

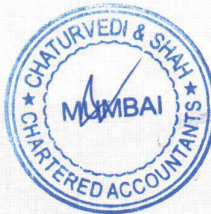
CHATURVEDI & SHAH
Chartered Accountants
912-913, Tulsiani Chambers,
212, Nariman Point,
Mumbai

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 nine months ended 31st December, 2015 ("the statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This 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 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.



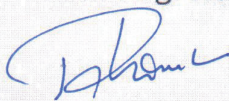
Basis for Qualified Conclusion

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, prepared in accordance with applicable Accounting Standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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



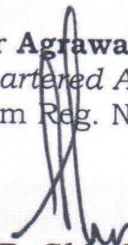
R. Koria
Partner

Membership No. 35629



Mumbai
Date: 12th February, 2016

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



S. R. Chhallani
Partner

Membership No. 30154



Nagpur
Date: 12th February, 2016

JAYASWAL NECO INDUSTRIES LIMITED

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,

FAX : +91-7104-237583, 236255 • E-mail : contact@necoindia.com • Website : www.necoindia.com



JAYASWAL NECO INDUSTRIES LIMITED

PART - I

(₹ in Lacs)

Statement of Standalone Unaudited Results for the Quarter and Nine Months Ended 31/12/2015

PARTICULARS	QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
	31/12/2015	30/09/2015	31/12/2014	31/12/2015	31/12/2014	31/03/2015
	UNAUDITED			UNAUDITED		AUDITED
1. Income from Operations						
a) Net sales / Income from operations (Net of excise duty and Service Tax)	57319	71463	70300	199284	222161	302411
b) Other operating income	3	3	3	9	12	16
Total Income from Operations (Net)	57322	71466	70303	199293	222173	302427
2. Expenses						
a) Cost of materials consumed	35321	41636	43696	120159	129536	166185
b) Purchases of stock-in-trade	728	4168	4682	8761	17393	30459
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	355	2117	(6071)	3749	(8789)	(4177)
d) Employee benefits expenses	3231	3541	4112	10045	12147	15762
e) Depreciation and amortisation expense	1865	1821	1319	5500	7243	8284
f) Other expenses	13064	13461	15447	38579	45182	58272
Total Expenses	54564	66744	63185	186793	202712	274785
3. Profit from Operations before Other Income, Finance Costs & Exceptional Items (1-2)	2758	4722	7118	12500	19461	27642
4. Other income	925	1025	160	2955	767	1737
5. Profit from Ordinary Activities before Finance Costs & Exceptional Items (3+4)	3683	5747	7278	15455	20228	29379
6. Finance costs	5199	5181	4518	15543	12836	18485
7. Profit / (Loss) from Ordinary Activities after Finance Costs but before Exceptional Items (5-6)	(1516)	566	2760	(88)	7392	10894
8. Exceptional items	-	-	9161	-	9161	9161
9. Profit / (Loss) from Ordinary Activities before tax (7-8)	(1516)	566	(6401)	(88)	(1769)	1733
10. Tax expenses / (Credits) Including Deferred tax	(821)	497	(1948)	(404)	(820)	1536
11. Net Profit / (Loss) from Ordinary Activities after tax (9-10)	(695)	69	(4453)	316	(949)	197
12. Extraordinary items (Net of tax expenses)	-	-	-	-	-	-
13. Net Profit / (Loss) for the period (11-12)	(695)	69	(4453)	316	(949)	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 balance sheet of previous accounting year	-	-	-	-	-	157928
16. Earning Per Share (before and after extraordinary items) (of Rs.10 each) (not annualised)						
a) Basic	(0.11)	0.01	(0.70)	0.05	(0.15)	0.03
b) Diluted	(0.11)	0.01	(0.70)	0.05	(0.15)	0.03



BRANCH OFFICES :

"NECO HOUSE" D-307, Defence Colony,
NEW DELHI - 110 024. (INDIA)
PHONES : 011-32041695

301, TULSIANI CHAMBERS
NARIMAN POINT, MUMBAI 400 021 (INDIA)
PH. : (022) 4213-4813.

TRUST HOUSE, 5th FLOOR,
32-A, CHITTARANJAN AVENUE,
KOLKATTA - 700012 INDIA FAX : 033-22122560

178-A, LIGHT INDUSTRIAL AREA,
BHILAI - 490026 CHHATISGARH, INDIA
PHONES : 0788-2282845

JAYASWAL NECO INDUSTRIES LIMITED

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,

FAX : +91-7104-237583, 236255 • E-mail : contact@necoindia.com • Website : www.necoindia.com



Notes :

1. The above results have been reviewed by the Audit Committee and approved and taken on record by the Board of Directors at its Meeting held on 12th February, 2016.
2. The statutory auditors of the Company have carried out a Limited Review of the results for the quarter and nine months ended 31st December, 2015 in accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.

