

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



26th May, 2017

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

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

Dear Sirs,

Sub.: - Outcome of Board Meeting dated 26th May, 2017.

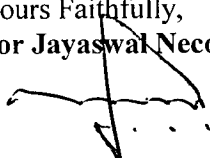
Pursuant to Regulation 30 & 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 we wish to inform you that the Board of Directors of the Company at its meeting dated 26th May, 2017 has inter-alia transacted the following business:

- i) Approved and took on records, Audited Financial Statements and Results of the Company for the year ended 31st March, 2017.
- ii) Approved, the appointment of Shri Bharat Pal Singh as an Additional Director till the conclusion of the ensuing Annual General Meeting and in the capacity of Independent Director, subject to approval of Members in ensuing Annual General Meeting, for the period of 5 (Five) years w.e. f 26th May, 2017. Brief profile of Mr. Bharat Pal Singh is attached herewith for records.
- iii) Approved the appointment of M/s. R. A. Daga & Co., Company Secretaries, Nagpur as Secretarial Auditor of the Company for the financial year 2017-18.
- iv) Approved the appointment of M/s. Manisha & Associates, Cost Accountants, Nagpur as the Cost Auditor of the Company for the financial year 2017-18.

This is for your information and records.

Thanking You,

Yours Faithfully,
For Jayaswal Neco Industries Limited


Ashutosh Mishra
Company Secretary
Membership No.: A23011



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INDEPENDENT AUDITORS' REPORT

**TO THE BOARD OF DIRECTORS OF
JAYASWAL NECO INDUSTRIES LIMITED**

1. We have audited the accompanying 'Statement of Audited Financial Results' of **Jayaswal Neco Industries Limited** ("the Company") for the year ended March 31, 2017 (hereinafter referred to as 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 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016.

The Statement, which is the responsibility of the Company's Management and approved by its Board of Directors, has been compiled from the related Financial Statements which has been prepared in accordance with the Indian Accounting Standards ("Ind 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 express an opinion on the Statement based on our audit of such Financial Statements.

2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the significant accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Basis for Qualified Opinion

3. As mentioned in Note no. 3 to the statement, Long Term Borrowings include an amount of Rs. 275020 Lacs due to certain banks. As per the arrangements with these banks, the Company is required to comply with certain covenants as referred to in the said note and non-compliance with these covenants may give rights to the banks to demand repayment of the loans. As at March 31, 2017, the Company has not complied with certain covenants and they have not been provided with any confirmation from the banks for extension of time to comply with these covenants. The Company has not classified these liabilities as current liabilities as required by Ind AS.

Qualified Opinion

4. Based on our audit conducted as above, in our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matter described in the Para 3 above 'Basis for Qualified Opinion'*, the statement:
 - i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016; and
 - ii) gives a true and fair view in conformity with the aforesaid Ind AS and other accounting principles generally accepted in India of the net loss, total comprehensive income and other financial information of the Company for the year ended March 31, 2017.
5. The Statement includes the results for the Quarter ended March 31, 2017 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

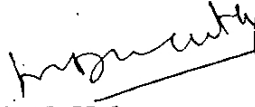


Other Matter

5. The comparative financial information of the Company for the year ended March 31, 2016 included in this statement, are based on the previously published financial results and previously issued annual statutory financial statements, prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditors including one of the joint auditors, whose report for the year ended March 31, 2016 dated May 27, 2016 expressed an unmodified opinion, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of the above said matter.

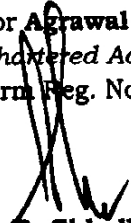
For **Pathak H. D. & Associates**
Chartered Accountants
Firm Reg. No. 107783W


