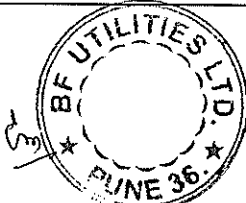


**ANNEXURE I**

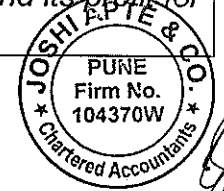
**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone and Consolidated separately) – for Consolidated Financial Results**

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]				
I	SI No	Particulars	Audited Figures (as reported before adjusting for qualifications) Rs. In Lacs	Adjusted Figures (audited figures after adjusting for qualifications) Rs. In Lacs
	1	Turnover / Total income	31604.41	31604.41
	2	Total Expenditure	31284.59	31284.59
	3	Net Profit/(Loss)	319.82	319.82
	4	Earnings Per Share	0.82	0.82
	5	Total Assets	223879.69	223879.69
	6	Total Liabilities	207593.45	207593.45
	7	Net Worth	16286.24	16286.24
	8	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil
II	A	<p>Details of Audit Qualification:</p> <p><b>Basis of Qualified Opinion</b></p> <p>1. As stated in Note No. 5, NECE has advanced an amount of Rs. 1,227,243,251 (Rs. 1,150,454,871 as at 31 March 2015) to Nandi Engineering Limited (NEL) for undertaking development of toll roads and townships and has given Inter-corporate deposits of Rs. 98,422,294 (Rs. 160,793,546 as at 31 March 2015) to NEL (including interest accrued but not due thereon of Rs. 11,678,748 (As at 31 March 2015 Rs. 10,793,546)), which remain outstanding at the balance sheet date of NECE. These have been considered as good and recoverable by the Management of NECE based on the future additional work expected to be contracted to NEL. In the absence of sufficient appropriate audit evidence to assess the recoverability of these advances and inter-corporate deposits, we are unable to form an opinion on the recoverability of the carrying value of these balances and consequent adjustment that may be required on the Statement.</p> <p><b>Qualified Opinion</b></p> <p>2. 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 matters described in the Basis for Qualified Opinion paragraph, the Statement is presented in accordance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March, 2016, and its profit for the year ended on that date.</p>		





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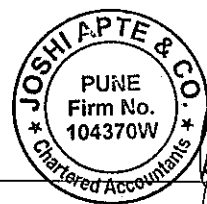
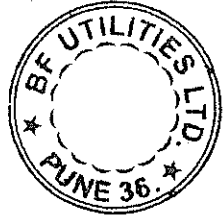


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*[Handwritten signature]*

B	<b>Type of Audit Qualification :</b> Qualified Opinion / Disclaimer of Opinion / Adverse Opinion – <i>Disclaimer of Opinion.</i>	
C	<b>Frequency of qualification:</b> Whether appeared first time / repetitive / since how long continuing – <i>2nd time – since September 30, 2015.</i>	
D	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: <i>Impact is not quantified by the auditor.</i>	
E	For Audit Qualification(s) where the impact is not quantified by the auditor:	
	(i) Management's estimation on the impact of audit qualification:	Unable to estimate impact.
	(ii) If management is unable to estimate the impact, reasons for the same:	Since the impact is contingent on the future additional work expected to be contracted by NECE to NEL, the impact can not be estimated
	(iii) Auditors' Comments on (i) or (ii) above:	i) Unable to estimate impact. ii) Since the impact is contingent on the future additional work expected to be contracted by NECE to NEL, the impact can not be estimated
III	<b>Signatories:</b>	
	CEO:	 B. S. Mitkari
	CFO:	 S. S. Joshi
	Audit Committee Chairman:	 S. S. Vaidya
	Statutory Auditor:	 Joshi Apte & Co.



Place : Pune  
Date : 6<sup>th</sup> August, 2016