



Excellence in Lighting



AUTOLITE (INDIA) LIMITED

D-469, Road No. 9A, V.K.I. Area, Jaipur - 302013, INDIA

Ph: 91-141-2333994/95/96, Fax: 91-141-2330426

E-Mail: info@autopal.com, Web: www.autopal.com

CIN : L31506RJ1977PLC001738

NO. AIL/SECR/2016-17/ 14
September 23, 2016

The Manager,
National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E) Mumbai - 400053

The Manager,
DCS – CRD,
Bombay Stock Exchange Limited,,
P.J. Towers, Dalal Street,
Mumbai – 400001

Stock Id: AUTOLITIND

Stock Id: 500029

Dear Sir,

Ref: SEBI letter No. CFD/CMD/PM/SIS/OW/20923/2016 dated July 25, 2016

Sub : Compliance of directions issued by SEBI in connection with furnishing the impact of Auditor's Qualifications on financial statements for the financial year 2012-13, 2013-14 and 2014-15

We are in receipt of above letter from SEBI requiring the Company to disclose the impact of Audit Qualifications on the financial results in terms of SEBI Circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016 read with SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2016.

In this regard, we are enclosing herewith the above disclosures for the financial year 2012-13, 2013-14 and 2014-15. Please note that we have already furnished the disclosure for the financial year 2015-16 along with financial results declared by the Company on June 2, 2016.

This is for your necessary reference and records.

Thanking you,

Yours faithfully,
For Autolite (India) Limited,



(VISHAL AGARWAL)
Company Secretary



Encl. As above

MPG
MP GUPTA GROUP





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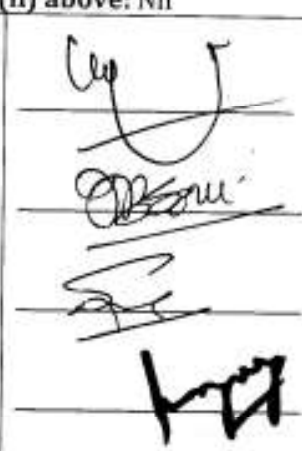
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CIN : L31506RJ1977PLC001738

ANNEXURE - 1

Statement on Impact of Audit Qualifications on Annual Audited Financial Results for the Financial year ended on March 31, 2013

(Rs. In Lacs except EPS)

Sl.No	Particulars	Audited Figures reported before adjusting for qualifications	(as for adjusted figures after adjusting for qualifications)
I	1. Turnover / Total income	11679	11679
	2. Total Expenditure	11607	12634
	3. Net Profit/(Loss) After Tax	72	(955)
	4. Earnings Per Share (EPS) (Rs.)	0.76	(10.10)
	5. Total Assets	7046.01	6018.62
	6. Total Liabilities	7046.01	6018.62
	7. Net Worth	3174.09	2146.70
	8. Any other financial item(s) (as felt appropriate by the management)	Nil	Nil
II	Audit Qualification (each audit qualification separately): a. Details of Audit Qualification: As per Audit Report b. Type of Audit Qualification : Qualified Report c. Frequency of qualification: Repetitive since financial year 2008-09 d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: As per attachment enclosed e. For Audit Qualification(s) where the impact is not quantified by the auditor: i. Management's estimation on the Impact of audit qualification: As per reply to qualification No. 4 ii. If management is unable to estimate the impact, reasons for the same: As per reply to qualification No. 4 iii. Auditors' Comments on (i) or (ii) above: Nil		
III	Signatories: Mahipal Gupta (Chairman & Managing Director) Inder Bhan Soni (CFO) Suraj Prakash Batra (Chairman of Audit Committee) For H.C Garg & Co. Madhukar Garg Proprietor (Statutory Auditor)	  	

MPG

Place: Jaipur
Date: 16.08.2016

MP GUPTA GROUP





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Attachment

Reply to Auditor's qualifications:

