

# JAYASWAL NECO INDUSTRIES LTD

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, 237461, 237462, 236253, 236254, 236256

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



14<sup>th</sup> August, 2021

To,  
Manager (Listing),  
National Stock Exchange of India Ltd.,  
Exchange Plaza, 5<sup>th</sup> Floor  
Plot No. C/1, G Block,  
Bandra Kurla Complex,  
Bandra (E), Mumbai-400 051

Manager (Listing),  
Department of Corporate Services,  
BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai – 400 001

Dear Sirs,

**Sub.: - Outcome of Board Meeting dated 14<sup>th</sup> August, 2021**

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

1. Approved and took on records, the Unaudited Financial Results for the Quarter ended 30<sup>th</sup> June, 2021 and has also
2. Approved the appointment of Shri Ashwini Kumar as an Independent Director of the Company with effect from 14<sup>th</sup> August, 2021 subject to approval of the members in the General meeting. The Company also confirms that the appointee is not debarred from holding the office of Director of any Company by virtue of any SEBI order or by order of any other authority.

The details required under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached herewith as Annexure-1.

The meeting commenced at 12.45 P.M. and concluded at 5.40 P.M.

This is for your kind information and records.

Thanking You,

Yours Faithfully,

**For Jayaswal Neco Industries Limited**

**Vikash Kumar Agarwal**

**(Company Secretary & Compliance Officer)**



**BRANCH OFFICES :**

"NECO HOUSE" D-307, Defence Colony,  
NEW DELHI - 110 024. (INDIA)  
PHONES : 0 11 - 4 9 0 7 0 5 4 8

301, TULSIANI CHAMBERS  
NARIMAN POINT, MUMBAI 400 021 (INDIA)  
P.H. : (0 2 2) 4 2 1 3 - 4 8 1 3,  
(022) : 22832381 FAX : (022) 22832367

TRUST HOUSE, 5th FLOOR,  
32-A, CHITTARANJAN AVENUE,  
KOLKATTA-700012 INDIA FAX:033-22122560  
PHONES: 033-22122368. 22120502

THANOD ROAD, ANJORA-491001.  
PHONES : 0788-2623410  
FAX : 0788-2623410

**PATHAK H. D. & ASSOCIATES LLP**

*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 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**

**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 June 30, 2021, ("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 Regulation"), as amended.
2. This statement 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 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.
4. **Material Uncertainty Related to Going Concern**

We draw attention to Note no. 5 to the Statement regarding preparation of Financial Results of the Company on going concern basis, notwithstanding the fact that the Company's net worth has been fully eroded, loans had 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 (IBC) 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. As of June 30, 2021, all the Bankers of the Company have settled or assigned all their rights, title and interests in financial assistances granted by them to the Company in favour of Assets Care & Reconstruction Enterprise Ltd (ACRE) as mentioned in Note 2 to the Statement and for the other reasons mentioned in Note 5 to the Statement. The appropriateness of assumption of going concern is critically dependent upon the Company's ability to raise requisite finance and generate cash flows in future to meet its obligations and to restructure its borrowing with the ACRE.

Our conclusion is not modified in respect of this matter.

#### 5. **Emphasis of Matters**

We draw your attention to the Note no. 4 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, which has been contested by the Company.

Our conclusion is not modified in respect of this matter.

6. Based on our review conducted as stated above, read with our comments in paragraph 4 and 5 above, nothing has come to our attention that causes us to believe that the 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, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **Pathak H. D. & Associates LLP**

*Chartered Accountants*

Firm Reg. No. 107783W/W100593

*Mukesh Mehta*

**Mukesh Mehta**  
**Partner**

Membership No. 43495

UDIN: 21043495AAAAEF7431

**Mumbai**

**Date: August 14, 2021**



For **Naresh Patadia & Co.**

*Chartered Accountants*

Firm Reg. No. 106936W

*Naresh Patadia*

**Naresh Patadia**  
**Proprietor**

Membership No. 35620

UDIN: 21035620AAAAAM7922

**Nagpur**

**Date: August 14, 2021**



# JAYASWAL NECO INDUSTRIES LTD

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, 237461, 237462, 236253, 236254, 236256

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



(₹ in Lakhs, except per equity share data)

## STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2021

PARTICULARS	QUARTER ENDED			YEAR ENDED
	30.06.2021	31.03.2021	30.06.2020	31.03.2021
	UNAUDITED	(Refer Note. 6)	UNAUDITED	AUDITED
<b>1. Income</b>				
a) Revenue from Operations	139435	134162	31189	370505
b) Other Income	1298	123	157	638
<b>Total Income</b>	<b>140733</b>	<b>134285</b>	<b>31346</b>	<b>371143</b>
<b>2. Expenses</b>				
a) Cost of Materials Consumed	54138	54280	15426	166312
b) Purchase of Stock-in-Trade	2893	2266	800	8485
c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(3338)	(4115)	9614	5640
d) Employee Benefits Expense	5677	6990	4336	21958
e) Finance Costs	24533	23968	21628	90863
f) Depreciation and Amortisation Expense	6660	6583	6645	26676
g) Other Expenses	36751	37533	11756	107102
<b>Total Expenses</b>	<b>127314</b>	<b>127505</b>	<b>70205</b>	<b>427036</b>
<b>3. Profit/(Loss) Before Exceptional Items and Tax (1-2)</b>	<b>13419</b>	<b>6780</b>	<b>(38859)</b>	<b>(55893)</b>
4. Exceptional Items	-	-	-	-
<b>5. Profit/(Loss) Before Tax (3-4)</b>	<b>13419</b>	<b>6780</b>	<b>(38859)</b>	<b>(55893)</b>
<b>6. Tax Expenses / (Credits) Including Deferred tax</b>				
Deferred Tax	17	112	(14)	69
Income Tax for Earlier years	-	-	3	(4)
<b>7. Profit/(Loss) for the period / year (5+6)</b>	<b>13436</b>	<b>6892</b>	<b>(38870)</b>	<b>(55828)</b>
<b>8. Other Comprehensive Income (OCI)</b>				
(I) Item that will not be reclassified to profit or loss				
(a) Remeasurement Gain / (Loss) on Defined Benefit Plans	68	447	(57)	275
(b) Tax Effect on above	(17)	(112)	14	(69)
(II) Item that will be reclassified to profit or loss	-	-	-	-
<b>Total Other Comprehensive Income (Net of Tax)</b>	<b>51</b>	<b>335</b>	<b>(43)</b>	<b>206</b>
<b>9. Total Comprehensive Income for the period / year (7+8)</b>	<b>13487</b>	<b>7227</b>	<b>(38913)</b>	<b>(55622)</b>
<b>10. Paid-up Equity Share Capital</b> (Face Value per share : Rs. 10/- each)	63863	63863	63863	63863
<b>11. Other Equity excluding Revaluation Reserve</b>				(200144)
<b>12. Earnings Per Share (of Rs. 10/- each)</b>				
a) Basic (Not Annualised) *	2.10*	1.08*	(6.09)*	(8.74)
b) Diluted (Not Annualised)	2.10*	1.08*	(6.09)*	(8.74)



### BRANCH OFFICES :

"NECO HOUSE" D-307, Defence Colony,  
NEW DELHI - 110 024. (INDIA)  
PHONES : 011-49070548

301, TULSIANI CHAMBERS  
NARIMAN POINT, MUMBAI-400 021 (INDIA)  
P.H. : (022) 4213-4813,  
(022) : 22832381 FAX : (022) 22832367

POST HOUSE, 5th FLOOR,  
32-A, CHITTARANJAN AVENUE,  
KOLKATTA - 700012 INDIA FAX : 033-22122560  
PHONES: 033-22122368, 22120502

THANOD ROAD, ANJORA-491001.  
PHONES : 0788-2623410  
FAX : 0788-2623410

# JAYASWAL NECO INDUSTRIES LTD

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, 237461, 237462, 236253, 236254, 236256

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 by the Board of Directors at their meeting held on 14th August, 2021. The Statutory Auditors have carried out a Limited Review of the above results.
- 2 During the quarter, one more banker has assigned their fund based debt of Rs. 6187 lakhs, constituting 1.70% of the total Principal Fund Based Outstanding, along with underlying financial documents together with their rights, benefits and obligations in favour of Assets Care & Reconstruction Enterprise Ltd (ACRE) acting in its capacity as trustee of various trusts.

Further one other banker with Rs. 1432 lakhs constituting 0.39% of the total Principal Fund Based Outstanding did One Time Settlement (OTS) of its debt dues and the Company has reversed the interest accrued and due amounting to Rs. 1110 lakhs and shown as Other Income in the above results.

Hence as of 30th June, 2021, 100% of the fund based debt of all the twelve bankers has been settled either by way of debt assignment to ACRE or OTS with the Company and accordingly as on 30th June, 2021 ACRE holds the entire debt of the Company.

- 3 In spite of the continuous prevalence of COVID 19 pandemic, the Company achieved normal business operations during the quarter ended 30th June, 2021. The Company will continue to closely monitor any material changes arising out of future economic conditions and impact on its business including recoverability of inventories and trade receivables.
- 4 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 21st October, 2021. 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.

- 5 The Company underwent significant financial stress in the last six 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, COVID 19 related lockdown of business units, its consequent adverse impact on the Company and various other reasons which have resulted in financial constraints to the Company, losses in the operations, wipe out of the net worth and calling back of loans by few of the secured lenders. Further, an appropriate debt restructuring scheme was approved by the super majority of the secured lenders and the Company had complied with the conditions of debt restructuring scheme and got its Master Restructuring Agreement signed 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.

In view of the Status Quo order issued by the Hon'ble Supreme Court on 16th April, 2018, the case had been adjourned sine die by the National Company Law Tribunal (NCLT), Mumbai in its hearing dated 14th November, 2019. The matter is at pre admission stage in NCLT and would be listed only after the Special Leave Petition (SLP) filed by the Company is disposed of by the Hon'ble Supreme Court.

