

JAYASWAL NECO INDUSTRIES LIMITED

CIN : L28920MH1972PLC016154

(FORMERLY JAYASWALS NECO LIMITED)

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

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JAYASWAL NECO INDUSTRIES LIMITED

| PART - I | | | | | | | (₹ in lacs) |
|---|------------------------------|---|---|---|--|---|--------------|
| Statement of Standalone Unaudited Financial Results for the Quarter/Half Year Ended 30/09/2015 | | | | | | | |
| PARTICULARS | 3 months ended 30.09.2015 | Preceding 3 months ended 30.06.2015 | Corresponding 3 months ended in the previous year 30.09.2014 | Year to date figure for the current period ended 30.09.2015 | Year to date figure for the previous period ended 30.09.2014 | For the previous year ended 31.03.2015 | |
| | UNAUDITED | UNAUDITED | UNAUDITED | UNAUDITED | UNAUDITED | AUDITED | |
| 1. Income from Operations | | | | | | | |
| a) Net sales/income from operations (Net of excise duty and Service Tax) | 71463 | 70502 | 82940 | 141965 | 151861 | 302411 | |
| b) Other operating income | 3 | 3 | 4 | 6 | 9 | 16 | |
| Total Income from Operations (Net) | 71466 | 70505 | 82944 | 141971 | 151870 | 302427 | |
| 2. Expenses | | | | | | | |
| a) Cost of materials consumed | 41636 | 43202 | 47101 | 84838 | 85840 | 166185 | |
| b) Purchases of stock-in-trade | 4168 | 3865 | 11038 | 8033 | 12711 | 30459 | |
| c) Changes in inventories of finished goods , work-in-progress and Stock- in-trade | 2117 | 1277 | (3645) | 3394 | (2718) | (4177) | |
| d) Employee benefits expenses | 3541 | 3273 | 4251 | 6814 | 8035 | 15762 | |
| e) Depreciation and amortisation expense | 1821 | 1814 | 2978 | 3635 | 5924 | 8284 | |
| f) Exchange difference (Net) | 353 | 141 | 56 | 494 | (207) | 59 | |
| g) Other expenses | 13108 | 11913 | 14741 | 25021 | 29942 | 58213 | |
| Total Expenses | 66744 | 65485 | 76520 | 132229 | 139527 | 274785 | |
| 3. Profit from Operations before Other Income, Finance Costs & Exceptional Items (1-2) | 4722 | 5020 | 6424 | 9742 | 12343 | 27642 | |
| 4. Other income | 1025 | 1005 | 264 | 2030 | 607 | 1737 | |
| 5. Profit from Ordinary Activities before Finance Costs & Exceptional Items (3+4) | 5747 | 6025 | 6688 | 11772 | 12950 | 29379 | |
| 6. Finance costs | 5181 | 5163 | 4150 | 10344 | 8318 | 18485 | |
| 7. Profit from Ordinary Activities after Finance Costs but before Exceptional Items (5-6) | 566 | 862 | 2538 | 1428 | 4632 | 10894 | |
| 8. Exceptional items | - | - | - | - | - | 9161 | |
| 9. Profit/ (Loss) from Ordinary Activities before tax (7-8) | 566 | 862 | 2538 | 1428 | 4632 | 1733 | |
| 10. Tax expense | | | | | | | |
| Current tax (Net of MAT Credit) | 335 | - | - | 335 | 440 | 78 | |
| Deferred tax liability / (Deferred tax asset) | 162 | (80) | 423 | 82 | 688 | 1458 | |
| 11. Net Profit/ (Loss) from Ordinary Activities after tax (9-10) | 69 | 942 | 2115 | 1011 | 3504 | 197 | |
| 12. Extraordinary items (Net of tax expenses) | - | - | - | - | - | - | |
| 13. Net Profit/ (Loss) for the period (11 - 12) | 69 | 942 | 2115 | 1011 | 3504 | 197 | |
| 14. Paid-up equity share capital (Face Value per share : Rs. 10/-) | 63863 | 63863 | 63863 | 63863 | 63863 | 63863 | |
| 15. Reserves excluding Revaluation Reserves as per the audited balance sheet of previous year | - | - | - | - | - | 157928 | |
| 16. Earnings Per Share (before and after extraordinary items) (of Rs.10 each) (not annualised) | | | | | | | |
| a) Basic | 0.01 | 0.15 | 0.34 | 0.16 | 0.57 | 0.03 | |
| b) Diluted | 0.01 | 0.15 | 0.34 | 0.16 | 0.57 | 0.03 | |