Auditor qualification no: 1

The Company has credited Rs.317.52 Lacs in earlier years and Rs. 59.83 Lacs in 2012-13 for export incentives and other incentives in Profit & Loss Account on estimated basis which are related to earlier year as well as for Current year. The concerned department has not accepted the claim. The Company is in the process to provide desired information. Further, no payment has been received upto 31.03.2013 against export incentives so credited

Management reply to Auditor's Qualification:

The Company has recognized export incentive receivable on accrual basis as per prevailing provisions of the export incentive schemes announced by the Government of India for export promotion. The Company has availed export claim amount of Rs. 47.66 Lacs from the Government out of earlier year's claim of Rs. 365.18 Lacs. For balance amount claim, Company is in process of providing various documents, clarifications and explanations as and when required by the Government Authorities and Company hopes to get remaining claims settled with the Government Authorities very soon.

Auditor qualification no: 2

No Provision for doubtful advance against job work for Rs. 560.04 Lacs, to a Company which is registered as Sick unit with Board for Industrial and Financial Reconstruction has been made in Profit and Loss Account.

Management reply to Auditor's Qualification:

With regard to the advance made to a company which is registered with Board for Industrial and Financial Reconstruction (BIFR) against which no provision was made, we wish to state that the Company is doing job work exclusively for Autolite (India) Limited on regular basis for last many years and the manufacturing facilities are exclusively dedicated for the job work of Autolite (India) Limited. As Hon'ble BIFR has not passed the order, the management is unable to quantify the sacrifice which the Company may have to make. The Company will recover the amount as per the scheme as and when sanctioned by Hon'ble BIFR and remaining amount will be written off in due course.

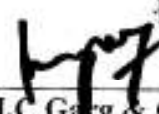

Mahipal Gupta
Chairman and
Managing Director

MPG
MP GUPTA GROUP


Inder Bhan Soni
Chief Financial
Officer




Suraj Prakash Batra
Chairman of Audit
Committee


For H.C Garg & Co.
Madhukar Garg
Chartered Accountants
(Statutory Auditor)



Auditor qualification no: 3

(i) The Company has lodged claims for development cost for Rs. 252.00 Lacs and for dues against supplies for Rs. 3.16 Lacs on Pal Peugeot Limited, Mumbai, before Receiver, High Court of Mumbai on 03.06.2004 under suit No. 3636 CR 1999 and further the claim was also filed before Official Liquidator, Mumbai on 23.09.2006.

As per the information received the land of Pal Peugeot Limited is disposed-off by the Receiver/Official Liquidator and amount realized is Rs.726.00 Crore and settlement of claim process will start soon.

(ii) The Company has lodged criminal suit for loss on account of Debit of Duty Free Licenses and clearing charged for Rs.62.00 Lacs on M/s. Megha Enterprises, Mumbai.

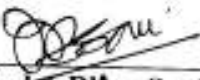
To recover the above amount the Company has lodged an FIR before the authorities.

In view of the above the Management on the basis of legal opinion, is of the view that Rs.90.00 Lacs (which has been in credited in earlier years) is expected to be recovered from both the parties and accordingly considered as claim receivable, but no amount has been recovered till date.

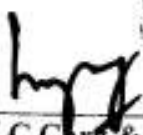
Management reply to Auditor's Qualification:

Regarding the observations made by Auditors for claim receivable of Rs. 90 Lacs, we comment that Company has lodged claims of development cost and also the supplies against Pal Peugeot Limited, Mumbai with receiver/ Official Liquidator attached to Bombay High Court. The Claim is under process and the Company hopes to get the amount of claims on final decision of Bombay High Court in respect of settlement of claims against Pal Peugeot Limited. Further, company has filed criminal suit in the court against Megha Enterprises for loss of duty free license benefit and hopes to recover the same. Based on the legal opinion, Management is of the view that Company shall be able to recover the amount in near future and as such it was recognized as claims receivable.