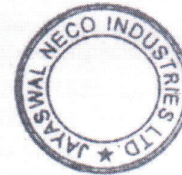
As on 31st December, 2015 the Company's Net investment in the value of Mining Assets in the three Coal blocks was Rs. 21993.46 lacs. The Company had also made provision for Rs. 2694.95 lacs for site restoration expenses.

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 qualified by the Auditors in their Review Reports on the aforesaid financial results, on the financial results for the half year/quarter ended 30th September, 2015 and on the financial results for the quarter ended 30th June, 2015 as well as in their audit 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 Pellet plant has already been commissioned and the Company is confident and committed to commission other projects at the earliest.
5. The figures for the corresponding previous year/periods have been restated/regrouped wherever necessary to make them comparable.

NAGPUR
12th February, 2016




ARBIND JAYASWAL
MANAGING DIRECTOR
DIN : 00249864



BRANCH OFFICES :

"NECO HOUSE" D-307, Defence Colony,
NEW DELHI - 110 024. (INDIA)
PHONES : 011-32041695

301, TULSIANI CHAMBERS
NARIMAN POINT, MUMBAI 400 021 (INDIA)
P.H. : (022) 4213-4813,

TRUST HOUSE, 5th FLOOR,
32-A, CHITTARANJAN AVENUE,
KOLKATA - 700012 INDIA FAX : 033-22122560

178-A, LIGHT INDUSTRIAL AREA,
BHILAI - 490026 CHHATISGARH, INDIA
PHONES : 0788-2282845

JAYASWAL NECO INDUSTRIES LIMITED

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,

FAX : +91-7104-237583, 236255 • E-mail : contact@necoindia.com • Website : www.necoindia.com



Report of Segment wise Revenue, Results and Capital Employed

(₹ in Lacs)

PARTICULARS	QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
	31/12/2015	30/09/2015	31/12/2014	31/12/2015	31/12/2014	31/03/2015
	UNAUDITED			UNAUDITED		AUDITED
1. Segment Revenue						
a) Steel	49455	60714	61365	169690	185759	255415
b) Iron & Steel Castings	7932	8621	8952	25435	29959	39056
c) Others	33	2408	44	4671	7511	9117
Total	57420	71743	70361	199796	223229	303588
Less : Inter-segment Revenue	101	280	61	512	1068	1177
Net Sales/Income from Operations	57319	71463	70300	199284	222161	302411
2. Segment Results (Profit / (Loss) before tax and interest from each segment)						
a) Steel	3388	4655	(2185)	12890	9667	18051
b) Iron & Steel Castings	(398)	285	280	178	696	629
c) Others	8	27	9	121	425	522
Total	2998	4967	(1896)	13189	10788	19202
Less : i) Finance Cost	(5199)	(5181)	(4518)	(15543)	(12836)	(18485)
ii) Other Un-allocable Expenditure net off	(123)	(139)	(107)	(361)	(296)	(431)
Add : Un-allocable Income	808	919	120	2627	575	1447
Total Profit / (Loss) Before Tax	(1516)	566	(6401)	(88)	(1769)	1733
3. Capital Employed (Segment Assets - Segment Liabilities)						
a) Steel	606791	597560	595355	606791	595355	602088
b) Iron & Steel Castings	26085	27146	28222	26085	28222	27939
c) Others	652	736	671	652	671	751
d) Unallocated	(411401)	(402619)	(403685)	(411401)	(403685)	(408966)
Total	222127	222823	220563	222127	220563	221812

Notes :

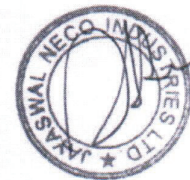
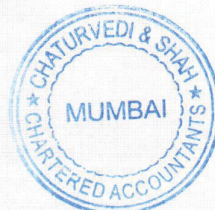
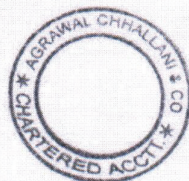
Segments have been identified in line with the Accounting Standard on Segment Reporting (AS 17).

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 comprises of trading of cotton yarn, coal & PVC pipes.

NAGPUR
12th February, 2016



BRANCH OFFICES :

"NECO HOUSE" D-307, Defence Colony,
NEW DELHI - 110 024. (INDIA)
PHONES : 011-32041695

301, TULSIANI CHAMBERS
NARIMAN POINT, MUMBAI 400 021 (INDIA)
P.H. : (022) 4213-4813,

TRUST HOUSE, 5th FLOOR,
32-A, CHITTARANJAN AVENUE,
KOLKATTA-700012 INDIA FAX: 033-22122560

178-A, LIGHT INDUSTRIAL AREA,
Bhilai - 490026 CHHATTISGARH, INDIA
PHONES : 0788-2282845