



**W.S. INDUSTRIES (INDIA) LIMITED**

54<sup>th</sup>  
Annual Report  
2016-2017



**BOARD OF DIRECTORS**

- ▶ **Chairman** Mr. V.Srinivasan (*upto 25<sup>th</sup> July 2017*)
- ▶ **Directors** Mr. R.Karthik  
Mr. J. Sridharan  
Mr. K.Rajasekar
- ▶ **Company Secretary** Ms. Hema Pasupatheeswaran (*upto 31<sup>st</sup> August 2016*)
- ▶ **Chief Financial Officer and Compliance Officer** Mr. B. Swaminathan
- ▶ **Bankers** Punjab National Bank  
Indian Overseas Bank  
State Bank of India
- ▶ **Auditors** M/s. S.Viswanathan LLP, *Chartered Accountants*  
17, Bishop Wallers Avenue (West)  
CIT Colony, Mylapore,  
Chennai - 600 004.
- ▶ **Registered Office** 108, Mount Poonamallee Road,  
Porur, Chennai - 600 116.  
Phone : 91-44-6650 0811  
Fax : 91-44-6650 0882

---

<b>Content</b>	<b>Page Nos.</b>
Notice	2 - 8
Boards' Report & Its Annexures	9 - 45
Auditors' Report	46 - 53
Balance Sheet	54
Statement of Profit and Loss	55
Cash Flow Statement	56 - 57
Notes	58 - 76
Consolidated Accounts	77 - 96

# **W.S. INDUSTRIES (INDIA) LIMITED**

---

## **W.S.INDUSTRIES (INDIA) LIMITED**

CIN: L29142TN1961PLC004568

Registered Office : 108, Mount Poonamallee Road, Porur, Chennai - 600 116.

### **NOTICE**

NOTICE is hereby given that the 54<sup>th</sup> Annual General Meeting (AGM) of the Company will be held on Tuesday, the 14<sup>th</sup> November 2017, at 4.35 P.M. at Asha Nivas Social Service Centre, 9, Rutland Gate, 5<sup>th</sup> Street, Chennai – 600 006, to transact the following business:

#### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2017 and Statement of Profit and Loss for the year ended on that date together with the Board's Report and Auditors' Report.
2. To appoint the Statutory Auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the 59<sup>th</sup> AGM and to fix their remuneration and to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Sections 139,142 and other applicable provisions, if any, of the Companies Act 2013 and the rules made thereunder, as amended from time to time, pursuant to the proposal of the Audit Committee of the Board and recommendation of the Board M/s. S B S B and Associates, Chartered Accountants, Chennai, (Firm Registration No.012192S) be and is hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this 54<sup>th</sup> Annual General Meeting to the conclusion of the 59<sup>th</sup> Annual General Meeting (subject to ratification of the appointment by the members at every AGM held after this AGM) and on such remuneration plus applicable taxes, reimbursement of out-of-pocket expenses in connection with the audit as the Board of Directors may fix in this behalf.”

#### **SPECIAL BUSINESS**

3. Appointment of Mr.Jayaraman Sridharan as Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”), Mr. Jayaraman Sridharan (DIN 07720632), who was appointed as an Additional Director Non Executive Independent Director of the Company by the Board of Directors and whose term of office expires at this AGM and in respect of whom the Company has received a Notice from a Member along with the deposit of the requisite amount under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years commencing from 21<sup>st</sup> August 2017.”

BY ORDER OF THE BOARD  
For W.S. INDUSTRIES (INDIA) LIMITED

R. KARTHIK  
DIRECTOR

Place: Chennai  
Date: 3<sup>rd</sup> October 2017



---

NOTES:

1. A Statement pursuant to Section 102(1) of the Companies Act 2013 in respect of the business under Item No.2 and 3 of above is annexed hereto.
2. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy, or, where that is allowed, one or more proxies, to attend and vote instead of himself, and that a proxy need not be a member. Proxies, to be effective, must be received by the Company not less than 48 hours before the meeting.
3. Pursuant to provisions of Section 105 of the Companies Act, 2013, read with the applicable rules thereon, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy, who shall not act as a proxy for any other member.
4. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
5. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
6. Members are requested to bring their copies of Annual Report to the Meeting. In order to enable us to register your attendance at the venue of the Annual General Meeting, members are requested to please bring their folio number/ demat account number/DP ID-Client ID to enable us to provide a duly filled attendance slip for your signature and participation at the meeting.
7. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. The Register of Members and Share Transfer Books of the Company will remain closed from 8<sup>th</sup> November 2017 to 14<sup>th</sup> November 2017 (both days inclusive).
9. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Companies (Management and Administration Rules), 2014, companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the Company or with the Depository. To support the 'Green Initiative' Members who have not registered their e-mail address with the Company are requested to submit their request with their valid e-mail address to M/s.Integrated Registry Management Services Private Limited, 2<sup>nd</sup> Floor, `Kences Towers', No.1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai – 600 017.
10. Members holding shares in demat form are requested to register/update their e-mail address with their Depository Participant(s) directly. Members of the Company, who have registered their email-address, are entitled to receive such communication in physical form upon request.
11. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the registered office of the Company during business hours except on holidays, up to and including the date of the Annual General Meeting of the Company.
12. Pursuant to Section 108 of the Companies Act, 2013 read with related Rules and Regulation 44, SEBI Listing Obligation and Disclosure requirements, 2015, the Company is pleased to provide the facility of remote e-voting to all members as per the applicable Regulations

## **W.S. INDUSTRIES (INDIA) LIMITED**

---

relating to e-voting. A separate e-voting instructions slip has been sent explaining the process of e-voting with necessary user id and password along with procedure for such e-voting. Such remote e-voting facility is in addition to voting that may take place at the meeting venue on November 14, 2017. The Company has appointed Ms.Lakshmmi Subramanian, Partner M/s.Lakshmmi Subramanian & Associates, Practising Company Secretaries, to act as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner.

13. Shareholders are requested to note that no claim shall lie against the Company in respect of any amounts which were unclaimed and unpaid for a period of 7 years and transferred to Investor Education and Protection Fund of the Central Government. However, Shareholders may claim from IEPF Authority unclaimed dividend amount transferred to IEPF Suspense Account as per the applicable provisions of Companies Act, 2013 and rules made thereunder.
14. A sum of ₹ 3,39,133/- has been transferred to the Investor Education and Protection Fund in the year 2016-2017 towards unclaimed/unpaid dividend declared during 2009.

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

#### **Item No. 2**

Section 139 of the Companies Act 2013 lays down the criteria for appointment and mandatory rotation of statutory auditors. Pursuant to section 139 of the Act and rules made thereunder, it is mandatory to rotate the statutory auditors on completion of two terms of five consecutive years. Accordingly, the term of the existing Statutory Auditors, M/s.S.Viswanathan LLP, Chartered Accountants is coming to end.

The Audit Committee of the Company has proposed and the Board has recommended the appointment of M/s. S B S B and Associates, Chartered Accountants as statutory auditors of the Company. M/s. S B S B and Associates, Chartered Accountants will hold office for a period of five consecutive years from the conclusion of the 54<sup>th</sup> Annual General Meeting of the company till the conclusion of the 59<sup>th</sup> Annual General Meeting. The first year of audit will be of the financial statements for the year ending 31<sup>st</sup> March 2018, which will include the audit of the quarterly financial statements for the year.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed item no. 2.

#### **Item No.3**

Based on the recommendation of the Nomination and Remuneration Committee, Mr. Jayaraman Sridharan was appointed as an Additional Director Non-Executive Independent w.e.f. 21<sup>st</sup> August 2017 in accordance with the provisions of Section 161, 149 of the Companies Act, 2013 to hold office for a period of five consecutive years, not liable to retire by rotation, subject to consent by the Members of the Company at the ensuing Annual General Meeting.

Pursuant to Section 161 of the Companies Act, 2013 the above director holds office up to the date of the Annual General Meeting. In this regard the Company has received a notice pursuant to Section 160 of the Companies Act, 2013 together with the requisite amount of deposit from a Member signifying his intention to propose the appointment of Mr.Jayaraman Sridharan as a Director of the Company. The Company has also received a declaration from Mr.Jayaraman Sridharan confirming that he meets the criteria of independence as prescribed under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



The disclosure required under Regulation 26(4) of Listing Regulations is given below:

Name of the Director	Mr. Jayaraman Sridharan
Date of birth	01/10/1954
Date of appointment	21/08/2017
Qualification & expertise	Mr. Jayaraman Sridharan is a graduate in commerce by qualification. He has had nearly thirty years of experience in the field of Banking, Financial Restructuring, Forex. His expertise and background will assist the Company in its restructuring process and implementation of the restructuring scheme so finalized.
Shareholding	Nil
Other Directorships	Nil
Membership of the Committees of the Board of other companies	Nil
Relationship with other Directors	Nil

Mr. Jayaraman Sridharan is not related to any other Director and Key Managerial Personnel of the Company.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested in the said resolution.