Mahipal Gupta
Chairman and
Managing Director


Inder Bhan Soni
Chief Financial
Officer


Suraj Prakash Batra
Chairman of Audit
Committee


For H.C Garg & Co.
Madhukar Garg
Chartered Accountants
(Statutory Auditor)



Auditor qualification no: 4

No impact was taken in the books for deferred tax assets/liabilities

Management reply to Auditor's Qualification:

Regarding the observations made by Auditors for the Accounting Standard AS-22 (Accounting for Taxes on Income), we comment that the Company is paying its tax liability calculated as per the provisions of MAT under Section 115JB of Income Tax Act, 1961. The deferred tax assets and liabilities arises on account of timing difference of some of the items which has been mentioned in the Income Tax Act and are notional items which do not have any bearing on the profitability of the Company. Therefore, its impact, if taken in the books of accounts, it will not have any bearing on any profitability of the Company. Further, there is no convincing evidence of virtual certainty of realization of deferred tax asset arising out of timing difference.


Mahipal Gupta
Chairman and
Managing Director


Inder Bhan Soni
Chief Financial
Officer


Suraj Prakash Batra
Chairman of Audit
Committee


For H.C Garg & Co.
Madhukar Garg
Chartered Accountants
(Statutory Auditor)



ANNEXURE - 1

**Statement on Impact of Audit Qualifications on Annual Audited Financial Results
for the Financial year ended on March 31, 2014**

(Rs. In Lacs except EPS)

Sl.No	Particulars	Audited Figures reported before adjusting for qualifications	(as for Adjusted Figures (audited figures after adjusting for qualifications)
I	1. Turnover / Total income	11525	11525
	2. Total Expenditure	11462	12636
	3. Net Profit/(Loss) After Tax	63	(1111)
	4. Earnings Per Share (EPS) (Rs.)	0.67	(11.73)
	5. Total Assets	7747.04	6573.18
	6. Total Liabilities	7747.04	6573.18
	7. Net Worth	3292.86	2119.00
	8. Any other financial item(s) (as felt appropriate by the management)	Nil	Nil
II	Audit Qualification (each audit qualification separately): a. Details of Audit Qualification: As per Audit Report b. Type of Audit Qualification : Qualified Report c. Frequency of qualification: Repetitive since financial year 2008-09 d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: As per attachment enclosed f. For Audit Qualification(s) where the impact is not quantified by the auditor: i. Management's estimation on the impact of audit qualification: As per reply to qualification No. 5 ii. If management is unable to estimate the impact, reasons for the same: As per reply to qualification No. 5 iii. Auditors' Comments on (i) or (ii) above: Nil		
III	Signatories: Mahipal Gupta (Chairman & Managing Director) Inder Bhan Soni (CFO) Suraj Prakash Batra (Chairman of Audit Committee) For H.C Garg & Co. Madhukar Garg Proprietor (Statutory Auditor)	  	
	Place: Jaipur Date: 16.08.2016		

Attachment

Reply to Auditor's qualifications:

Auditor qualification no: 1

The Company has credited Rs.308.68 Lacs in earlier years for export incentives in Profit & Loss Account on estimated basis. The concerned department has not accepted the claim. The Company is in the process to provide desired information. Further, no payment has been received upto 31.03.2014 against export incentives so credited

Management reply to Auditor's Qualification:

The Company has recognized export incentive receivable on accrual basis as per prevailing provisions of the export incentive schemes announced by the Government of India for export promotion. The Company has availed export claim in the year 2013-14 pertaining to earlier years from the Government. For balance amount claim of Rs. 308.68 Lacs, Company is in process of providing various documents, clarifications and explanations as and when required by Government Authorities and Company hopes to get remaining claims settled with the Government Authorities very soon.

Auditor qualification no: 2

No Provision for doubtful advance against job work for Rs. 575.79 Lacs, to a Company which is registered as Sick unit with Board for Industrial and Financial Reconstruction has been made in Profit and Loss Account.

