JAYASWAL NECO INDUSTRIES LTD.

CIN :- L28920MH1972PLC016154

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.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	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**

PATHAK H.D. & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

JAYASWAL NECO INDUSTRIES LIMITED NAGPUR

JAYASWAL NECO INDUSTRIES NAGPUR

AGRAWAL CHHAJLANI & CO CHARTERED ACCTS

III.	**Signatories** **Arbind Jajasiya** **Managing Director** **DIN 00249864** **P. 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. 107783W** **Mukesh D. Mehta** Partner Membership No. 043495 **Place: Mumbai** **Date: May 26, 2017** **For Agrawal Chhallani & Co.** **Chartered Accountants** **Firm Reg. No. 100125W** **S. R. Chhallani** Partner Membership No. 030154 **Place: Nagpur** **Date: May 26, 2017**