The Board recommends above resolution to be passed as an ordinary resolution.

BY ORDER OF THE BOARD  
For W.S. INDUSTRIES (INDIA) LIMITED

Place: Chennai  
Date: 3<sup>rd</sup> October 2017

R. KARTHIK  
DIRECTOR

### Route map of the AGM Venue

Venue: Asha Nivas Social Service Centre, 9, Rutland Gate, 5<sup>th</sup> Street, Chennai – 600 006,



## **E-Voting procedures**

### **E-Voting Instructions**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 read with related Rules and Regulation 44, SEBI Listing Obligation and Disclosure requirements, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 54<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through eVoting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through polling paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 10<sup>th</sup> November 2017 (9:00 am) and ends on 13<sup>th</sup> November 2017 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 7<sup>th</sup> November 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
  - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
    - (i) Open email and open PDF file viz; “remote e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
    - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
    - (iii) Click on Shareholder – Login
    - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
    - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
    - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
    - (vii) Select “EVEN” of “W.S.Industries (India) Limited”.
    - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
    - (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.



- 
- (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
  - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to lakshmmi6@gmail.com with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- B. In case a Member receives physical copy of the Notice of 54<sup>th</sup> AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:  
EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN
  - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote evoting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 7<sup>th</sup> November 2017.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 7<sup>th</sup> November 2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [corpserv@integratedindia.in](mailto:corpserv@integratedindia.in).
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the 54<sup>th</sup> AGM
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote evoting as well as voting at the AGM through ballot paper.
- XIII. Ms.Lakshmmi Subramanian, Partner M/s.Lakshmmi Subramanian & Associates, Practising Company Secretaries has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

## **W.S. INDUSTRIES (INDIA) LIMITED**

---

- XIV. The Chairman shall, at the 54<sup>th</sup> AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Poling Paper" for all those members who are present at the 54<sup>th</sup> AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the 54<sup>th</sup> AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Director or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company on 16<sup>th</sup> November 2017 and on the website of NSDL immediately after the declaration of result by the Director or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges where the shares of the Company are listed.



## BOARD'S REPORT 2016-17

The Members

Your Directors hereby present the Fifty Fourth Annual Report and the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March 2017. The salient highlights are provided in the table below:

(₹ in Million)

	For the period ended	
	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
Sales and other operational income	23.80	44.09
Other Income	488.35	7.00
Total Income	512.15	51.09
Gross Profit / (Loss) from Operations	99.97	(290.28)
Less : Depreciation	93.55	115.78
Interest /Finance Charges	36.60	12.93
Net Profit / (Loss) for the year	(30.18)	(418.99)
Tax Expenses : Current Tax and Deferred Tax	—	—
Net Profit /(Loss) for the year after Tax	(30.18)	(418.99)
Profit / (Loss) brought forward from the previous year	(2393.01)	(1974.01)
Surplus/(Deficit)/ carried to Balance Sheet	(2423.19)	(2393.01)

### 1. Results of our operations

During the year under review, production was suspended in the Chennai and Vizag plants. The Turnkey Projects business unit generated sales of ₹ 13.74 million and the sales relating to the Insulator Business was ₹ 10.06 million.

Under the "Other income" heading above, amount of ₹ 421.72 million relates to the change in the status of W.S. Electric Ltd. being no longer a subsidiary during the year due to fresh infusion of equity in addition to acquisition of 49.954% shareholding not held by W.S. T&D Ltd.

### 2. Dividend

No dividend has been proposed on the Equity shares due to loss.

The Directors also regret their inability to recommend any payment of contracted dividend on Preference Share Capital.

### 3. Reserves

Since the Company has suffered losses, no transfer to reserve is provided for.

### 4. Particulars of loans, guarantees or investments

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the Financial Statements provided in this Annual Report.

## **W.S. INDUSTRIES (INDIA) LIMITED**

---

### **5. Transfer of unpaid Dividend to Investor Education and Protection Fund**

During the year, your Company has transferred ₹ 3,39,133/- to the Investor Education and Protection Fund. These amounts were lying unclaimed/ unpaid with the Company for a period seven years after declaration of Dividend for the Financial Year ended 2009.

### **6. Fixed Deposits**

Your Company has not accepted any deposits from public in terms of provisions of Companies Act, 2013.

### **7. Corporate Governance**

A separate report on Corporate Governance along with a Certificate of Compliance forms part of this report vide Annexure – 1.

### **8. Subsidiaries**

During the period under review, your Board of Directors have reviewed the Financial Statements of W.S. T&D Limited (100% subsidiary) and W.S.Electric Limited (Step Subsidiary). During the year as indicated above, there was a change in the status of W.S.Electric Ltd, being no longer a subsidiary as on 29<sup>th</sup> December, 2016.

Your Company has, in accordance with Section 129 (3) of the Companies Act 2013 prepared the Consolidated Financial Statements for the Financial Year ended 31<sup>st</sup> March 2017, which forms part of the Annual Report. Further the statement containing the salient features of the Financials of the subsidiaries in the Form AOC 1 is attached as Annexure 2 to this Report.

In accordance with Section 136 of the Companies Act 2013, the audited consolidated and standalone financial statements are available on our website [www.wsindustries.in/KYC](http://www.wsindustries.in/KYC).

### **9. Related Party Transactions.**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions during the year, which in the opinion of the Board may have potential conflicts with the larger interests of the Company. The details of transactions with related parties have been disclosed in form AOC-2 as Annexure 3 and form part of this Annual Report.

The policy on related party transactions is available in the Company's website.

### **10. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

Since production activity was suspended in both the plants, we are unable to report on the particulars prescribed under Section 134 of the Companies Act, 2013 read with rule 8 (3) of the Companies (Accounts) Rules, 2014, relating to conservation of energy and technology absorption.

Foreign Exchange Earnings:

Foreign Exchange Inward – NIL

Foreign Exchange Outward – NIL

### **11. Extract of Annual Return**

As provided under section 92 (3) of the Companies Act 2013, the extract of Annual Return of the Company is annexed herewith as Annexure 4 in the prescribed Form MGT 9 which forms part of this Report.



---

## **12. Material changes and commitment affecting financial position between the Financial Year ended 31<sup>st</sup> March 2017 and the date of this Report**

There are no material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report; and there are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

## **13. Risk Management Policy**

The Board had established a Risk Management Policy which formalizes the Company's approach to overview and manage material business risks.

## **14. Corporate Social Responsibility**

Section 135 of the Companies Act 2013 pertaining to Corporate Social Responsibility is not applicable in our case.

## **15. Internal Financial Controls**

Your Company has internal financial controls with respect to financial reporting.

## **16. Directors and Key Managerial Personnel (KMP)**

Mr. Jayaraman Sridharan was appointed as an Additional Director Non Executive Independent Director of the Company by the Board of Directors on 21<sup>st</sup> August 2017 whose term of office expires at this AGM. The Company has received a Notice from a Member along with the deposit of the requisite amount for appointment as Independent Director and the same is being placed before the Annual General Meeting for approval of the shareholders. A brief profile of Mr. Jayaraman Sridharan is provided under the Corporate Governance Report and in the Notice of the Annual General Meeting.

Mr. V. Srinivasan erstwhile Chairman and Director of the Company passed away on 25<sup>th</sup> July 2017. The Board places on record the invaluable contribution of Mr. V. Srinivasan as one of the founders of the Company and his able direction and stewardship.

Mr. R. Karthik has been appointed as an Additional Director and at the Annual General Meeting held on 28<sup>th</sup> December 2016 shareholders appointed him as an Independent Director of the Company for a term of 5 years.

Mrs. Hema Pasupatheeswaran resigned as Company Secretary on 31<sup>st</sup> August 2016. Mr. B. Swaminathan designated as Compliance Officer of the Company.

Mr. B. Swaminathan is Chief Financial Officer of the Company.

No employee draws remuneration in excess of the limits prescribed under Rule 5(2) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Remuneration drawn by KMP remains unchanged from the previous year. Therefore details pertaining to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 have not been provided.

## **17. Declaration by Independent Directors:**

The Company has received necessary declarations from each Independent Director under Section 149(7) of the Companies Act, 2013, that he meets the criteria of Independence laid

## **W.S. INDUSTRIES (INDIA) LIMITED**

---

down in and Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **18. Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Boards' performance and performance of the Non-independent Director were considered/evaluated by the independent directors at their meeting without the participation of the non-independent director and key managerial personnel. The Board has carried out an annual appropriate evaluation of its own performance, the directors individually as well as the evaluation of the working of its various committees.

### **19. Meetings of the Board**

The details of the number of meetings of the Board held during the Financial Year 2016-17 along with attendance details of each director, forms part of the Corporate Governance Report of this Annual Report.

### **20. Committees**

The details regarding Committees of Board of Directors of the Company are given in the Corporate Governance Report of this Annual Report.