Mukesh Mehta
Partner
Membership No. 43495

Mumbai
Date: May 26, 2017



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


S. R. Chhallani
Partner
Membership No. 30154

Nagpur
Date: May 26, 2017



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PART - I		(₹ in Lacs, except per equity share data)				
STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2017						
	PARTICULARS	QUARTER ENDED			YEAR ENDED	
		31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016
1.	Income					
	a) Revenue from Operations	79641	68699	71456	284774	295187
	b) Other Income	639	474	551	2883	3495
	Total Income	80280	69173	72007	287657	298682
2.	Expenses					
	a) Cost of Materials Consumed	38478	33974	37027	137386	157186
	b) Purchase of Stock-in-Trade	928	463	744	3094	9505
	c) Changes in Inventories of Finished goods, Work-in-progress and Stock-in-trade	(3392)	(2494)	4019	(8119)	7768
	d) Excise Duty and Service Tax on Income from Operations	9664	8052	6895	33132	30968
	e) Employee Benefits Expenses	4667	4521	3467	17433	13635
	f) Finance Costs	13724	14610	6347	54895	22332
	g) Depreciation and Amortisation Expenses	6292	6490	2604	25507	8204
	h) Other Expenses	23564	17195	15641	73845	54158
	Total Expenses	93925	82811	76744	337173	303756
3.	Loss before Exceptional Items and Tax (1-2)	(13645)	(13638)	(4737)	(49516)	(5074)
4.	Exceptional Items	-	-	5830	-	5830
5.	Loss Before Tax (3-4)	(13645)	(13638)	(10567)	(49516)	(10904)
6.	Tax Expenses					
	Deferred Tax	(6108)	(2416)	(2855)	(12999)	(3221)
	Income Tax for Earlier years	2693	2699	430	9414	1023
7.	Net Loss for the period / year after tax (5-6)	(10230)	(13921)	(8142)	(45931)	(8706)
8.	Other Comprehensive Income (OCI)					
	(I) Item that will be reclassified to profit or loss	-	-	-	-	-
	(II) Item that will not be reclassified to profit or loss					
	(a) Remeasurement (Gain) / Loss on Defined Benefit Plan	439	(90)	(324)	167	(447)
	(b) Tax Effect on above	(152)	31	112	(58)	155
	Total Other Comprehensive Income	287	(59)	(212)	109	(292)
9.	Total Comprehensive Income (Net of Tax) (7+8)	(10517)	(13862)	(7930)	(46040)	(8414)
10.	Paid-up Equity Share Capital (Face Value per share : Rs. 10/- each)	63863	63863	63863	63863	63863
11.	Earnings Per Share (of Rs. 10/- each) (Not Annualised)					
	a) Basic	(1.65)	(2.17)	(1.24)	(7.21)	(1.32)
	b) Diluted	(1.65)	(2.17)	(1.24)	(7.21)	(1.32)
12.	Other Equity excluding Revaluation Reserve				99864	145904



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Notes :

1. Results for the quarter and year ended March 31, 2017 are in compliance with the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs. Consequently, results for the quarter and previous year ended March 31, 2016 have been restated to comply with Ind AS to make them comparable. The figures for the quarter ended March 31, 2017 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the current financial year.
2. The Company has adopted Ind AS w.e.f. April 01, 2016 with comparatives being restated. Accordingly, the impact of transition has been provided in the Reserves as at April 01, 2015 and all the periods presented have been restated. The reconciliation between Ind AS and previous Indian GAAP for Net Loss and Other Equity is presented below along with the additional details.

Reconciliation between Loss and Other Equity as previously reported under previous Indian GAAP and Ind AS for the Quarter / Year ended March 31, 2016 :

(₹ in Lacs)

Sr. No.	Nature of Adjustments	Note Ref.	Loss Reconciliation		Other Equity
			Quarter Ended 31.03.2016	Year Ended 31.03.2016	As at 31.03.2016
	Net Loss / Other Equity as per Previous Indian GAAP		(8970)	(8654)	149295
	Adjustments :				
I	Impact due to Lease Accounting	a	(2)	(12)	(194)
II	Impact due to Assets Retirement Obligations	b	(1)	(2)	(13)
III	Fair Valuation of Financial Instruments	c	354	336	1542
IV	Actuarial Gains on Defined Benefit Plan considered as Other Comprehensive Income (OCI)	d	(324)	(447)	(447)
V	Depreciation	e	(33)	(130)	(130)
VI	Impact of Deferred Tax	f	834	203	(4420)
VII	Net Loss after Tax / Other Equity Before Other Comprehensive Income		(8142)	(8706)	145633
VIII	Other Comprehensive Income		212	292	292
	Total Comprehensive Income / Other Equity as per Ind AS		(7930)	(8414)	143925

a) Lease Accounting

Future rentals in respect of Leasehold land accounted at Fair Value and changes thereafter recognised in the Statement of Profit and Loss.

