NITCO
TILES MARBLE MOSAICO

14th June, 2016

To,

Corporate Service Dept. **Bombay Stock Exchange Limited** Jeejeebhoy Towers Dalal Street, Mumbai – 400 001 Script code: 532722	The Listing Department, **National Stock Exchange of India Limited** Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400051. Script code: NITCO

Dear Sir,

Sub: Statement on Impact of Audit Qualifications

In pursuance of BSE circular no. DCS/COMP/04/2016-17 and NSE circular no. NSE/CML/2016/09 dated 1st June, 2016 we hereby submit the Statement on Impact of Audit Qualifications (for audit report with modified opinion) for standalone and consolidated Annual Audited Financial results for the year ended 31st March, 2016.

Kindly take the same on record

Thanking you.

Yours faithfully,
For **Nitco Limited**

Puneet Motwani
Company Secretary & Compliance Officer

Encl: as above

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone) Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2016

[*See* Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

Rs. in Lacs

Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
Turnover / Total income	78,020.61	78,020.61
Total Expenditure	84,297.25	103,992.25
Net Profit/(Loss) after tax	(6,276.64)	(25,971.64)
Earnings Per Share	(11.47)	(47.48)
Total Assets	143,079.06	143,079.06
Total Liabilities	*153,268.32*	*172,963.32*
Net Worth	(10,189.26)	(29,884.26)
Any other financial item(s) (as felt appropriate by the management)	Nil	Nil

II. Audit Qualification (each audit qualification separately):

Note No 37 of the accompanying financial statement in respect of non-provision of interest for FY 2015-16 of Rs. 196.95 crore upon registration with BIFR.

b. **Type of Audit Qualification :** Qualified Opinion

c. **Frequency of qualification:** Repetitive since 31st March 2015

d. ***For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:*** The net worth of the Company has been fully eroded , a reference filed under section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 before the Hon'ble Board For Industrial and Financial Reconstruction (BIFR) has been duly registered with BIFR vide their letter dated 12th May 2015. In view of the above position and the uncertainty involved in ultimate outflow, the Company has not provided for unpaid interest after the date the loans have been classified as NPA with the respective Banks/ financial institutions.

e. **For Audit Qualification(s) where the impact is not quantified by the auditor**: Yes

(i) **Management's estimation on the impact of audit qualification:** Rs. 195.96 crore

(ii) **If management is unable to estimate the impact, reasons for the same:** Not applicable

(iii) **Auditors' Comments on (i) or (ii) above:** No further comments offered

III. Signatories:

· **Vivek Talwar -Managing Director**:

· Ashok Kumar Goyal – **CEO:**

· Bhaskar G Borkar – CFO

· Pradeep Saxena - Audit Committee Chairman:

For **A. Husein Noumanali & Co.**
Chartered Accountants
Firm Registration No. 107173W

(A. Husein Noumanali)
Proprietor
M. No. 14757

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Consolidated) Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2016

[*See* Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

Rs. in Lacs

Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
Turnover / Total income	78,869.63	78,869.63
Total Expenditure	84,887.40	104,582.40
Net Profit/(Loss) after Tax	(6,017.77)	(25,712.77)
Earnings Per Share	(11.00)	(47.01)
Total Assets	153,109.21	153,109.21
Total Liabilities	162,912.41	182,607.41
Net Worth	(9,803.20)	(29,498.20)
Any other financial item(s) (as felt appropriate by the management)	Nil	Nil

II. Audit Qualification (each audit qualification separately):

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b. **Type of Audit Qualification :** Qualified Opinion

c. **Frequency of qualification: R**epetitive since 31st March 2015

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· Ashok Kumar Goyal – **CEO:**

· Bhaskar G Borkar – CFO

· Pradeep Saxena - Audit Committee Chairman:

For **A. Husein Noumanali & Co.**
Chartered Accountants
Firm Registration No. 107173W

(A. Husein Noumanali)
Proprietor
M. No. 14757