### **21. Auditors**

#### **Statutory Auditors**

M/s.S.Viswanathan LLP, Chartered Accountants, retire at this Annual General Meeting and since their term comes to an end under the Companies Act 2013, the Board of Directors at its meeting held on 30<sup>th</sup> May 2017 have recommended appointment of M/s.S B S B and Associates, Chartered Accountants, as the Statutory Auditors of the Company in the place of M/s.S.Viswanathan LLP, Chartered Accountants, existing Statutory Auditors of the Company subject to the approval of the shareholders. In terms of provisions of section 139 of the Companies Act, 2013 M/s. S B S B and Associates, Chartered Accountants have furnished a certificate that their appointment, if made, will be within the limits prescribed under the said section of the Act.

With reference to the Auditor's Report issued by M/s.S.Viswanathan LLP, Chartered Accountants, the explanation/comments against each Disclaimer of opinion and Emphasis of matter is annexed herewith as "Annexure – 5"

#### **Secretarial Auditor**

Pursuant to the requirements of Section 204 (1) of the companies Act 2013 read with rules made thereunder, Ms.Lakshmmi Subramanian (Membership No. 3534 CP No. 1087), Partner, M/s.Lakshmmi Subramanian & Associates, was appointed as the Secretarial Auditor to conduct the Secretarial Audit of the Company for the Financial Year 2016-17. The Report of the Secretarial Auditor is enclosed as Annexure 6 to this Report.

### **22. General**

The Company is in the process of implementing settlements with the surplus workers / executives both at Chennai and Vizag plants.

The Company has, in accordance with the generally accepted accounting practice, disclosed the impact of pending litigations on its financial position in its financial statements.



---

### **23. Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013**

During the year under review, there were no complaints under this Act.

### **24. Management Discussion and Analysis Report.**

The difficulties faced by the Company in recent past, have been primarily caused by steep rise in the price of raw material coupled with reduction in sales volume, higher competition in the industry, dumping by foreign competitors and economic slowdown, which all resulted in a liquidity crunch.

Due to financial distress, your Company has not been able to keep obligations in respect of Banks/Financial institutions/ NCD holders.

Due to mounting losses, lack of working capital and other support, activities have been sharply reduced and company had suspended manufacturing operations at both plants.

As reported last year, trespass had taken place in part of the premises of the factory at Chennai.

Attention is drawn to Note No.40 of Financial Statements about this matter and potential loss of material arising there of which can be quantified only after proper assessment which could not be done so far because of labour unrest and such trespass which has prevented company officials from entering parts of the premises. The Company is pursuing all actions to vigorously protect its property (within the constraints faced) including taking legal action in the appropriate courts.

The Company is continuing the discussion with the current lenders to negotiate and find suitable solutions to protect all interests and take all actions required for the same.

Your Company has an adequate Risk Management Policy which would help in identifying and mitigating enterprise risks. The increasing litigation and the non-availability of working capital continue to remain the imminent concerns for your Company.

Your Company has adequate internal control systems as necessary with the requirements of the Companies Act 2013.

### **25. Director's Responsibility Statement**

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- a. In the preparation of the annual accounts, the applicable accounting standards have been followed.
- b. The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended 31<sup>st</sup> March 2017 and of the profit or loss of the Company for the period under review.
- c. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. The directors have prepared the annual accounts on a going concern basis.

## **W.S. INDUSTRIES (INDIA) LIMITED**

---

- e. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively, taking into consideration the current circumstances and
- f. The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively taking into consideration the current circumstances.

### **26. Listing of Shares:**

The equity shares of the Company are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The listing fee for the Financial Year 2017- 18 has already been paid to the credit of both the Stock Exchanges.

### **27. Acknowledgement**

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their appreciation for the committed services by the Company's executives, staff and workers.

For and on behalf of the Board

Chennai  
3<sup>rd</sup> October 2017

R. Karthik  
Director

K.Rajasekar  
Director



## ANNEXURE – 1 TO BOARDS' REPORT

### REPORT ON CORPORATE GOVERNANCE

#### 1. Company's Philosophy on Corporate Governance

Despite the difficult times your Company is going through it has strived its best in adhering to the corporate governance norms under SEBI (LODR) Regulations. Wherever possible efforts have been taken to maintain transparency and fairness at all levels. The Company has adopted the insider trading code, thereby ensuring uniformity in sharing of information and parity amongst shareholders.

#### 2. Board of Directors

The Board of Directors have always played a vital role in overseeing the management and governance of the Company and has worked closely with the senior level executives of the Company.

However due to the strained financial situation, the Company has lost several of the Board of Directors. Though the Company has been taking efforts to fill in the vacancies caused due to the resignation of the directors, it has not been able to do, because of the financial distress of the Company. This has impacted the composition of the Board and the committees thereof.

The details of the composition and category of Board of Directors for the Financial Year 2016-17 and their attendance at Board Meetings and last AGM and details of memberships in other Boards and Board Committees, are as under.

Name of Director	Category*	No. of Board Meetings Attended	Attendance at the Last AGM held on 28/12/2016	Membership in other Boards	Committees Membership (Inclusive of WSI)	No. of shares held
Mr.V. Srinivasan@	NI-NE	5	Yes	2	2	446453
Mr.R.Karthik#	IN-NE	3	Yes	1	2	-
Mr.K. Rajasekar	NI-NE	5	Yes	0	-	-

\*Category Key: NI – Non Independent, IN – Independent, NE – Non-Executive, Ex-Executive

@ Mr.V.Srinivasan, Chairman and Director passed away on 25<sup>th</sup> July 2017.

# Mr.R.Karthik was appointed as an Additional Director and at the AGM held on 28<sup>th</sup> December 2016 appointed as Independent Director.

Along with Disclosure of Interest for the year 2017, letter received from Mr.R.Karthik informing that in the declaration given by him earlier, inadvertently not included directorship held in Pelican Realty Ventures Private Limited. The Board taken on record the same.

Mr.Jayaraman Sridharan was appointed as an Additional Director Non Executive Independent Director of the Company on 21<sup>st</sup> August 2017 subject to approval of shareholders at the Annual General Meeting. Due to Induction of Mr.Jayaraman Sridharan as Director, the Board reconstituted the Committees of Board.

Your Company has been making all efforts to identify and induct suitable persons to fill in the vacancies caused due to resignation of Woman Director and Company Secretary.

None of the Directors are related to each other.

## **W.S. INDUSTRIES (INDIA) LIMITED**

---

The Company held 5 Board Meetings during the Financial Year 2016-17 and the gap between two meetings did not exceed 120 days. The dates on which the Board Meetings were held are 30<sup>th</sup> May 2016, 12<sup>th</sup> August 2016, 14<sup>th</sup> November 2016, 11<sup>th</sup> February 2017 and 31<sup>st</sup> March 2017. A circular resolution was passed on 27<sup>th</sup> July 2016, 1<sup>st</sup> November 2016, 28<sup>th</sup> December 2016 and 4<sup>th</sup> January 2017.

In addition, one meeting of Independent Directors was held on 11<sup>th</sup> February 2017.

Notes on Director seeking appointment given below:

Name of the Director	Mr. Jayaraman Sridharan
Date of birth	01/10/1954
Date of appointment	21/08/2017
Qualification & expertise	Mr. Jayaraman Sridharan is a graduate in commerce by qualification. He has had nearly thirty years of experience in the field of Banking, financial restructuring, Forex. His expertise and background will assist the Company in its restructuring process and implementation of the restructuring scheme so finalized.
Shareholding	Nil
Other Directorships	Nil
Membership of the Committees of the Board of other companies	Nil
Relationship with other Directors	Nil

### **Board Procedure**

All the Board Meetings held were prescheduled taking into account the convenience of all the Directors. The Agenda of the Board Meeting covers all important and critical information pertaining to the Company.

The information as required under Part A of Schedule II pursuant to Regulation 17 of SEBI Listing Regulations is made available to the Board. The Board also reviews the declarations made by the Director and the Chief Financial Officer regarding compliance with all applicable laws, on a quarterly basis. The Company has given training to Independent Directors so as to enable them gain deeper understanding of the Company. The Directors are updated on a continual basis on any significant changes. The Company's website [www.wsindustries.in/KYC](http://www.wsindustries.in/KYC) has the details of all the policies of the Company including the familiarization of independent directors.

### **3. Audit Committee**

The terms of reference of the Audit Committee, including review of the financial statements of the Company, recommendation to the Board of the appointment of Statutory Auditors and review of their Reports, review of the adequacy of the internal control systems, evaluation of the risk management systems, review of the whistle blower mechanism and generally items listed under Part C to Regulation 18 of SEBI Listing Regulations and in Section 177 of the Act are done by the Audit Committee.