ACRE continues to support the operations of the Company. The Company is in final stages of restructuring of its outstanding debt with its lenders. Further, the Company has taken active steps for effective and efficient operations including cost reduction. Accordingly, the Company continues to prepare its books of account on going concern basis.

- 6 The figures for the quarter ended 31st March, 2021 are the balancing figures between audited figures of the full financial year and the reviewed year to date figures upto the third quarter of the respective financial year.
- 7 The figures for the corresponding previous periods / year have been regrouped / rearranged wherever necessary, to make them comparable.

NAGPUR  
14th August, 2021



For Jayaswal Neco Industries Limited

Arvind Jayaswal  
Managing Director and CEO  
DIN : 00249864



## BRANCH OFFICES :

"NECO HOUSE" D-307, Defence Colony,  
NEW DELHI - 110 024. (INDIA)  
PHONES : 011-49070548

301, TULSIANI CHAMBERS  
NARIMAN POINT, MUMBAI 400 021 (INDIA)  
P.H. : (022) 4213-4813,  
(022) : 22832381 FAX : (022) 22832367

TRUST HOUSE, 5th FLOOR,  
32-A, CHITTARANJAN AVENUE,  
KOLKATTA - 700012 INDIA FAX : 033-22122560  
PHONES: 033-22122368, 22120502

THANOD ROAD, ANJORA-491001.  
PHONES : 0788-2623410  
FAX : 0788-2623410

# JAYASWAL NECO INDUSTRIES LTD

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, 237461, 237462, 236253, 236254, 236256

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



## UNAUDITED SEGMENT INFORMATION FOR THE QUARTER ENDED 30TH JUNE, 2021

(₹ in Lakhs)

PARTICULARS	QUARTER ENDED			YEAR ENDED
	30.06.2021	31.03.2021	30.06.2020	31.03.2021
	UNAUDITED	(Refer Note. 6)	UNAUDITED	AUDITED
<b>1. Segment Revenue</b>				
a) Steel	129194	122049	27231	334552
b) Iron & Steel Castings	10929	13421	4154	38966
c) Others	-	5	-	5
<b>Turnover</b>	<b>140723</b>	<b>135475</b>	<b>31385</b>	<b>373523</b>
Less : Inter Segment Revenue	1288	1313	196	3018
<b>Revenue from Operations</b>	<b>139435</b>	<b>134162</b>	<b>31189</b>	<b>370505</b>
<b>2. Segment Results</b> (Profit/Loss) before tax)				
a) Steel	37044	31346	(13871)	39121
b) Iron & Steel Castings	(153)	(514)	(3322)	(3880)
c) Others	-	(3)	-	(3)
<b>Total</b>	<b>36891</b>	<b>30829</b>	<b>(17193)</b>	<b>35238</b>
Less : i) Finance Cost	24533	23968	21628	90863
ii) Other Un-allocable Expenditure	111	125	84	411
Add : Unallocated Income	1172	44	46	143
<b>Profit/(Loss) Before Exceptional Items and Tax</b>	<b>13419</b>	<b>6780</b>	<b>(38859)</b>	<b>(55893)</b>
Less : Exceptional Items	-	-	-	-
<b>Profit/(Loss) Before Tax</b>	<b>13419</b>	<b>6780</b>	<b>(38859)</b>	<b>(55893)</b>
<b>3. Segment Assets</b>				
a) Steel	573042	552609	514409	552609
b) Iron & Steel Castings	25642	26091	25565	26091
c) Others	39	39	41	39
d) Unallocated	16269	11329	8211	11329
<b>Total Segment Assets</b>	<b>614992</b>	<b>590068</b>	<b>548226</b>	<b>590068</b>
<b>4. Segment Liabilities</b>				
a) Steel	35269	35857	37973	35857
b) Iron & Steel Castings	6154	6715	4785	6715
c) Others	-	-	-	-
d) Unallocated	696343	683756	625019	683756
<b>Total Segment Liabilities</b>	<b>737766</b>	<b>726328</b>	<b>667777</b>	<b>726328</b>

### Notes to Segment Information for the Quarter Ended 30th June, 2021 :

1. 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 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 Bilal and Anjora in Chhattisgarh.
- Other Segment comprises of trading of Coal, Coke and PVC pipes.

2. The Company has operations in India. There is no identified Geographical Segment.

NAGPUR  
14th August, 2021



### BRANCH OFFICES :

"NECO HOUSE" D-307, Defence Colony,  
NEW DELHI - 110 024. (INDIA)  
PHONES : 011-49070548

301, TULSIANI CHAMBERS  
NARIMAN POINT, MUMBAI 400 021 (INDIA)  
P.H. : (022) 4213-4813,  
(022) : 22832381 FAX : (022) 22832367

TRUST HOUSE, 5th FLOOR,  
32-A, CHITTARANJAN AVENUE,  
KOLKATA-700012 INDIA FAX : 033-22122560  
PHONES: 033-22122368, 22120502

THANOD ROAD, ANJORA-491001.  
PHONES : 0788-2623410  
FAX : 0788-2623410