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PART - II

Selected Information for the Quarter / Half Year Ended 30/09/2015

| PARTICULARS | | 3 months ended 30.09.2015 | Preceding 3 months ended 30.06.2015 | Corresponding 3 months ended in the previous year 30.09.2014 | Year to date figure for the current Period ended 30.09.2015 | Year to date figure for the previous Period ended 30.09.2014 | For the previous year ended 31.03.2015 |
|-------------|--|------------------------------|---|---|---|--|---|
| A | PARTICULARS OF SHAREHOLDING | | | | | | |
| 1 | Public Shareholding | | | | | | |
| | - Number of shares | 199330222 | 199330222 | 199330222 | 199330222 | 199330222 | 199330222 |
| | - Percentage of shareholding | 31.21% | 31.21% | 31.21% | 31.21% | 31.21% | 31.21% |
| 2 | Promoters and Promoter group Shareholding | | | | | | |
| a) | Pledged / Encumbered | | | | | | |
| | - Number of shares | 52857285 | 52857285 | 8927000 | 52857285 | 8927000 | 52857285 |
| | - Percentage of Shares (as a % of the total shareholding of promoter and promoter group) | 12.03% | 12.03% | 2.03% | 12.03% | 2.03% | 12.03% |
| | - Percentage of Shares (as a % of the total share capital of the company) | 8.28% | 8.28% | 1.40% | 8.28% | 1.40% | 8.28% |
| b) | Non - Encumbered | | | | | | |
| | - Number of shares | 386445556 | 386445556 | 430375841 | 386445556 | 430375841 | 386445556 |
| | - Percentage of Shares (as a % of the total shareholding of promoter and promoter group) | 87.97% | 87.97% | 97.97% | 87.97% | 97.97% | 87.97% |
| | - Percentage of Shares (as a % of the total share capital of the company) | 60.51% | 60.51% | 67.39% | 60.51% | 67.39% | 60.51% |

| PARTICULARS | | 3 months ended 30.09.2015 |
|-------------|--|---------------------------|
| B | INVESTOR COMPLAINTS | |
| | Pending at the beginning of the quarter | Nil |
| | Received during the quarter | 11 |
| | Disposed off during the quarter | 11 |
| | Remaining unresolved at the end of the quarter | Nil |



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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 6th November, 2015.
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, 2015 in accordance with clause 41 of the listing agreement.
3. In the earlier year, the Hon'ble Supreme Court of India by its Order dated 24th September, 2014 cancelled number of coal blocks allotted to various entities which includes three coal blocks consisting of one operational and two under development blocks allotted to the Company by the Ministry of Coal, Government of India. Subsequently the Government of India, issued second Ordinance on 26th December, 2014 for implementing the order of the Hon'ble Supreme Court and fixation of Compensation etc. These mines have been allotted to other bidders in the e-auction by the Ministry of Coal, Government of India.

The Company has filed Writ Petitions (WP) before the Hon'ble Delhi High Court, challenging various provision of the Coal Mines (Special Provision) Second Ordinance 2014, pertaining to mode and manner of determination of compensation for Land and Mine Infrastructure etc. Further company has also challenged certain provisions of tender documents based on which auction was conducted by the Ministry of Coal, Government of India.

As on 30th September, 2015 the Company's Net investment in the value of Mining Assets in the three Coal blocks was Rs. 21993.46 lacs. The Company had also made provision for Rs. 2694.95 lacs for site restoration expenses.

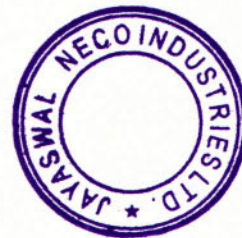
After hearing all the parties the Hon'ble Delhi High Court has reserved its judgement.

Pending outcome of the WP, no adjustments have been made in the value of the above mentioned mining assets as the value of compensation to be received cannot be determined at this stage. The losses/gains, if any on account of it would be recognised as and when determined. This has been also qualified by the Auditors in their Review Report on the aforesaid financial results and on the financial results for the quarter ended 30th June, 2015 as well as in their report on the Financial Statements of the Company for the year ended 31st March, 2015.

4. The Company's Project for enhancement of Iron and Steel making capacities of its Integrated Steel Plant and Captive Power Plants in Chhattisgarh are facing time delay of around twelve months. The Company is confident and committed to commission the projects at the earliest.
5. The figures for the corresponding previous year/periods have been restated/regrouped wherever necessary to make them comparable.