Four meetings of the Audit Committee took place during the year under review. The details of the meeting and its attendance is as under

Name of the Director	Category	No. of meetings attended
Mr.R.Karthik	Independent - Non-executive	2
Mr.V.Srinivasan	Non Independent - Non-executive	4

The meetings of the Audit Committee were held on 30<sup>th</sup> May 2016, 12<sup>th</sup> August 2016, 14<sup>th</sup> November 2016, and 11<sup>th</sup> February 2017. The Meetings are attended by the Chief Financial Officer of the Company. The Company Secretary /Compliance officer acts as the Secretary of the Audit Committee.

The Chairman of the Audit Committee Mr.R.Karthik was present at the Annual General Meeting of the Company held on 28<sup>th</sup> December 2016.

Consequent to the appointment of Mr.Jayaraman Sridharan, Audit Committee have been reconstituted with the Directors, Mr.R.Karthik, Mr.Jayaraman Sridharan and Mr.K.Rajasekar.

#### **4. Nomination and Remuneration Committee**

The Nomination and Remuneration committee held one time during the year held on 11<sup>th</sup> February 2017.

Consequent to the appointment of Mr.Jayaraman Sridharan, Nomination and Remuneration Committee have been reconstituted with the Directors, Mr.R.Karthik, Mr.Jayaraman Sridharan and Mr.K.Rajasekar.

The Chairman of the Nomination and Remuneration Committee Mr.R.Karthik was present at the Annual General Meeting of the Company held on 28<sup>th</sup> December 2016.

#### **5. Remuneration of Non-executive directors**

The Company does not pay any remuneration including sitting fees to any of the Directors of the Company.

#### **6. Stakeholders' Relationship Committee**

The Stakeholders' Relationship Committee terms of reference is in compliance with Regulation 20 of the SEBI (LODR) Regulations 2015. During the Financial Year the Committee met 4 times.

The Committee also oversees the performance of the Registrar and Transfer Agent and recommends measures for overall improvement in the quality of service.

During the year there was no complaint received from any Shareholder of the Company. However there were general queries for information and services from the shareholders which were attended to promptly.

The meetings of the Stakeholders Relationship Committee were held on 30<sup>th</sup> May 2016, 12<sup>th</sup> August 2016, 14<sup>th</sup> November 2016 and 11<sup>th</sup> February 2017. The Company Secretary / Compliance officer acts as the Secretary of the Audit Committee.

Consequent to the appointment of Mr.Jayaraman Sridharan, Stakeholders Relationship Committee have been reconstituted with the Directors, Mr.R.Karthik and Mr.Jayaraman Sridharan.

## W.S. INDUSTRIES (INDIA) LIMITED

### 7. Subsidiary Companies

The Company has an unlisted wholly owned subsidiary viz., W.S.T&D Limited and a step-subsiary W.S.Electric Limited (till 29<sup>th</sup> December 2016). The financials of both these subsidiaries are reviewed by the Audit Committee and also placed before the Board. The minutes of both the subsidiary companies are placed before the parent Company's Board.

During the year, there was a change in the status of W.S.Electric Ltd, being no longer a subsidiary as on 29<sup>th</sup> December, 2016 due to fresh infusion of equity in addition to acquisition of 49.954% shareholding not held by W.S. T&D Ltd.

The Company has placed the policy for determination of "material subsidiary" in its website.

### 8. Code of Conduct

The Company has in place a comprehensive Code of Conduct (the Code) applicable to the members of the Board of Directors and Senior Management Personnel of the Company. A copy of the Code is available on the Company's website [www.wsindustries.in/KYC](http://www.wsindustries.in/KYC).

The declaration signed by the Company's Director regarding compliance by the Board Members and Senior Management Personnel, with the said code of conduct is published in this Report.

The Company has in place a code of conduct for the prohibition of insider trading in terms of the SEBI (Prohibition of Insider Trading) Regulations and is available for viewing on the Company's website.

### 9. General Body Meetings

#### a. location and time, where last three annual general meetings held

For the Financial Year ended	Date & Time	Location
30.09.2014	27.03.2015 10.00 A.M	Narada Gana Sabha "Mini Hall", at No.314, TTK Road, Alwarpet, Chennai 600018
31.03.2015	30.09.2015 2.30 P.M.	Narada Gana Sabha "Mini Hall", at No.314, TTK Road, Alwarpet, Chennai 600018
31.03.2016	28.12.2016 4.00 PM	Asha Nivas Social Service Centre, 5, Rutland Gate, 5 <sup>th</sup> Street, Chennai - 600 006

#### b. whether any special resolutions passed in the previous three annual general meetings

Details of the resolutions passed are given below.

Sl. No.	Date of General Meeting	Special Resolutions passed
1	27.03.2015	1. Ratification of the appointment and remuneration of Mr.Narayan Sethuramon as Managing Director for a period from 24 <sup>th</sup> July 2014 to 24 <sup>th</sup> December 2014. 2. Resolution under Section 180(1) (a) of the Companies Act 2015
2	30.09.2015	Appointment of Mrs.Hema Pasupatheeswaran as Executive Director
3	28.12.2016	NIL



**c. Whether any special resolution passed last year through postal ballot**

No special resolution was passed through postal ballot last year

**10. Means of Communication**

i.	Quarterly and Annual Financial Results	Uploaded in NSE Electronic Application Processing System (NEAPS) and BSE website in accordance with the SEBI Listing Requirements and also in leading English and Tamil newspapers
ii.	newspapers wherein results normally published	Business Standard and Maalai Sudar (Tamil)
iii.	any website, where displayed	www.wsiindustries.in/KYC and in the websites of the National Stock Exchange and Bombay Stock Exchange.
iv.	whether it also displays official news releases	There were no official news releases other than the publication of results.
v.	presentations made to institutional investors or to the analysts	No presentations were made during this period to institutional investors.

**11. General Shareholder Information**

a.	AGM - Date, Time & Venue	Tuesday, 14 <sup>th</sup> November 2017 at 4.35 P.M. at Asha Nivas Social Service Centre, 9, Rutland Gate, 5 <sup>th</sup> Street, Chennai – 600 006
b.	Financial Year	1 <sup>st</sup> April 2016 - 31 <sup>st</sup> March 2017
c.	Book Closure Date	8 <sup>th</sup> November 2017 to 14 <sup>th</sup> November 2017 (Both days inclusive)
d.	Equity shares Listed on Stock Exchanges	Bombay Stock Exchange Ltd. National Stock Exchange of India Ltd.
	SCRIP NAME & CODE ISIN No. (NSDL & CDSL)	WSI & 504220 INE 100D01014
e.	Privately placed secured Redeemable Non-Convertible Debentures Listed on Stock Exchange	Bombay Stock Exchange Ltd.
	SCRIP CODE ISIN No.	948574 INE100D07011
	Debenture Trustee	IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17 <sup>th</sup> R. Kamani Marg, Ballard Estate, Mumbai-400 001.

## W.S. INDUSTRIES (INDIA) LIMITED

- f. Market Price - High & Low of the closing prices of Equity Shares of your Company during the Financial year ended 31<sup>st</sup> March 2017 is as under:

(in ₹)

Month	Year	Bombay Stock Exchange Ltd.		National Stock Exchange of India Ltd.	
		High	Low	High	Low
April	2016	8.96	7.81	8.75	7.80
May	2016	8.72	7.56	8.35	7.40
June	2016	10.48	7.22	10.40	7.45
July	2016	13.17	10.05	12.85	9.65
August	2016	14.44	9.20	14.60	9.20
September	2016	12.47	9.60	12.15	9.25
October	2016	10.73	9.89	10.55	9.80
November	2016	10.46	9.00	10.15	8.75
December	2016	9.98	7.99	9.95	8.05
January	2017	9.53	8.22	9.65	8.40
February	2017	9.00	8.25	9.00	8.45
March	2017	8.85	7.50	8.80	7.75

- g. Registrars and Share Transfer Agents: Integrated Registry Management Services Private Limited, 2<sup>nd</sup> Floor, Kences Towers, No.1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai - 600 017.  
Phone No: 044 – 28140801
- h. Share Transfer System
- Transfers of shares held in electronic form are done through the depositories by the share transfer agents without the involvement of your Company.
  - Transfers of shares in the physical form are done once in a fortnight.
  - The power to approve the transfer, transmission and other Share Certificate related matters has been delegated by the Board to Compliance Officer and her actions are ratified at the next Stakeholders' Relationship Committee Meeting.
  - Certificate under Regulation 40(9) of SEBI LODR 2015 is obtained from a Practicing



Company Secretary every six months confirming the transfer, transmission etc. of equity shares within 15 days of their lodgment and sent to Bombay Stock Exchange & National Stock Exchange.

- Reconciliation of Share capital Audit as stipulated by SEBI is conducted on quarterly basis reconciling the admitted equity share capital with the shares in electronic and physical form and Certificate issued in this regard by Practicing Company Secretary is forwarded to Bombay Stock Exchange & National Stock Exchange.

i. Distribution of Shareholding and Shareholding Pattern (as on 31.03.2017).