b) Assets Retirement Obligations (ARO)

Under Ind AS, ARO is required to be recognised at the time of commencement / acquisition of an item of property, plant and equipment measured at present value. The time value of money of the asset and depreciation on ARO has been reflected in the Statement of Profit and Loss.

c) Fair Valuation of Financial Instruments

The Company has valued certain financial instruments (assets, liabilities and derivatives) at fair value. The impact of the fair value changes on the date of transition are recognised in the opening reserves and changes thereafter are recognised in the Statement of Profit and Loss.



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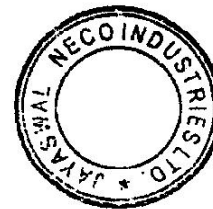
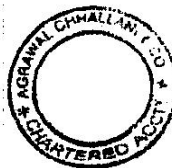
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- d) **Actuarial Gains**
Gains through re-measurements of net defined benefit obligations / assets are recognised in Other Comprehensive Income.
- e) **Depreciation**
The Company has identified some of its Property, Plant and Equipment eligible for Component accounting and accordingly additional depreciation has been charged in the Statement of Profit and Loss.
- f) **Deferred Tax**
The impact of transition adjustments together with Ind AS mandate of using Balance Sheet approach (against profit and loss approach in the previous Indian GAAP) for computation of deferred taxes has resulted in change to reserves, on the date of transition, with consequential impact to the Statement of Profit and Loss for the subsequent periods.
3. The agreements in respect of long term borrowings as at March 31, 2017 of Rs. 275020 lacs contains certain restrictive covenants including non adherence of initial Rupee Term Loan repayment schedule and non-payment of interest thereon, as stipulated and debt service facility ratio. In the current year, the Company has not complied with the terms of these covenants. The Company has not classified the said long term borrowings to current liabilities as required by Ind AS 1 – "Presentation of Financial Statements". The Lenders of the Company under Joint Lending Forum mechanism (JLF) have been deliberating restructuring possibilities and options for resolving the loan servicing default of the Company and the matter is under active consideration of the JLF. The Management is of the view that the non-compliance of the covenants will not affect the continuity of the Company's operations. The Independent Auditors' have issued a modified audit report for the same.
4. The Company has disputed the levy of Energy Development Cess @10 paise per unit amounting to Rs. 3625 lacs for the period from February 2005 to March 2017, the demand of which is raised by The Chief Electrical Inspector, Chhattisgarh under the Chhattisgarh Upkar (Sansodhan) Adhiniyam, 2004. The matter is pending before the Hon'ble Supreme Court. Now, as legally advised and as a matter of prudence, the Company has provided for the said amount. However, this is without prejudice to the right and contentions of the Company in the ongoing Special Leave petition pending for consideration before the Hon'ble Supreme Court.
5. The Company's Project for enhancement of Iron making capacities for its DRI Plant and Captive Power Plant as part of the Integrated Steel Plant in Chhattisgarh are facing further time delay and are expected to be completed by the year end.
6. The above results have been reviewed by the Audit committee and approved by the Board of Directors at their meeting held on May 26, 2017.

