

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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11th February, 2023

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- 400051

Manager (Listing),
Department of Corporate Services,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400001.

Dear Sirs,

Sub.: - Outcome of Board Meeting dated 11th February, 2023.

We wish to inform you that the Board of Directors of the Company at its meeting held today has inter-alia:-

- i) Approved and took on records the Unaudited Financial Results of the Company for the quarter and nine months ended 31st December, 2022.
- ii) Took note of the retirement of Shri Pramod Kumar Bhardwaj from the position of Executive Director & Chief Financial Officer of the Company with effect from 24th February, 2023 (close of business hours).
- iii) Approved the appointment of Shri Kapil Shroff as the Chief Financial Officer of the Company with effect from 25th February, 2023.
- iv) Approved to obtain the approval of Shareholders for the re-appointment of Shri Arvind Jayaswal as the Managing Director & Chief Executive Officer (CEO), Foundry Division and Shri Ramesh Jayaswal as the Joint Managing Director & Chief Executive Officer (CEO), Steel Plant Division of the Company by way of postal ballot.

The details required under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached herewith as Annexure-I.

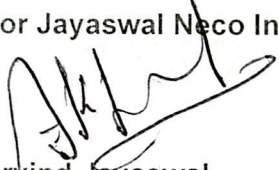
The meeting commenced at 12:45 p.m. and concluded at 5:05 p.m.

This is for your information and records.

Thanking You,

Yours Faithfully,

For Jayaswal Neco Industries Limited


Arvind Jayaswal
Managing Director



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"NECO HOUSE" D-307, Defence Colony,
NEW DELHI - 110 024. (INDIA)
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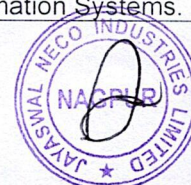
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Annexure-I.

Name of Director	Shri Pramod Kumar Bhardwaj	Shri Kapil Shroff
Reason for change viz. appointment, resignation, removal, death or otherwise	Retirement	Appointment of Shri Kapil Shroff as the Chief Financial Officer of the Company.
Date of appointment/ cessation and term of appointment	With effect from close of business hours on February 24, 2023.	With effect from February 25, 2023
Brief Profile (in Case of appointment);	NA	<p>Shri Kapil Shroff is a Fellow member of the Institute of Chartered Accountants of India and DISA (ICA) and has more than 22 years of post-qualification work experience in the field of Finance & Accounts. He is working with Jayaswal Neco Industries Limited since 2004 and presently designated as President (Finance) since 1st April, 2017.</p> <p>Macro Areas of Work Specialization:</p> <ul style="list-style-type: none"> • Entire domain of activities of Corporate Finance, Project Finance, Handling complex Underwritten and Syndicated financing transactions, hedging. • Loans Cash Flow management, disbursal planning, Projects and Business Techno Economic Feasibility Reports, Lenders Engineers Quarterly Projects Progress Reports, CA Certification for Sources and Application of Funds and various other purposes CA certifications. • Building Complex Detailed Financial Models and their Appraisal, Capital Budgeting, Variance Analysis. • Working Capital Finances, handling lenders consortium, Joint Lenders Forum and Monitoring Committees, entire gamut of activities related to existing finances. • Preparation of and Handling Board and Lenders presentations, handling representations to various Associations and Regulators. • Handling Lenders Approvals for various business requirements, contracts execution etc. • Preparing and reviewing various Management Information Systems.



		<ul style="list-style-type: none"> • Drafting and finalization of commercial contracts and their appraisal. • Handling various stakeholders' relationship, Transactions Structuring, Handling Corporate, Legal, Financial and Technical Due Diligences. • Handling Fixed Assets Valuation, Enterprise and Equity Valuation. • Negotiation of complex term sheets, sanction letters, loan documentation, security documentations and perfection of security by way of Equitable Mortgage. • Negotiation and finalization of Shareholders Agreement, • Structuring and finalizing various types of Complex Debt Restructuring, Assets Acquisition, Handling Mergers, Demergers, and Schemes of Arrangements. • Determination of Swap Ratios, Fairness Opinion Certification, Equity Placement. • Handling variety of regulatory requirements, study and analysis of regulatory guidelines. • Finalization of Notes to Accounts, Handling Statutory, Stock, Forensic, Credit, Legal and Concurrent Audits, Finalization of Accounts, Annual Report, handling critical litigation matters etc. • Handling Banks Loan External Credit Ratings, Internal Bank Loan Ratings, Residual Debt Ratings and Loan Appraisal Notes.
<p>Disclosure of relationships between Directors (in case of appointment of director)</p>	<p>NA</p>	<p>NA</p>



Independent Auditor's Review Report on Unaudited Financial Results of the Company Pursuant to the Regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
**The Board of Directors of
JAYASWAL NECO INDUSTRIES LIMITED**

1. We have reviewed the accompanying statement of Unaudited Financial Results of **JAYASWAL NECO INDUSTRIES LIMITED** ("the Company") for the quarter ended December 31, 2022 and for the period from April 1, 2022 to December 31, 2022 ("the statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulation"), as amended.
2. This statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (Ind AS 34) as prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the statement based on our review.
3. 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 misstatement. A review is limited primarily to inquiries of Company personnel and an analytical procedure 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.