#### **DISTRIBUTION SCHEDULE AS ON 31/03/2017**

CATEGORY	SHAREHOLDERS		SHARES	
	NUMBER	%	NUMBERS	%
UPTO 5000	9490	98.46	2891181	13.68
5001-10000	73	0.76	504994	2.39
10001-20000	31	0.32	451671	2.14
20001-30000	11	0.11	259611	1.23
30001-40000	5	0.05	174942	0.83
40001-50000	1	0.01	44627	0.21
50001 AND ABOVE	27	0.28	16812763	79.53
<b>**TOTAL**</b>	<b>9638</b>	<b>100.00</b>	<b>21139789</b>	<b>100.00</b>

#### **Shareholding pattern**

Category	Number	Shares	% of Shares held
Promoters & Associates	17	9898485	46.82
Mutual Funds/FIIs	3	500	0.00
Banks/Financial Institutions	8	73205	0.35
Other Bodies Corporate	145	526756	3.01
NRI/Foreign Companies	67	3365447	15.95
Public	9355	4971733	22.66
OTHERS	43	2303663	11.21
<b>TOTAL</b>	<b>9638</b>	<b>21139789</b>	<b>100.00</b>

## W.S. INDUSTRIES (INDIA) LIMITED

j.	Dematerialisation of shares & liquidity	The shares of your Company can be held and traded in electronic form. 95.50% of your Company's Shareholding has been dematerialized as on 31 <sup>st</sup> March 2017.
k.	Outstanding GDRs / ADRs / Warrants or any convertible instruments conversion date and likely impact on equity	Nil
l.	Commodity price risk or foreign exchange risk and hedging activities	Nil
m.	Plant Locations	<b>Unit I</b> 108, Mount Poonamallee Road Porur, Chennai - 600 116 Tamil Nadu.
		<b>Unit II</b> Plot No 31, AP SEZ, Duppituru Village, Atchutapuram Mandal Visakhapatnam, Andhra Pradesh.
n.	Address for correspondence	
	a) Share related matters	Integrated Registry Management Services Private Limited 2 <sup>nd</sup> Floor, Kences Towers, No.1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai - 600 017. Phone No: 044 - 28140801 <a href="mailto:corpserv@integratedindia.in">corpserv@integratedindia.in</a>
	b) Other matters	108, Mount Poonamallee Road Porur Chennai - 600 116. <a href="mailto:sectl@wsinsulators.com">sectl@wsinsulators.com</a>



---

## 12. Other Disclosures

- a. All the dividends of the earlier years, which have remained unclaimed, have since been transferred to the Investor Education and Protection Fund at the expiry of the specified period(s) as required under Section 124 of the Companies Act, 2013.
- b. There were no strictures or penalties imposed on the Company by the Stock Exchanges or the SEBI or any statutory authority for non compliance of any matter related to capital markets, during the last three years;
- c. The Company has in place a proper vigil mechanism and the whistle blower policy is available in the Company's website. It is hereby affirmed that no person has been denied access to the audit committee.

## 13. Director and CFO Certification

The Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of SEBI LODR 2015. The annual certificate given by the Director and the Chief Financial Officer is published in this Report.

The Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33 (2) of SEBI LODR 2015.

## **W.S. INDUSTRIES (INDIA) LIMITED**

---

### **Certificate on Compliance with Code of Conduct**

I hereby confirm that the Company has obtained from all the members of the Board and Management Personnel, affirmation that they have complied with the Code of Conduct for the financial year 2016-17.

Place: Chennai  
Date : 3<sup>rd</sup> October 2017

R. KARTHIK  
DIRECTOR

---

### **AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER LISTING REGULATIONS**

We have examined the compliance of conditions of Corporate Governance by W.S.Industries (India) Limited, for the year ended 31<sup>st</sup> March 2017 as stipulated in Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by your Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of your Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that your Company has complied with the conditions of Corporate Governance, as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for period exceeding one month against your Company, as per the records maintained by Shareholders / Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of your Company nor the efficiency or effectiveness with which the management has conducted the affairs of your Company.

For M/s.S.VISWANATHAN  
Chartered Accountants  
Firm Regn. No.004770S/S200025  
Chella K. Srinivasan  
Partner  
Membership Number: 023305

Chennai  
27<sup>th</sup> September 2017



## ANNEXURE 2 OF BOARD'S REPORT

### Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

#### Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in million)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	W.S. T&D LIMITED
2.	The date since when subsidiary was acquired	9 <sup>th</sup> May 2008
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not applicable
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not applicable
5.	Share capital	0.50
6.	Reserves & surplus	(26.49)
7.	Total assets	567.05
8.	Total Liabilities	567.05
9.	Investments	538.70
10.	Turnover	-
11.	Profit before taxation	(4.30)
12.	Provision for taxation	-
13.	Profit after taxation	(4.30)
14.	Proposed Dividend	-
15.	% of shareholding	100%

During the year, there was a change in the status of W.S.Electric Ltd, being no longer a subsidiary as on 29<sup>th</sup> December, 2016 due to fresh infusion of equity in addition to acquisition of 49.954% shareholding not held by W.S. T&D Ltd.

## **W.S. INDUSTRIES (INDIA) LIMITED**

### **Part “B”: Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

<b>Name of associates/Joint Ventures</b>	<b>Nil</b>
1. Latest audited Balance Sheet Date	
2. Date on which the Associate or Joint Venture was associated or acquired	
3. Shares of Associate/Joint Ventures held by the company on the year end No.	
Amount of Investment in Associates/Joint Venture	
Extend of Holding%	
4. Description of how there is significant influence	
5. Reason why the associate/joint venture is not consolidated	
6. Net worth attributable to shareholding as per latest audited Balance Sheet	
7. Profit/Loss for the year	
i. Considered in Consolidation	
ii. Not Considered in Consolidation	

For and on behalf of the Board

Chennai  
3<sup>rd</sup> October 2017

R.Karthik  
Director

K.Rajasekar  
Director



## ANNEXURE – 3 TO BOARD’S REPORT

### FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm’s length basis.

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NA
b)	Nature of contracts/arrangements/transaction	NA
c)	Duration of the contracts/arrangements/transaction	NA
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
e)	Justification for entering into such contracts or arrangements or transactions’	NA
f)	Date of approval by the Board	NA
g)	Amount paid as advances, if any	NA
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

2. Details of contracts or arrangements or transactions at Arm’s length basis.

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NA
b)	Nature of contracts/arrangements/transaction	NA
c)	Duration of the contracts/arrangements/transaction	NA
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
e)	Date of approval by the Board	NA
f)	Amount paid towards outstanding, if any	NA

For and on behalf of the Board

Chennai  
3<sup>rd</sup> October 2017

R.Karthik  
Director

K.Rajasekar  
Director

# W.S. INDUSTRIES (INDIA) LIMITED

## ANNEXURE – 4 TO BOARDS' REPORT

### FORM NO. MGT-9

#### EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.3.2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L29142TN1961PLC004568
ii.	Registration Date	23.08.1961
iii.	Name of the Company	W.S.Industries (India) Limited
iv.	Category / Sub-Category of the Company	Public Company Limited by shares
v.	Address of the Registered office and contact details	No.108, Mount Poonamallee Road, Porur, Chennai 600 116
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Integrated Registry Management Services Private Limited, No.1 Ramakrishna Street, North Usman Road, T Nagar, Chennai - 600 017

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Insulators	2733	42%
2	Turnkey Projects	4321	58%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	W.S.T&D Limited	U74999TN2008PLC067646	Wholly owned Subsidiary Company	100%	2(87)
2.	W.S.Electric Limited *	U74210TN1984PLC011124	Step subsidiary (till 29 <sup>th</sup> December 2016)	Nil	2(87)

\* During the year, there was a change in the status of W.S.Electric Ltd, being no longer a subsidiary as on 29<sup>th</sup> December, 2016 due to fresh infusion of equity in addition to acquisition of 49.954% shareholding not held by W.S. T&D Ltd.