NAGPUR
May 26, 2017



For Jayaswal Neco Industries Limited


Arvind Jayswal
Managing Director
DIN : 00249864

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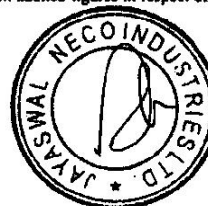
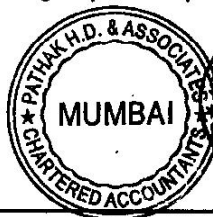
AUDITED SEGMENT INFORMATION FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2017

PARTICULARS	QUARTER ENDED			YEAR ENDED	
	31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016
1. Segment Revenue					
a) Steel	69362	58773	59482	243798	250529
b) Iron & Steel Castings	10350	10095	11969	41259	40494
c) Others	13	22	48	72	4719
Gross Turnover	79725	68890	71499	285129	295742
Less : Inter Segment Revenue	84	191	43	355	555
Revenue from Operations	79641	68699	71456	284774	295187
2. Segment Results (Profit / (Loss) before tax and interest from each segment)					
a) Steel	97	669	(2399)	3328	10300
b) Iron & Steel Castings	(83)	(233)	(564)	226	12
c) Others	(1)	1	5	5	126
Total	13	437	(2958)	3559	10438
Less : i) Finance Cost	13724	14610	6347	54895	22332
ii) Other Un-allocable Expenditure	108	124	2062	474	2425
Add : Unallocated Income	174	659	800	2294	3415
Loss Before Tax	(13645)	(13638)	(10567)	(49516)	(10904)
3. Segment Assets					
a) Steel	655233	661066	656157	655233	656157
b) Iron & Steel Castings	34071	35109	35537	34071	35537
c) Others	294	304	349	294	349
d) Unallocated	6893	9891	15466	6893	15466
Total Segment Assets	696491	706376	707709	696491	707709
4. Segment Liabilities					
a) Steel	48264	64690	33488	48264	33488
b) Iron & Steel Castings	3814	5242	3433	3814	3433
c) Others	0	0	2	0	2
d) Unallocated	480665	462128	460998	480665	460998
Total Segment Liabilities	532743	532060	497921	532743	497921

Notes to Segment Information for the Quarter and Year Ended 31st March, 2017 :

- As per Indian Accounting Standard 108 'Operating Segments' (Ind-AS 108), the Company has reported 'Segment Information', as described below :
 - 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, Jharkhand 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 Bhilai and Anjora in Chhattisgarh.
 - Other Segment comprises of trading of Cotton Yarn, Coal & PVC pipes.
 - The figures of the quarter ended 31st March, 2017 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year.

NAGPUR
May 26, 2017



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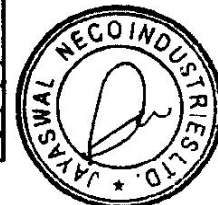
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AUDITED STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH, 2017

(₹ in Lacs)

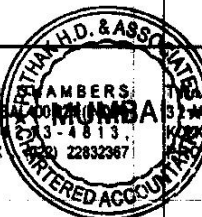
PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016
A ASSETS		
1. Non-Current Assets		
(a) Property, Plant and Equipment	476562	218426
(b) Capital Work in Progress	44025	283997
(c) Intangible Assets	1986	1576
(d) Intangible Assets under Development	1636	698
(e) Financial Assets		
(i) Investments	-	0
(ii) Loans	0	0
(iii) Other Financial Assets	609	630
(f) Other Non Current Assets	25373	68185
Total Non Current Assets	550191	573512
2. Current Assets		
(a) Inventories	68135	63047
(b) Financial Assets		
(i) Investments	113	100
(ii) Trade Receivables	41081	31317
(iii) Cash and Cash Equivalents	2062	869
(iv) Bank Balances other than (iii) above	3749	3293
(v) Other Financial Assets	12149	25571
(c) Current Tax Assets (Net)	1560	1334
(d) Other Current Assets	17451	8652
(e) Assets held for Sale	-	14
Total Current Assets	146300	134197
TOTAL ASSETS	696491	707709
B EQUITY AND LIABILITIES		
1. EQUITY		
(a) Equity Share Capital	63863	63863
(b) Other Equity	99885	145925
Total Equity	163748	209788
2. LIABILITIES		
Non Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	280747	300615
(ii) Other Financial Liabilities	26	27
(b) Provisions	18	16
(c) Deferred Tax Liability (Net)	9889	22946
Total Non Current Liabilities	290680	323604
3. Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	104580	109620
(ii) Trade Payables	28648	18316
(iii) Other Financial Liabilities	91121	32561
(b) Other Current Liabilities	6993	8833
(c) Provisions	10721	4987
Total Current Liabilities	242063	174317
TOTAL EQUITY AND LIABILITIES	696491	707709