4. Emphasis of Matter

We draw your attention to the Note no. 2 to the statement regarding the attachment of the properties of the Company to the extent of Rs. 30,758 lakhs by the Directorate of Enforcement in earlier years, which has been contested by the Company and presently stayed.

Our conclusion is not modified in respect of this matter.

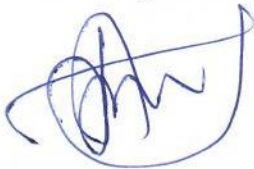


5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of Unaudited Financial Results, prepared in accordance with the applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **Chaturvedi & Shah LLP**

Chartered Accountants

Firm Reg. No. 101720W / W100355



Anuj Bhatia
Partner

Membership No. 122179

UDIN No.: 23122179BGQWRP2614

Place: Mumbai

Date: February 11, 2023

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(₹ in Lakhs, except per equity share data)						
STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2022						
PARTICULARS	QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
	31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
1. Income						
a) Revenue from Operations	168558	166087	137539	487357	436658	595855
b) Other Income	495	1085	266	1931	603	628
Total Income	169053	167172	137805	489288	437261	596483
2. Expenses						
a) Cost of Materials Consumed	77320	91495	75752	259115	189197	264477
b) Purchase of Stock-in-Trade	3362	4062	3557	10683	10596	14098
c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	1552	5660	(9952)	(8764)	(10316)	(7589)
d) Employee Benefits Expense	8349	6492	7801	20984	19279	25449
e) Finance Costs	11405	11434	23382	34186	73135	45863
f) Depreciation and Amortisation Expense	6638	6634	6737	19795	20131	26099
g) Other Expenses	50421	47338	45836	145979	126972	169451
Total Expenses	159047	173115	153113	481978	428994	537848
3. Profit/(Loss) Before Exceptional Items and Tax (1-2)	10006	(5943)	(15308)	7310	8267	58635
4. Exceptional Items (Refer Note 3 & 4)	5055	-	-	5055	(1110)	(172450)
5. Profit/(Loss) Before Tax (3-4)	4951	(5943)	(15308)	2255	9377	231085
6. Tax Expenses / (Credits) Including Deferred tax						
Deferred Tax	(817)	(20012)	(17)	(19906)	(52)	6358
Income Tax for Earlier years	-	(6)	(3)	(6)	(3)	(1)
7. Profit/(Loss) for the period / year (5-6)	5768	14075	(15288)	22167	9432	224728
8. Other Comprehensive Income (OCI)						
(I) Item that will not be reclassified to profit or loss						
(a) Remeasurement Gain on Defined Benefit Plans	16	16	68	48	206	64
(b) Tax Effect on above	(4)	(4)	(17)	(12)	(52)	(16)
(II) Item that will be reclassified to profit or loss	-	-	-	-	-	-
Total Other Comprehensive Income (Net of Tax)	12	12	51	36	154	48
9. Total Comprehensive Income for the period / year (7+8)	5780	14087	(15237)	22203	9586	224776
10. Paid-up Equity Share Capital (Face Value per share : Rs. 10/- each)	97099	97099	97099	97099	97099	97099
11. Other Equity excluding Revaluation Reserve						86219
12. Earnings Per Share (of Rs. 10/- each)						
a) Basic after Exceptional items (Not Annualised) *	0.59*	1.45*	(1.75)*	2.28*	1.32*	28.40
b) Basic before Exceptional items (Not Annualised) *	1.11*	1.45*	(1.75)*	2.80*	1.16*	6.60
c) Diluted after Exceptional items (Not Annualised) *	0.59*	1.45*	(1.75)*	2.28*	1.32*	23.57
d) Diluted before Exceptional items (Not Annualised) *	1.11*	1.45*	(1.75)*	2.80*	1.16*	5.81



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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 11th February, 2023. The Statutory Auditors have carried out a Limited Review of the above results.
- 2 In the earlier years, the Directorate of Enforcement by way of two attachments had provisionally attached the Plant and Machinery under installation at Dagori Integrated Steel Plant situated at Bilha, Bilaspur (Chhattisgarh) and certain property, plant and equipment at Steel Plant Division, Siltara, Raipur to the extent of Rs. 30758 Lakhs for alleged misuse of coal raised from Gare Palma IV/4 coal block in Chhattisgarh.