#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Dem at	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1) Indian</b>									
a) Individual/ HUF	778396	-	778396	3.68	778396	-	778396	3.68	-
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp	8870748	-	8870748	41.96	8870748	-	8870748	41.96	-
e) Banks / FI									
f) Any Other									
Sub-total(A)(1):-	9649144	-	9649144	45.64	9649144	-	9649144	45.64	-
<b>2) Foreign</b>									
g) NRIs-Individuals	249341	-	249341	1.18	249341	-	249341	1.18	-
h) Other-Individuals									
i) Bodies Corp.									
j) Banks / FI									
k) Any Other....									
Sub-total (A)(2):-	249341	-	249341	1.18	249341	-	249341	1.18	-
<b>Total promoters Shareholding (A)=(A)(1)+ (A)(2)</b>	<b>9898485</b>	<b>-</b>	<b>9898485</b>	<b>46.82</b>	<b>9898485</b>	<b>-</b>	<b>9898485</b>	<b>46.82</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									-
a) Mutual Funds	-	400	400	0.00	-	400	400	0.00	-
b) Banks / FI	71033	2172	73205	0.35	71033	2172	73205	0.35	-
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies	344546	-	344546	1.63	269546	-	269546	1.28	-0.35
g) FIs	1985577	100	1985677	9.39	1985577	100	1985677	9.39	-
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1)</b>	<b>2401156</b>	<b>2672</b>	<b>2403828</b>	<b>11.37</b>	<b>2326156</b>	<b>2672</b>	<b>2328828</b>	<b>11.02</b>	<b>-0.35</b>

## W.S. INDUSTRIES (INDIA) LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Dem at	Physical	Total	% of Total Shares	
<b>2. Non Institutions</b>									
a) Bodies Corp.									
(i) Indian	3445863	343533	3789396	17.92	34332323	243533	3676756	17.39	-0.53
(ii) Overseas	-	50933	50933	0.24	-	50933	50933	0.24	-
b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	2843561	586157	3429718	16.22	2972360	582266	3554626	16.81	0.59
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1459865	71002	1530867	7.24	1510659	71002	1581661	7.48	0.24
c) Others(Specify)									
Clearing Member	1152	-	1152	0.01	3331	-	3331	0.02	0.01
Margin Trading A/c. Corporate	30360	-	30360	0.14	37165	-	37165	0.18	0.04
Trust	5050	-	5050	0.02	5050	-	5050	0.02	-
Limited Liability partnership	-	-	-	-	2954	-	2954	0.01	0.01
<b>Sub-total (B)(2)</b>	<b>7785851</b>	<b>1051625</b>	<b>8837476</b>	<b>41.80</b>	<b>7964742</b>	<b>947734</b>	<b>8912476</b>	<b>42.16</b>	<b>0.36</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>10187007</b>	<b>1054297</b>	<b>11241304</b>	<b>53.18</b>	<b>10290898</b>	<b>950406</b>	<b>11241304</b>	<b>53.18</b>	
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total(A+B)</b>	<b>20085492</b>	<b>1054297</b>	<b>21139789</b>	<b>100</b>	<b>20189383</b>	<b>950406</b>	<b>21139789</b>	<b>100</b>	<b>-</b>



ii. Shareholding of Promoters and Associates

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
Mr.V.Srinivasan	446453	2.11	-	446453	2.11	-	-
Mrs.Vidya Srinivasan	25750	0.13	-	25750	0.13	-	-
Mr.Murali Srinivasan Venkatraman	14492	0.07	-	14492	0.07	-	-
Mr.Narayan Sethuramon	291701	1.38	1.37	291701	1.38	1.37	-
Bluechip Investments Private Limited	4096138	19.38	6.75	4096138	19.38	6.75	-
W S International Private Limited	1119798	5.30	-	1119798	5.30	-	-
Galaxy Investments Private Limited	889178	4.21	4.20	889178	4.21	4.20	-
Vensunar Holdings Private Limited	820115	3.88	-	820115	3.88	-	-
W S I Holding Private Limited	754859	3.57	-	754859	3.57	-	-
Vensunar Private Limited	365000	1.73	1.73	365000	1.73	1.73	-
Trala Electromech Systems Pvt Ltd	262470	1.24	-	262470	1.24	-	-
Murali Consultancy Services Private Limited	82131	0.39	-	82131	0.39	-	-
W S Test Systems Private Limited	81057	0.38	-	81057	0.38	-	-
Tractors & Farm Equipment Limited	400002	1.89	-	400002	1.89	-	-
Mrs.Suchitra Murali Balakrishnan	249341	1.18	-	249341	1.18	-	-
<b>Total</b>	<b>9898485</b>	<b>46.82</b>	<b>14.05</b>	<b>9898485</b>	<b>46.82</b>	<b>14.05</b>	

## W.S. INDUSTRIES (INDIA) LIMITED

iii) Change in Promoters' and Associates Shareholding ( please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	9898485	46.82	9898485	46.82
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No change during the year			
3	At the End of the year	9898485	46.82	9898485	46.82

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters, Associates and Holders of GDRs and ADRs):

Sl. No.	Shareholders Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	% of Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company					No. of shares	% of total shares of the company
1	CREDIT RENAISSANCE FUND, LTD	2520000	11.92	-	-	-	-	2520000	11.92
2	EAST SAIL	1985577	9.39	-	-	-	-	1985577	9.39
3	HITESH RAMJI JAVERI	673178	3.18	-	-	-	-	673178	3.18
4	CREDIT RENAISSANCE DEVELOPMENT FUND L.P	630000	2.98	-	-	-	-	630000	2.98
5	THE ORIENTAL INSURANCE COMPANY LIMITED	344546	1.63	8.7.2016 to 30.9.2016	75000	0.35	transfer	269546	1.28
6	SANJIV DHIRESHBHAI SHAH	210304	0.99	-	-	-	-	210304	0.99
7	PREMIER HOUSING AND IND. ENTERPRISES LTD	175000	0.83	-	-	-	-	175000	0.83



Sl. No.	Shareholders Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	% of Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company					No. of shares	% of total shares of the company
8	HARSHA HITESH JAVERI	150000	0.71	-	-	-	-	150000	0.71
9	SALIGRAM STOCKS AND SERVICES PRIVATE LIMITED	115450	0.55	-	-	-	-	115450	0.55
10	MANOJ J BAGADIA	71200	0.336	24.3.2017 to 31.3.2017	200	0.001	transfer	71400	0.337

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	446453	2.11	446453	2.11
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No change during the year			
	At the End of the year	446453	2.11	446453	2.11

## W.S. INDUSTRIES (INDIA) LIMITED

### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2928.25	–	–	2928.25
ii) Interest due but not paid	387.85	–	–	387.85
iii) Interest accrued but not due	60.26	–	–	60.26
Total (i+ii+iii)	3376.36	–	–	3376.36
Change in Indebtedness during the financial year				
· Addition	1.58	–	–	1.58
· Reduction	–	–	–	–
Net Change	1.58		–	1.58
Indebtedness at the end of the financial year				
i) Principal Amount	2929.83	–	–	2929.83
ii) Interest due but not paid	387.85	–	–	387.85
iii) Interest accrued but not due	60.26	–	–	60.26
Total (i+ii+iii)	3377.94	–	–	3377.94

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of the WTD
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil Nil Nil
2.	Stock Option	Nil
3.	Sweat Equity	Nil
4.	Commission - as % of profit - others, specify	Nil
5.	Others, please specify	Nil
	Total (A)	Nil
	Ceiling as per the Act	



**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		.....	.....	.....	
	Independent Directors · Fee for attending board committee meetings · Commission · Others, please specify	The Company does not pay any remuneration including sitting fees to any of the Directors of the Company			
	Total (1)				
	Other Non-Executive Directors · Fee for attending board committee meetings · Commission · Others, please specify				
	Total (2)				
	Total (B)=(1+2)				
	Total Managerial Remuneration				
	Overall Ceiling as per the Act				

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	-	-	-

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no Penalties, Punishment or Compounding of Offences during the year ended 31<sup>st</sup> March 31, 2017.

# **W.S. INDUSTRIES (INDIA) LIMITED**

---

## **ANNEXURE – 5 TO BOARDS' REPORT**

The explanation / comments of the Board on Qualification / reservation given by the Auditor in its Report for the Financial year 2016-2017

Explanation of Management on Qualification / reservation contained in the Auditors Report for the Standalone Financial Statements are given under:

### **Audit Qualification (each audit qualification separately):**

#### **Auditors' disclaimer No.1**

- a. Details of Audit Qualification: Confirmation of Balances as at 31<sup>st</sup> March 2017, were not available for our verification in respect of most of the banks and financial institutions
- b. Type of Audit Qualification : Disclaimer of opinion
- c. Frequency of qualification : Appeared second time
- d. For Audit qualification(s) where the impact is quantified by the auditor: Not applicable  
Management's Views: Not applicable
- 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
  - (ii) If management is unable to estimate the impact, reasons for the same:

Both Punjab National Bank & the Indian Overseas Bank, have assigned their facilities to Edelweiss Asset Reconstruction Company Ltd, as on 10<sup>th</sup> December 2015 and 29<sup>th</sup> March 2016 respectively and terms and conditions have not been disclosed to us. Furthermore the Company is in the process of applying to NCLT for a revival scheme in consultation with secured creditors.
  - (iii) Auditor's Comments on (i) or (ii) above: Statement of facts.

#### **Auditors' disclaimer No.2**

- a. Details of Audit Qualification: Physical stock of inventory could not be carried out by us, as at 31<sup>st</sup> March 2017 and hence we are unable to give any opinion on the same.
- b. Type of Audit Qualification : Disclaimer of opinion
- c. Frequency of qualification : Appeared second time
- d. For Audit qualification(s) where the impact is quantified by the auditor: Not applicable  
Management's Views: Not applicable
- 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
  - (ii) If management is unable to estimate the impact, reasons for the same:

The heavy rains and floods in Chennai in Nov'15 and Dec'15 caused flooding within the Company's premises, which is also the administrative office and houses all the books of accounts and records, as a result of which the records were immersed in water and debris. Also water had entered the stores area where the inventory is being stored.