BRANCH OFFICES :

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301, TULSIAN
NARMAN POINT, MUMBAI
P.H. : (022)
(022) : 22832381 FAX



1ST FLOOR, 51h FLOOR,
CHITTARANJAN AVENUE,
CHHATTA - 700012 INDIA
PHONES : 033-22122560
033-22122368, 22120502

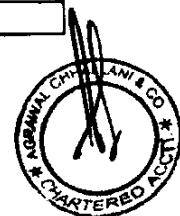
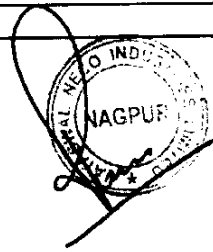


178-A, LIGHT INDUSTRIAL AREA,
BHILAI - 490028 CHHATISGARH, INDIA
PHONES : 0788-2282845
FAX : 0788-2286679

Statement on Impact of Audit Qualifications for the Annual Audited Financial Results for the Financial Year Ended March 31, 2017. [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]


(Rs. in Lacs)


i.			Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
Sl. No.	Particulars			
1.	Turnover / Total Income		287657	287657
2	Total Expenditure		337173	337173
3	Net Profit/(Loss)		(45931)	(45931)
4	Earnings Per Share (In Rs.)		(7.21)	(7.21)
5	Total Assets		696491	696491
6	Total Liabilities		532743	532743
7	Net Worth		163748	163748
8	Any other financial item(s)			
	Non-Current Borrowing		280747	5727
	Current Borrowings		104580	379600
ii. Audit Qualification (each audit qualification separately):				
a.	Details of Audit Qualification: As mentioned in Note no. 3 to the statement, Long Term Borrowings include an amount of Rs. 275020 Lacs due to certain banks. As per the arrangements with these banks, the Company is required to comply with certain covenants as referred in the said note and non-compliance with these covenants may give rights to the banks to demand repayment of the loans. As at March 31, 2017, the Company has not complied with certain covenants and they have not been provided with any confirmation from the banks for extension of time to comply with these covenants. The Company has not classified these liabilities as current liabilities as required by Ind-AS.			
b.	Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion			
c.	Frequency of qualification: First time / repetitive / since how long continuing			
d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views Management is of the view that the Lenders of the Company under Joint Lending Forum mechanism (JLF) have been deliberating restructuring possibilities and options for resolving the loan servicing default of the Company. The matter is under active consideration of the JLF and non-compliance of the covenants will not affect the continuity of the Company's operations and hence the Company continues to classify these borrowings to non current.			
e.	For Audit Qualification(s) where the impact is not quantified by the auditor:			
	i) Management's estimation on the impact of audit qualification: Not Applicable			
	ii) If management is unable to estimate the impact, reasons for the same: Not Applicable			
	iii) Auditors' Comments on (i) or (ii) above: Not Applicable			





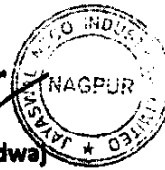
Handwritten signature/initials.

III. Signatories


Arbind Jayaswal
Managing Director
DIN 00249864


K. Bhardwaj
Executive Director and CFO
DIN 03451077


B. K. Agrawal
Audit Committee Chairman
DIN 01223894






Place: Nagpur
Date: May 26, 2017

AUDITORS

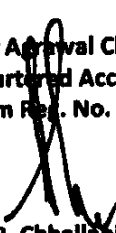
Refer our Independent Auditors' Report dated May 26, 2017 on Standalone Financial Results of the Company.


For Pathak H. D. & Associates
Chartered Accountants
Firm Reg. No. 107783


Mukesh D. Mehta
Partner
Membership No. 043495



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


S. R. Chhallani
Partner
Membership No. 030154



Place: Mumbai
Date: May 26, 2017

Place: Nagpur
Date: May 26, 2017