Management reply to Auditor's Qualification:

With regard to the advance made to a company which is registered with Board for Industrial and Financial Reconstruction (BIFR) against which no provision was made, we wish to state that the Company is doing job work exclusively for Autolite (India) Limited on regular basis for last many years and the manufacturing facilities are exclusively dedicated for the job work of Autolite (India) Limited. As Hon'ble BIFR has not passed the order, the management is unable to quantify the sacrifice which the Company may have to make. The Company will recover the amount as per the scheme as and when sanctioned by Hon'ble BIFR and remaining amount will be written off in due course.


Mahipal Gupta
Chairman and
Managing Director

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Chief Financial
Officer


Suraj Prakash Batra
Chairman of Audit
Committee


For H.C Garg & Co.
Madhukar Garg
Chartered Accountants
(Statutory Auditor)



Auditor qualification no: 3

(i) The Company has lodged claims for development cost for Rs. 252.00 Lacs and for dues against supplies for Rs. 3.16 Lacs on Pal Peugeot Limited, Mumbai, before Receiver, High Court of Mumbai on 03.06.2004 under suit No. 3636 CR 1999 and further the claim was also filed before Official Liquidator, Mumbai on 23.09.2006.

As per the information received the land of Pal Peugeot Limited is disposed-off by the Receiver/Official Liquidator and amount realized is Rs.726.00 Crore and settlement of claim process will start soon.

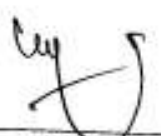
(ii) The Company has lodged criminal suit for loss on account of Debit of Duty Free Licenses and clearing charged for Rs.62.00 Lacs on M/s. Megha Enterprises, Mumbai.

To recover the above amount the Company has lodged an FIR before the authorities.

In view of the above the Management on the basis of legal opinion, is of the view that Rs.90.00 Lacs (which has been in credited in earlier years) is expected to be recovered from both the parties and accordingly considered as claim receivable, but no amount has been recovered till date.

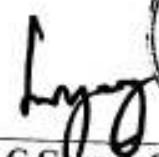
Management reply to Auditor's Qualification:

Regarding the observations made by Auditors for claim receivable of Rs. 90 Lacs, we comment that Company has lodged claims of development cost and also the supplies against Pal Peugeot Limited, Mumbai with receiver/ Official Liquidator attached to Bombay High Court. The Claim is under process and the Company hopes to get the amount of claims on final decision of Bombay High Court in respect of settlement of claims against Pal Peugeot Limited. Further, company has filed criminal suit in the court against Megha Enterprises for loss of duty free license benefit and hopes to recover the same. Based on the legal opinion, Management is of the view that Company shall be able to recover the amount in near future and as such it was recognized as claims receivable.


Mahipal Gupta
Chairman and
Managing Director


Inder Bhan Soni
Chief Financial
Officer


Suraj Prakash Batra
Chairman of Audit
Committee


For H.C. Garg & Co.
Madhukar Garg
Chartered Accountants
(Statutory Auditor)



Auditor qualification no: 4

The Company has treated Deferred Revenue Expenditure for Rs199.39 Lacs as asset in Balance Sheet. These expenditure are related to years upto 31.03.2013. The accounting policy adopted by the Company is contrary to the treatment prescribed in AS-26 (Intangible Assets) which require such expenditure to be written off in Profit & Loss Statement in the year of incurring expenditure.

Management reply to Auditor's Qualification:

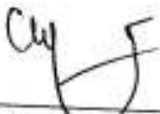
Regarding the observations made by Auditors for the Accounting Standard AS-26 (Intangible Assets), we comment that the Company had treated new export development expenses through participation in Foreign Trade Fairs, New product development and technical know how as deferred revenue expenses whose benefit shall accrue to the Company over a period of time. Hence, management had treated these expenses as deferred revenue expenses which are to be amortized in subsequent five years. Now, due to change in Accounting Standard on Deferred Revenue Expenditure issued by The Institute of Chartered Accountants of India, the Deferred Revenue Expenditure are to be booked in full in the year of its incurrence of the expenditure without any carry forward for future period. Deferment of DRE is now not allowed as per change in Accounting Standard. During the year, the Company has not booked any expenditure on DRE account and also proportionately writing off the earlier years DRE in the books of accounts. However, balance of earlier years DRE for writing off remained Rs. 199.39 Lacs which Company shall write off in the financial year 2014-15.