Simultaneously the workers of our Chennai plant started an agitation and prevented entry of both our personnel and vehicles inside the premises. As a result we were unable to enter the premises and make proper assessment of the damage to the



records and inventory and take immediate steps to repair and salvage the same. As on date inspite of lodging several police complaints, as well as taking legal redress, the workers have not conceded to all our appeals as well as the police and judicial intervention and as a result we have been unable to extricate these records nor inspect the inventory till date due to factors beyond our control.

Similarly, due to the process of implementing settlements with the workers/executives at Vizag plant, we have been unable to conduct the physical inventory till date for the same reasons.

(iii) Auditor's Comments on (i) or (ii) above: Statement of facts.

### **Emphasis of matter no.1**

- a. Details of Audit Qualification: We emphasise on the matter that the accumulated losses of the company are more than its networth and the company had been referred to BIFR. The Company is in the process of applying to NCLT for a revival scheme in consultation with secured creditors.
  - b. Type of Audit Qualification : Emphasis of matter
  - c. Frequency of qualification : Appeared for the third consecutive time
  - d. For Audit qualification(s) where the impact is quantified by the auditor: Not applicable  
Management's Views: Not applicable
  - 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 relevant
    - (ii) If management is unable to estimate the impact, reasons for the same: Not applicable  
Observation: The Company is in the process of applying to NCLT for a revival scheme in consultation with secured creditors.
- (iii) Auditor's Comments on (i) or (ii) above: Statement of facts.

### **Emphasis of matter no.2**

- a. Details of Audit Qualification: There was no production in Chennai unit during the year and hence, the Chennai unit cannot be considered as going concern.
  - b. Type of Audit Qualification : Emphasis of matter
  - c. Frequency of qualification : Appeared for the second time
  - d. For Audit qualification(s) where the impact is quantified by the auditor: Not applicable  
Management's Views: Not applicable
  - 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 relevant
    - (ii) If management is unable to estimate the impact, reasons for the same: Not applicable  
Observation: The Company's revival scheme will take into consideration the revival of the plant in Vizag and Turnkey Project segment.
- (iii) Auditor's Comments on (i) or (ii) above: Statement of facts.

### **Emphasis of matter no.3**

- a. Details of Audit Qualification: Interest has not been provided in the books for the loans availed from banks and other financial institutions during the year, since the company

## **W.S. INDUSTRIES (INDIA) LIMITED**

---

is in the process of applying to NCLT for a revival scheme in consultation with secured creditors.

- b. Type of Audit Qualification : Emphasis of matter
- c. Frequency of qualification : Appeared for the second time
- d. For Audit qualification(s) where the impact is quantified by the auditor:

₹ 793.08 million

Management's Views:

The company is in the process of applying to NCLT for a revival scheme in consultation with secured creditors.

- 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) Auditor's Comments on (i) or (ii) above: Statement of facts.

### **Emphasis of matter no.4**

- a. Details of Audit Qualification: The disclosure under AS 15 in respect of retirement benefits has been obtained for the period till August 2015 and till June 2015 for Chennai and Vizag units respectively.
- b. Type of Audit Qualification : Emphasis of matter
- c. Frequency of qualification : Appeared for the second time
- d. For Audit qualification(s) where the impact is quantified by the auditor: Not applicable  
Management's Views: Not applicable
- 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:

The Company is in the process of implementing settlements with the workers / executives both at Chennai and Vizag plants.

Auditor's Comments on (i) or (ii) above: This is subject to final settlement.



---

**Explanation of Management on Qualification / reservation contained in the Auditors Report for the Consolidated Financial Statements are given under:**

**Audit Qualification (each audit qualification separately):**

**Auditors' disclaimer No.1**

- a. Details of Audit Qualification: Confirmation of Balances as at 31st March 2017 for the Holding Company, were not available for our verification in respect of most of the banks and financial institutions.
  - b. Type of Audit Qualification : Disclaimer of opinion
  - c. Frequency of qualification : Appeared second time
  - d. For Audit qualification(s) where the impact is quantified by the auditor: Not applicable  
Management's Views: Not applicable
  - 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
    - (ii) If management is unable to estimate the impact, reasons for the same:

Both Punjab National Bank & the Indian Overseas Bank of the Holding Company, have assigned their facilities to Edelweiss Asset Reconstruction Company Ltd, as on 10<sup>th</sup> December 2015 and 29<sup>th</sup> March 2016 respectively and terms and conditions have not been disclosed to us. Furthermore the Holding Company is in the process of applying to NCLT for a revival scheme in consultation with secured creditors.
- (iii) Auditor's Comments on (i) or (ii) above: Statement of facts.

**Auditors' disclaimer No.2**

- a. Details of Audit Qualification: Physical stock of inventory could not be carried out by us for the Holding Company, as at 31<sup>st</sup> March 2017 and hence we are unable to give any opinion on the same.
- b. Type of Audit Qualification : Disclaimer of opinion
- c. Frequency of qualification : Appeared second time
- d. For Audit qualification(s) where the impact is quantified by the auditor: Not applicable  
Management's Views: Not applicable
- 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
  - (ii) If management is unable to estimate the impact, reasons for the same:

The heavy rains and floods in Chennai in Nov'15 and Dec'15 caused flooding within the Holding Company's premises, which is also the administrative office and houses all the books of accounts and records, as a result of which the records were immersed in water and debris. Also water had entered the stores area where the inventory is being stored.

Simultaneously the workers of our Chennai plant of the Holding Company started an agitation and prevented entry of both our personnel and vehicles inside the premises. As a result we were unable to enter the premises and make proper assessment of the damage to the records and inventory and take immediate steps to repair and salvage the same. As on date in spite of lodging several police complaints, as well as

## **W.S. INDUSTRIES (INDIA) LIMITED**

---

taking legal redress, the workers have not conceded to all our appeals as well as the police and judicial intervention and as a result we have been unable to extricate these records nor inspect the inventory till date due to factors beyond our control.

Similarly, due to the process of implementing settlements with the workers/executives at Vizag plant of the Holding Company, we have been unable to conduct the physical inventory till date for the same reasons.

(iii) Auditor's Comments on (i) or (ii) above: Statement of facts.

### **Emphasis of matter no.1**

- a. Details of Audit Qualification: We emphasise on the matter that the accumulated losses of the Holding Company are more than its networth and the company had been referred to BIFR. The Holding Company is in the process of applying to NCLT for a revival scheme in consultation with secured creditors.
  - b. Type of Audit Qualification : Emphasis of matter
  - c. Frequency of qualification : Appeared second time
  - d. For Audit qualification(s) where the impact is quantified by the auditor: Not applicable  
Management's Views: Not applicable
  - e. For Audit qualification(s) where the impact is not quantified by the auditor:
- (iv) Management's estimation on the impact of audit qualification: Not relevant
- (v) If management is unable to estimate the impact, reasons for the same: Not applicable  
Observation: The Holding Company is in the process of applying to NCLT for a revival scheme in consultation with secured creditors.
- (vi) Auditor's Comments on (i) or (ii) above: Statement of facts.

### **Emphasis of matter no.2**

- a. Details of Audit Qualification: There was no production in one of the units of the Holding company during the year and hence, that unit cannot be considered as going concern.
- b. Type of Audit Qualification : Emphasis of matter
- c. Frequency of qualification : Appeared for the second time
- d. For Audit qualification(s) where the impact is quantified by the auditor: Not applicable  
Management's Views: Not applicable
- 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 relevant
  - (ii) If management is unable to estimate the impact, reasons for the same: Not applicable  
Observation: The Holding Company's revival scheme will take into consideration the revival of the plant in Vizag and Turnkey Project segment.
  - (iii) Auditor's Comments on (i) or (ii) above: Statement of facts



### **Emphasis of matter no.3**

- a. Details of Audit Qualification: Interest has not been provided in the books for the loans availed from banks and other financial institutions of the Holding Company during the year. The Holding Company is in the process of applying to NCLT for a revival scheme in consultation with secured creditors.
- b. Type of Audit Qualification : Emphasis of matter
- c. Frequency of qualification : Appeared for the second time
- d. For Audit qualification(s) where the impact is quantified by the auditor:  
₹ 793.08 million

#### **Management's Views:**

The Holding Company is in the process of applying to NCLT for a revival scheme in consultation with secured creditors.

- 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) Auditor's Comments on (i) or (ii) above: Statement of facts.

