

1. Name of the Company:	TPI INDIA LIMITED
2. Annual financial statements for the year ended 31st March .....	31 <sup>st</sup> March, 2016
3. Type of Audit qualification Qualified	<p>a) Trade receivables, Trade Payables, Current and non-current liabilities, loans &amp; Advances given and taken are subject to confirmations, reconciliation and adjustments and provisions, if any.</p> <p>b) Interest on differed sales tax liability of Rs. 120.65 lacs have not been provided for.</p> <p>a) Company has accepted deposits from public without complying the provisions of Sec 58 A.</p> <p>b) Undisputed and disputed statutory dues are not provided for.</p>
4. Frequency of qualification Whether appeared first time .... / repetitive .... / since how long period .....	Frequency – since 2008



5. Draw attention to relevant notes in the annual financial statements And Management response to the qualification in the directors report: May give gist of qualifications/headings (Refer page numbers in the annual report) and management's response

- a) As regards doubtful debts, the Management is following up for recovery and hence considered debts as Good in Note 13 of the Audited Accounts(Refer Note 25(3) of Audited Accounts)
- b) For interest on deferred sales tax liability of Rs. 120.65 Lacs (Refer Note 25(20) of Audited Accounts). The Company is in the process of revising / amending Modified DRS seeking Relief for deferred payment over the period of five years from the date of sanction of Scheme.
- c) Regarding acceptance of deposit, The Company has taken unsecured loan for working capital requirement from friends and relatives. However the interest is regularly paid and Maturity terms are not defined and hence such loans are not overdue. The Management is of the Opinion that since these loans are taken for revival of the Company, the lenient views will be taken by the relevant Authority. Further we have taken up relevant relief and concession in Modified DRS which is filed with BIFR.



d) For undisputed statutory dues on clause [7(b)(i)&(ii) of Auditors Report, the Assessment has been done by Joint Commission of Sales Tax and The Company is in the process of revising / amending its Modified DRS including principal as well as additional demand for being set off against un-availed sales tax deferral limit of Rs. 524.60 Lac and the payment thereof in the period of five year from the date of sanction.

e) Disputed tax liability of Income On account of penalty, appeal has been made to the concerned Appellate Authority and The Company being Sick Industrial Company, penalties are exempted u/s 22 of SICA

f) For the Disputed Custom Duly liability on account of non-redemption of Advance License, the Appeal has been made before the relevant Appellate Authority as well as relief had been sought before BIFR for direction to the DGFT to accept to the DGFT to accept the documents being proof of Export against Advance License and redeem the same. Further the Liabilities is the nature of Penalty the same stands waived for us being Sick Company.



<p>6. Additional comments from the This may relate to nature of the Page 6 of 6 board/audit committee chair: qualification including materiality, agreement/disagreement on the qualification, steps taken to resolve the qualification, etc.</p>	<p><b>g) The Disputed Custom Duty for Dues of Rs. 27.69 lac as Duty, for the financial year 2008-09, the Appeal has been made with CESTAT, and the Company is waiting for the hearing in the said matter.</b></p> <p><b>h) There is un-utilized Sales Tax Amount of Rs. 524.60Lacs for which the relief is sought for further period of 7 years for its utilisation on page no. 15 of sanctioned Scheme SS-10 on page no. 15</b></p> <p><b>i) The Company has received in principle approval for revocation of suspension of Trading. The Company is in the process of compliance mentioned therein for trading permission</b></p> <p><b>j) In the Modified Draft Rehabilitation Scheme, the relief is sought for exemption from Applicability of MAT upto Rs. 354.09 lac as well as to allow the tax benefit under section 72 of the Income Tax Act, 1961 to carry forward un-absorbed business losses without any limitation period including business loss</b></p>
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k) SICOM Investment and Finance Limited (SIFL) has invested Rs. 300 Lac into the Equity of the Company, but the allotment is pending for the relevant approval of BIFR under SEBI for preferential allotment and there is no opponent to this relief. On BIFR allowed this allotment not only the Company's net worth will be positive, but also the Promoters' Equity Stake goes below 75% in compliance of 40A

To be signed by-

Managing Director

CFO

Auditor of the company

Audit Committee Chairman"

*Bareh*  
*Bareh*



BHARAT  
RAMANLAL DALAL

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*Vanshath*