Auditor qualification no: 5

No impact was taken in the books for deferred tax assets/liabilities

Management reply to Auditor's Qualification:

Regarding the observations made by Auditors for the Accounting Standard AS-22 (Accounting for Taxes on Income), we comment that the Company is paying its tax liability calculated as per the provisions of MAT under Section 115JB of Income Tax Act, 1961. The deferred tax assets and liabilities arises on account of timing difference of some of the items which has been mentioned in the Income Tax Act and are notional items which do not have any bearing on the profitability of the Company. Therefore, its impact, if taken in the books of accounts, it will not have any bearing on any profitability of the Company. Further, there is no convincing evidence of virtual certainty of realization of deferred tax asset arising out of timing difference.


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ANNEXURE - 1

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(Rs. In Lacs except EPS)

Sl.No	Particulars	Audited Figures reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
I	1. Turnover / Total income	12275	12275
	2. Total Expenditure	12240	13449
	3. Net Profit/(Loss) After Tax	35	(1174)
	4. Earnings Per Share (EPS) (Rs.)	0.35	(11.77)
	5. Total Assets	8255.72	7046.65
	6. Total Liabilities	8255.72	7046.65
	7. Net Worth	3382.66	2173.59
	8. Any other financial item(s) (as felt appropriate by the management)	Nil	Nil
II	Audit Qualification (each audit qualification separately): a. Details of Audit Qualification: As per Audit Report b. Type of Audit Qualification : Qualified Report c. Frequency of qualification: Repetitive since financial year 2008-09 d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: As per attachment enclosed e. For Audit Qualification(s) where the impact is not quantified by the auditor: g. For Audit Qualification(s) where the impact is not quantified by the auditor: i. Management's estimation on the impact of audit qualification: As per reply to qualification No. 5 ii. If management is unable to estimate the impact, reasons for the same: As per reply to qualification No. 5 iii. Auditors' Comments on (i) or (ii) above: Nil		
III	Signatories: Mahipal Gupta (Chairman & Managing Director) Inder Bhan Soni (CFO) Suraj Prakash Batra (Chairman of Audit Committee) For H.C Garg & Co. Madhukar Garg Proprietor (Statutory Auditor)	 	
MPG Place: Jaipur Date: 16.08.2016 MP GUPTA GROUP			



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Attachment

Reply to Auditor's qualifications:

Auditor qualification no: 1

The Company has credited Rs.308.68 Lacs in earlier years for export incentives in Profit & Loss Account on estimated basis. The concerned department has not accepted the claim. The Company is in the process to provide desired information. Further, no payment has been received upto 31.03.2015 against export incentives so credited

Management reply to Auditor's Qualification:

The Company has recognized export incentive receivable on accrual basis as per prevailing provisions of the export incentive schemes announced by the Government of India for export promotion. The Company has availed export claim in the year 2015-16 pertaining to earlier years from the Government. For balance amount claim of Rs. 308.68 Lacs, Company is in process of providing various documents, clarifications and explanations as and when required by Government Authorities and Company hopes to get remaining claims settled with the Government Authorities very soon.

Auditor qualification no: 2

No Provision for doubtful advance against job work for Rs. 610.99 Lacs, to a Company which is registered as Sick unit with Board for Industrial and Financial Reconstruction has been made in Profit and Loss Account.

Management reply to Auditor's Qualification:

With regard to the advance made to a company which is registered with Board for Industrial and Financial Reconstruction (BIFR) against which no provision was made, we wish to state that the Company is doing job work exclusively for Autolite (India) Limited on regular basis for last many years and the manufacturing facilities are exclusively dedicated for the job work of Autolite (India) Limited. As Hon'ble BIFR has not passed the order, the management is unable to quantify the sacrifice which the Company may have to make. The Company will recover the amount as per the scheme as and when sanctioned by Hon'ble BIFR and remaining amount will be written off in due course.


