities		
(a) Short-term borrowings	82567	100056
(b) Trade payables	38125	36936
(c) Other current liabilities	32016	32096
(d) Short-term provisions	5768	5610
Sub-total - Current liabilities	158476	174698
TOTAL - EQUITY AND LIABILITIES	693842	655731
B ASSETS		
1 Non-current assets		
(a) Fixed assets		
(b) Non-current investments	409578	350492
(c) Long-term loans and advances		
Sub-total - Non-current assets	142071	143525
2 Current assets		
(a) Current investments	1496	1447
(b) Inventories	78493	78165
(c) Trade receivables	40271	41063
(d) Cash and Bank Balances	9258	25457
(e) Short-term loans and advances	12675	15582
Sub-total - Current assets	142193	161714
TOTAL - ASSETS	693842	655731

NAGPUR
13th November, 2014



Arbind Jayaswal
ARBIND JAYASWAL
MANAGING DIRECTOR



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