The Adjudicating Authority had confirmed the above provisional attachments. Subsequently, the Appellate Authority stayed both the attachments on an appeal filed by the Company where the matter has been put up for hearing on 9th March, 2023. 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 had entered into a Contract for setting up 70 TPD Oxygen Plant on lease basis and for its operations and maintenance with M/S Goyal MG Gases Pvt Ltd (Lessor) in the year 2002-03. Subsequently in the year 2015-16 dispute arose between both the parties on couple of issues and the matter was referred to the Sole Arbitrator for adjudication of dispute. On 4th August, 2017 and corrected vide its order dated 15th September, 2017, the Sole Arbitrator passed an Arbitral Award against the company. As per the Arbitral Award, the claims of the company were rejected, and the counter claims were allowed. The Company challenged the Arbitral Award before the Hon'ble Delhi High Court under the Arbitration and Conciliation Act 1996. The Hon'ble High Court dismissed the appeals filed by the company vide its judgment dated 21st December, 2017 and judgement dated 5th April, 2018. The Company then filed Special Leave Petition (SLP) in the Hon'ble Supreme Court which granted stay on 6th August, 2018 on any action subject to the Company depositing an amount of Rs.800 Lakhs before the Registry of Hon'ble Supreme Court. The said amount of Rs.800 Lakhs was deposited by the Company. On 6th September, 2022, the Company's SLP has been dismissed by the Hon'ble Supreme Court. Subsequently, Hon'ble High Court vide its order dated 28th November, 2022 directed the Company to honour the arbitral award and pay the award amount along with any Interest thereon as per the directions given in the order.

In view of the above, during the Quarter ended 31st December, 2022, the Company has recognised Rs. 5055 Lakhs and paid the same to the Lessor which has been disclosed as an Exceptional item in the above results. In addition to the above, certain matters are yet to achieve finality and which are under consideration of the Hon'ble High Court. The impact of them, if any, will be recognised as and when the same are decided.

- 4 Exceptional items for the year ended 31st March, 2022 represents write back of borrowings etc. of Rs. 20243 Lakhs, reversal of excess interest charged from 1st April, 2020 to 31st March, 2021 of Rs. 45518 Lakhs (Net of amortisation at effective interest rate) and one-time fair value gain of Rs. 106689 Lakhs which is mainly on account of Debt restructuring with Assets Care and Reconstruction Enterprise Limited (ACRE) acting in its capacity as trustee of various trusts which became effective on 23rd May, 2022 from the cut-off date of 31st March, 2020.
- 5 Deferred tax credit for the nine months ended 31st December, 2022 includes Rs. 21727 Lakhs, on account of settlement of interest liability related to earlier years payable to lenders, by way of issuance of equity shares by the company to ACRE pursuant to Debt restructuring as referred in Note no. 4 above and claimed as deductible expenses in the return of income for the FY 2021-2022 (AY 2022-23)
- 6 The figures for the corresponding previous period/year have been rearranged/regrouped wherever necessary, to make them comparable.



NAGPUR
11th February, 2023



For Jayaswal Neco Industries Limited


Arvind Jayaswal
Managing Director and CEO
DIN : 00249864

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UNAUDITED SEGMENT INFORMATION FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2022

(₹ in Lakhs)

PARTICULARS	QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
	31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
1. Segment Revenue						
a) Steel	154970	152177	124712	447627	401366	550280
b) Iron & Steel Castings	14373	15466	13553	44123	38569	50995
c) Others	-	-	1	0	1	1
Turnover	169343	167643	138266	491750	439936	601276
Less : Inter Segment Revenue	785	1556	727	4393	3278	5421
Revenue from Operations	168558	166087	137539	487357	436658	595855
2. Segment Results (Profit / (Loss) before tax)						
a) Steel	20508	4452	8196	38686	81872	105342
b) Iron & Steel Castings	771	582	(99)	2124	(351)	(409)
c) Others	-	-	1	0	1	1
Total	21279	5034	8098	40810	81522	104934
Less : i) Finance Cost	11405	11434	23382	34186	73135	45863
ii) Other Un-allocable Expenditure	132	197	115	447	339	828
Add : Unallocated Income	264	654	91	1133	219	392
Profit/(Loss) Before Exceptional Items and Tax	10006	(5943)	(15308)	7310	8267	58635
Less : Exceptional Items	5055	-	-	5055	(1110)	(172450)
Profit/(Loss) Before Tax	4951	(5943)	(15308)	2255	9377	231085
3. Segment Assets						
a) Steel	545684	536537	583928	545684	583928	556988
b) Iron & Steel Castings	28510	28098	26506	28510	26506	24333
c) Others	25	25	39	25	39	39
d) Unallocated	52773	63810	5285	52773	5285	50884
Total Segment Assets	626992	628470	615758	626992	615758	632244
4. Segment Liabilities						
a) Steel	42573	40348	32456	42573	32456	48127
b) Iron & Steel Castings	5623	6067	6990	5623	6990	5290
c) Others	-	-	-	-	-	-
d) Unallocated	373253	382293	608163	373253	608163	395488
Total Segment Liabilities	421449	428708	647609	421449	647609	448905

Notes to Segment Information for the Quarter and Nine Months Ended 31st December, 2022 :

- As per Indian Accounting Standard 108 'Operating Segments', the chief operating decision maker of the Company has identified following reportable segments of its business:
 - 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.
 - Iron and Steel Castings Segment is engaged in manufacture and sale of Engineering and Automotive Castings with production facilities at Nagpur in Maharashtra and Anjora in Chhattisgarh.
 - Other Segment comprises of trading of PVC pipes.
- The Company has operations in India. There is no identified Geographical Segment.

NAGPUR
11th February, 2023



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