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Auditor qualification no: 3

(i) The Company has lodged claims for development cost for Rs. 252.00 Lacs and for dues against supplies for Rs. 3.16 Lacs on Pal Peugeot Limited, Mumbai, before Receiver, High Court of Mumbai on 03.06.2004 under suit No. 3636 CR 1999 and further the claim was also filed before Official Liquidator, Mumbai on 23.09.2006.

As per the information received the land of Pal Peugeot Limited is disposed-off by the Receiver/Official Liquidator and amount realized is Rs.726.00 Crore and settlement of claim process will start soon.

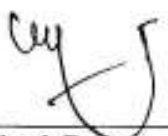
(ii) The Company has lodged criminal suit for loss on account of Debit of Duty Free Licenses and clearing charged for Rs.62.00 Lacs on M/s. Megha Enterprises, Mumbai.

To recover the above amount the Company has lodged an FIR before the authorities.

In view of the above the Management on the basis of legal opinion, is of the view that Rs.90.00 Lacs (which has been in credited in earlier years) is expected to be recovered from both the parties and accordingly considered as claim receivable, but no amount has been recovered till date.

Management reply to Auditor's Qualification:

Regarding the observations made by Auditors for claim receivable of Rs. 90 Lacs, we comment that Company has lodged claims of development cost and also the supplies against Pal Peugeot Limited, Mumbai with receiver/ Official Liquidator attached to Bombay High Court. The Claim is under process and the Company hopes to get the amount of claims on final decision of Bombay High Court in respect of settlement of claims against Pal Peugeot Limited. Further, company has filed criminal suit in the court against Megha Enterprises for loss of duty free license benefit and hopes to recover the same. Based on the legal opinion, Management is of the view that Company shall be able to recover the amount in near future and as such it was recognized as claims receivable.


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For H.C Garg & Co.
Madhukar Garg
Chartered Accountants
(Statutory Auditor)



Auditor qualification no: 4

The Company has treated Deferred Revenue Expenditure for Rs199.40 Lacs as asset in Balance Sheet. These expenditure are related to years upto 31.03.2013. The accounting policy adopted by the Company is contrary to the treatment prescribed in AS-26 (Intangible Assets) which require such expenditure to be written off in Profit & Loss Statement in the year of incurring expenditure.

Management reply to Auditor's Qualification:

Regarding the observations made by Auditors for the Accounting Standard AS-26 (Intangible Assets), we comment that the Company had treated new export development expenses through participation in Foreign Trade Fairs, New product development and technical know how as deferred revenue expenses whose benefit shall accrue to the Company over a period of time. Hence, management had treated these expenses as deferred revenue expenses which are to be amortized in subsequent five years. Now, due to change in Accounting Standard on Deferred Revenue Expenditure issued by The Institute of Chartered Accountants of India, the Deferred Revenue Expenditure are to be booked in full in the year of its incurrence of the expenditure without any carry forward for future period. Deferment of DRE is now not allowed as per change in Accounting Standard. During the year, the Company has not booked any expenditure on DRE account. However, balance of earlier years DRE for writing off remained Rs. 199.40 Lacs which Company shall write off in the financial year 2015-16.

Auditor qualification no: 5

No impact was taken in the books for deferred tax assets/liabilities

Management reply to Auditor's Qualification:

Regarding the observations made by Auditors for the Accounting Standard AS-22 (Accounting for Taxes on Income), we comment that the Company is paying its tax liability calculated as per the provisions of MAT under Section 115JB of Income Tax Act, 1961. The deferred tax assets and liabilities arises on account of timing difference of some of the items which has been mentioned in the Income Tax Act and are notional items which do not have any bearing on the profitability of the Company. Therefore, its impact, if taken in the books of accounts, it will not have any bearing on any profitability of the Company. Further, there is no convincing evidence of virtual certainty of realization of deferred tax asset arising out of timing difference.



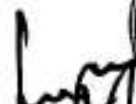
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For H.C Garg & Co.
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