AWAKE ALWAYS

May 29, 2018

The Secretary / Corporate Relationship Dept.
The Bombay Stock Exchange Limited
P.J. Towers,
Dalal Street, Fort,
Mumbai 400001.

Stock Code: 531404

The Manager
Listing Department,
National Stock Exchange of India Ltd.
'Exchange Plaza', C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai 400051.

Stock Code: ZICOM

Ref: ISIN INE 871B01014

Dear Sir / Madam,

Sub: Statement of Impact under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2016, we enclose herewith the Statement of Impact of Audit Qualifications on the Audited Financial Results, both standalone and consolidated, for the year ended March 31, 2018.

Kindly take on record and acknowledge receipt of the same.

Thanking you,

Yours faithfully,
For **Zicom Electronic Security Systems Limited**

Kunjan Trivedi
Company Secretary

Encl: as above

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Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018 on the Standalone Financial Results
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

(Rs. in lakhs)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	3,836.41	3,836.41
	2.	Total Expenditure	20,151.51	22,397.08
	3.	Net Profit / (Loss)	(16,315.10)	(18,560.67)
	4.	Earnings Per Share	(89.13)	(94.57)
	5.	Total Assets	12,847.85	12,847.85
	6.	Total Liabilities	12,847.85	12,847.85
	7.	Net Worth	(12,065.69)	(14,311.26)
	8.	Any other financial item(s) (as felt appropriate by the management)	---	---
II.	**Audit Qualification (each audit qualification separately):**			
	a.	**Details of Audit Qualification:**		
		1. Non-provisioning of interest on bank loans		
	b.	**Type of Audit Qualification :** Qualified Opinion		
	c.	**Frequency of qualification:** 1. First Time		
	d.	**For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**		
		1. The Bank has classified the Company as Non Performing Assets (NPA) as per Reserve Bank of India circular on assets classification. As a result, the Company, during the year under review, has not provided for interest amounting to Rs. 2,245.57 lakhs on outstanding Bank loans. The Company is negotiating with bankers for one time settlement of its outstanding liabilities and in the opinion of the management, liability as reflected in the Results is sufficient to meet proposed One Time Settlement amount.		
	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		

Zicom Electronic Security Systems Ltd.
501, Silver Metropolis, Western Express Highway, Goregaon (E), Mumbai - 400 063.
Tel.: +91 22 4290 4290 | Fax.: +91 22 4290 4291 | www.zicom.com | Toll Free: 1-800-270-4567
CIN : L32109MH1994PLC083391

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III.	Signatories:	
	For Zicom Electronic Security Systems Limited For Zicom Electronic Security Systems Limited Pramoud Rao Managing Director Pramoud Rao Managing Director	For Zicom Electronic Security Systems Limited For Zicom Electronic Security Systems Limited Madan Kumar Chetlur Chief Financial Officer Chief Financial Officer
	For Zicom Electronic Security Systems Limited For Zicom Electronic Security Systems Ltd. Mukul Desai Audit Committee Chairman Mukul Desai Audit Committee Chairman	For S M M P & Associates Chartered Accountants S M M P & ASSOCIATES * CHARTERED ACCOUNTANTS * MUMBAI Sonal Parekh Partner Membership No. 139852
Place: Mumbai Date: May 29, 2018		

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Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018 on the Consolidated Financial Results
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

(Rs. in lakhs)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	26,587.77	26,587.77
	2.	Total Expenditure	59,166.01	62,479.18
	3.	Net Profit / (Loss)	(32,278.93)	(35,891.41)
	4.	Earnings Per Share	(81.18)	(89.06)
	5.	Total Assets	97,333.17	97,333.17
	6.	Total Liabilities	97,333.17	97,333.17
	7.	Net Worth	(8,804.84)	(12,118.00)
	8.	Any other financial item(s) (as felt appropriate by the management)	---	---
II.	**Audit Qualification (each audit qualification separately):**			
	a.	**Details of Audit Qualification:**		
		1. Non-provisioning of interest on bank loans		
	b.	**Type of Audit Qualification :** Qualified Opinion		
	c.	**Frequency of qualification:** 1. First Time		
	d.	**For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**		
		1. The Bank has classified both parent company and one of wholly owned Indian subsidiary as Non Performing Assets (NPA) as per Reserve Bank of India circular on assets classification and in case of subsidiary One Time Settlement (OTS) has been arrived; while in case of parent company the OTS is under negotiation. As a result, the Company has not provided interest of Rs. 3,313.17 lakhs for year under review on accrual basis on these term loans.		
	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		

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III.	Signatories:	
	For Zicom Electronic Security Systems Limited For Zicom Electronic Security Systems Limited Pramoud Rao Managing Director Pramoud Rao Managing Director	For Zicom Electronic Security Systems Limited For Zicom Electronic Security Systems Limited Madan Kumar Chetlur Chief Financial Officer Chief Financial Officer
	For Zicom Electronic Security Systems Limited For Zicom Electronic Security Systems Ltd. Mukul Desai Audit Committee Chairman Mukul Desai Audit Committee Chairman	For S M M P & Associates Chartered Accountants S M M P & ASSOCIATES * CHARTERED ACCOUNTANTS * MUMBAI Sonal Parekh Partner Membership No. 139852
Place: Mumbai Date: May 29, 2018		