NAGPUR

6th November, 2015



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 30.09.2015 | Preceding 3 months ended 30.06.2015 | Corresponding 3 months ended in the previous year 30.09.2014 | Year to date figure for the current Period ended 30.09.2015 | Year to date figure for the previous Period ended 30.09.2014 | For the previous year ended 31.03.2015 |
|--|------------------------------|---|---|---|--|---|
| | UNAUDITED | UNAUDITED | UNAUDITED | UNAUDITED | UNAUDITED | AUDITED |
| 1. Segment Revenue | | | | | | |
| a) Steel | 60714 | 59521 | 65518 | 120235 | 124394 | 255415 |
| b) Iron & Steel Castings | 8621 | 8882 | 10328 | 17503 | 21007 | 39056 |
| c) Others | 2408 | 2230 | 7467 | 4638 | 7467 | 9117 |
| Total | 71743 | 70633 | 83313 | 142376 | 152868 | 303588 |
| Less : Inter-segment Revenue | 280 | 131 | 373 | 411 | 1007 | 1177 |
| Sales/Income from Operations (Net) | 71463 | 70502 | 82940 | 141965 | 151861 | 302411 |
| 2. Segment Results (Segment Revenue - Segment Expenses) | | | | | | |
| a) Steel | 4655 | 4847 | 6034 | 9502 | 11852 | 18051 |
| b) Iron & Steel Castings | 285 | 291 | 145 | 576 | 416 | 629 |
| c) Others | 27 | 86 | 416 | 113 | 416 | 522 |
| Total | 4967 | 5224 | 6595 | 10191 | 12684 | 19202 |
| Less : i) Finance Cost | (5181) | (5163) | (4150) | (10344) | (8318) | (18485) |
| ii) Unallocated Corporate Expenses | (139) | (99) | (96) | (238) | (189) | (431) |
| Add : Unallocated Income | 919 | 900 | 189 | 1819 | 455 | 1447 |
| Total Profit/(Loss) Before Tax | 566 | 862 | 2538 | 1428 | 4632 | 1733 |
| 3. Capital Employed (Segment Assets - Segment Liabilities) | | | | | | |
| a) Steel | 597560 | 604444 | 584127 | 597560 | 584127 | 602088 |
| b) Iron & Steel Castings | 27146 | 27586 | 29052 | 27146 | 29052 | 27939 |
| c) Others | 736 | 188 | 733 | 736 | 733 | 751 |
| d) Unallocated (Assets - Liabilities) | (402619) | (409463) | (388022) | (402619) | (388022) | (408966) |
| Total | 222823 | 222755 | 225890 | 222823 | 225890 | 221812 |

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.

Other Segment comprise of trading of cotton yarn, coal & PVC pipes.

NAGPUR
6th November, 2015



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Statement of Assets and Liabilities

(₹ in Lacs)

| PARTICULARS | AS AT 30/09/2015 UNAUDITED | AS AT 31/03/2015 AUDITED |
|--|----------------------------------|--------------------------------|
| A EQUITY AND LIABILITIES | | |
| 1 Shareholders' Funds : | | |
| (a) Share Capital | 63863 | 63863 |
| (b) Reserves and Surplus | 158960 | 157949 |
| Sub-total - Shareholders' funds | 222823 | 221812 |
| 2 Non-current liabilities | | |
| (a) Long-term borrowings | 281072 | 295848 |
| (b) Deferred tax liabilities (net) | 21472 | 21390 |
| (c) Other long-term liabilities | 27 | 23 |
| (d) Long-term provisions | - | 2695 |
| Sub-total - Non-current liabilities | 302571 | 319956 |
| 3 Current liabilities | | |
| (a) Short-term borrowings | 85982 | 84494 |
| (b) Trade payables | 36579 | 43211 |
| (c) Other current liabilities | 56761 | 45053 |
| (d) Short-term provisions | 8149 | 6159 |
| Sub-total - Current liabilities | 187471 | 178917 |
| TOTAL - EQUITY AND LIABILITIES | 712865 | 720685 |
| B ASSETS | | |
| 1 Non-current assets | | |
| (a) Fixed assets | 455427 | 453856 |
| (b) Non-current investments | 1371 | 0 |
| (c) Long-term loans and advances | 93016 | 100900 |
| Sub-total - Non-current assets | 549814 | 554756 |
| 2 Current assets | | |
| (a) Current investments | 91 | 1496 |
| (b) Inventories | 72928 | 92459 |
| (c) Trade receivables | 33504 | 31446 |
| (d) Cash and Bank Balances | 7438 | 6018 |
| (e) Short-term loans and advances | 27097 | 34510 |
| (f) Other current assets | 21993 | - |
| Sub-total - Current assets | 163051 | 165929 |
| TOTAL - ASSETS | 712865 | 720685 |

NAGPUR
6th November, 2015




ARVIND JAYASWAL
MANAGING DIRECTOR

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CHATURVEDI & SHAH
Chartered Accountants
912-913, Tulsiani Chambers,
212, Nariman Point,
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AGRAWAL CHHALLANI & CO.
Chartered Accountants
51/A, Ground Floor,
New Colony,
Nagpur

INDEPENDENT AUDITORS' 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, 2015 ("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. 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 statement is 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

3. As mentioned in note no. 3 to the aforesaid financial results, in the earlier year the Hon'ble Supreme Court of India cancelled 3 coal blocks of the Company and which were subsequently allotted to different bidders by the Ministry of Coal, Government of India. The Company has filed a writ petition before the Hon'ble Delhi High Court challenging the provisions of ordinance and tendering process and pending decision of High Court no adjustments have been made in the value of these coal mining assets. We are unable to determine whether any adjustments to these amounts are necessary and their consequent effect on the aforesaid financial results.

Qualified Conclusion

4. Based on our review conducted as above, except for the possible effects of the matter described in the "Basis for Qualified Conclusion" paragraph above, nothing has come to our attention that causes us to believe that the accompanying statement of Standalone Unaudited Financial Results prepared in accordance with the Accounting Standards 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

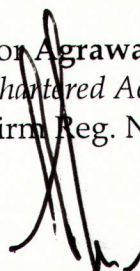


R. Koria
Partner
Membership No. 35629

Mumbai
Date: 6th November, 2015



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



S. R. Chhallani
Partner
Membership No. 30154

Nagpur
Date: 6th November, 2105