### **Emphasis of matter no.4**

- a. Details of Audit Qualification: The disclosure under AS 15 in respect of retirement benefits has been obtained for the period till August 2015 and till June 2015 for Chennai and Vizag Units of the Holding company.
- b. Type of Audit Qualification : Emphasis of matter
- c. Frequency of qualification : Appeared for the second time
- d. For Audit qualification(s) where the impact is quantified by the auditor: Not applicable  
Management's Views: Not applicable
- 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:  
The Holding Company is in the process of implementing settlements with the workers / executives both at Chennai and Vizag plants.
  - (iii) Auditor's Comments on (i) or (ii) above: This is subject to final settlement.

# **W.S. INDUSTRIES (INDIA) LIMITED**

---

## **ANNEXURE – 6 TO BOARDS’ REPORT**

### **SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2016**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

The Members

W.S. INDUSTRIES (INDIA) LIMITED  
108, MOUNT POONAMALEE ROAD  
PORUR, CHENNAI -600116

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by W.S.Industries (India) Limited (hereinafter called the company). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon. Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by W.S.Industries (India) Limited (“the Company”) for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions as applicable to the Company during the period of audit:

- i. The Companies Act, 2013 (the Act) and the rules made there under and the Companies Act, 1956 to the extent applicable;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Securities and Exchange Board of India (Prohibition of Insider Trading Regulations, 2015 (Applicable with effect from 15 May, 2015);
  - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- v. The Listing Agreements entered into by the Company with the Stock Exchanges, where the Securities of the Company are listed and the uniform listing agreement with the said stock exchanges pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (applicable with effect from 1 December, 2015).



- vi. Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India applicable with effect from 1 July 2015.
- vii. In our opinion and as identified and informed by the Management, the company has no Specific laws applicable since it is engaged in the business of manufacturing of insulators. except the following:
1. Indian Boilers Act, 1923 and Rules made thereunder
  2. The Petroleum Act, 1934 and Rules and Regulations Made thereunder
  3. Hazardous waste (Management, Handling and Transboundary Movement) Rules, 2008
  4. Water (Prevention and Control of Pollution) Act, 1974 and Rules made thereunder
  5. Air (Prevention and Control of Pollution) Act, 1981 and Rules made thereunder
  6. Environment (Protection) Act, 1986 and Rules made thereunder
  7. Legal Metrology Act, 2009 and Rules made thereunder

It is reported that during the period under review, the Company has been regular in complying with the provisions of the Act, Rules, Regulations and Guidelines, as mentioned above except: -

- The company is in the process of updating the new Statutory Registers as per New Amended Act, 2013, in lieu of the existing updated Registers.
- There have been a few cases of delay in filing of certain e-forms with MCA.
- The Company is yet to appoint a Woman Director in the place of Director who has resigned.
- The Company is yet to appoint another Independent Director to comply with the statutory limit of Independent Directors as per the Companies Act, 2013.
- The Company is yet to make payment of Debenture interest and redeem its debentures even after the due date. However, the Company has sought opinion from an expert in this regard and based on the same, the Company is in compliance with provisions of Section 164 of the Companies Act 2013.

We further report that there were no actions/events in the pursuance of

- e) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014 and the Employees Stock Option Scheme, 2007 approved under the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
- g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
- h) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- i) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; requiring compliance thereof by the Company during the Financial Year under review.

## **W.S. INDUSTRIES (INDIA) LIMITED**

---

We further report that, based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, in our opinion, with regard to point (vii) above, the company has adequate systems in monitoring the compliance of all general laws viz., Industrial Laws, Environmental, Human Resources and labour laws.

We further report, that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.

We further report that:

Being a Sick Company under the SICA Act, the Board of Directors of the Company could not be constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were delivered and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions with the existing Board (as given above) at every meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be. We further report that during the audit period the following events have occurred, which have a major bearing on the Company's affairs:

- Non-repayment of interest on debentures and redemption of debentures.
- During the year, there was a change in the status of W.S.Electric Ltd, being no longer a subsidiary as on 29<sup>th</sup> December, 2016 due to fresh infusion of equity in addition to acquisition of 49.954% shareholding not held by W.S. T&D Ltd.
- The dividend unpaid/unclaimed pertaining to the year 2008-09 has been transferred to Investor Education and Protection Fund Account.
- The SICA has been repealed 1.12.2016 and the Company is in the process of applying to the NCLT in consultation with secured creditors under the Insolvency and Bankruptcy Code.

For LAKSHMMI SUBRAMANIAN & ASSOCIATES

Lakshmmi Subramanian

Senior Partner

FCS No. 3534

C.P.NO. 1087

Place: Chennai

Date: 31<sup>st</sup> August 2017



## **ANNEXURE-A**

(To the Secretarial Audit Report of M/s.W.S.INDUSTRIES (INDIA) LIMITED  
for the financial year ended 31.3.2017)

The Members

W.S. INDUSTRIES (INDIA) LIMITED  
108, MOUNT POONAMALEE ROAD  
PORUR, CHENNAI -600116

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.,
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on a random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For LAKSHMMI SUBRAMANIAN & ASSOCIATES  
Lakshmmi Subramanian  
Senior Partner  
FCS No. 3534  
C.P.NO. 1087

Place: Chennai

Date: 31<sup>st</sup> August 2017

# **W.S. INDUSTRIES (INDIA) LIMITED**

---

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of **W.S. INDUSTRIES (INDIA) LIMITED**

### **Report on the Standalone Financial Statements**

We have audited the accompanying Standalone financial statements of W.S. INDUSTRIES (INDIA) LIMITED ("the Company") which comprises the Balance Sheet as at 31 March, 2017, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these Standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.



Because of the matter described in the Basis for Disclaimer Opinion paragraph, we are not able to obtain sufficient appropriate audit evidence to provide a basis for our opinion.

#### **Basis for Disclaimer of Opinion:**

- (i) Confirmation of Balances as at 31<sup>st</sup> March 2017, were not available for our verification in respect of most of the banks and financial institutions.
- (ii) Physical stock of inventory could not be carried out by us, as at 31<sup>st</sup> March 2017 and hence we are unable to give any opinion on the same.

#### **Opinion**

Because of the Significance of the matters specified in the Basis for Disclaimer of Opinion Paragraph above, we have not been able to obtain sufficient audit evidence to express an audit opinion on certain aspects of the financial statements.

#### **Emphasis of Matter:**

- (i) We emphasise on the matter that the accumulated losses of the company are more than its net worth and the company had been referred to BIFR. The Company is in the process of applying to NCLT for a revival scheme in consultation with secured creditors.
- (ii) There was no production in Chennai unit during the year and hence, the unit cannot be considered as going concern.
- (iii) Interest has not been provided in the books for the loans availed from banks and other financial institutions during the year, since the company is in the process of applying to NCLT for a revival scheme in consultation with secured creditors.
- (iv) The disclosure under AS 15 in respect of retirement benefits has been obtained for the period till August 2015 and till June 2015 for Chennai and Vizag units respectively.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by section 143 (3) of the Act, we report that:
  - (a) As described in the Basis for Disclaimer of opinion paragraph above, we have sought but were not able to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) The company has not paid interest on debentures. However the provision of sec 164(2) (b) of the Companies Act, 2013 are not applicable to the directors in the company.
  - (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure A**”.

## **W.S. INDUSTRIES (INDIA) LIMITED**

---

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - (ii) The Company did not have any long-term contracts including derivative contracts
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - (iv) the Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 32 to the financial statements.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For M/s. S.VISWANATHAN LLP  
Chartered Accountants  
Firm Regn No:004770S/S200025

Chella K. Srinivasan  
Partner  
Membership number:023305

Place: Chennai  
Date: 30/05/2017



---

## **“Annexure A” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of W.S. INDUSTRIES (INDIA) LIMITED.**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of W.S. INDUSTRIES (INDIA) LIMITED (“the Company”) as of March 31, 2017 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

## **W.S. INDUSTRIES (INDIA) LIMITED**

---

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (iii) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

The system of internal financial controls over financial reporting, with regard to the company were made available to us, to determine whether the company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at 31<sup>st</sup> March 2017.

We have considered the disclaimer reported above in determining the nature, timing and extent of audit tests in our audit of the Standalone financial statements of the Company and the disclaimer has affected our opinion on the Standalone financial statements of the company, and we have issued a Disclaimer of opinion on the financial statements.

For M/s. S.VISWANATHAN LLP  
Chartered Accountants  
Firm Regn No:004770S/S200025

Chella K. Srinivasan  
Partner  
Membership number:023305

Place: Chennai  
Date: 30/05/2017



## **“Annexure B” to the Independent Auditors’ Report of even date on the Financial Statements of W.S. INDUSTRIES (INDIA) LIMITED.**

Referred to in paragraph 2 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) We are unable to form any opinion with regard to, any material discrepancies on the physical verification of fixed assets, in the absence of any record for the verification of the same as on the end of the financial period.
- (c) We are informed that the title deeds of immovable properties are held in the name of the company.
- (ii) The management was not able to conduct the physical verification of inventory as at 31<sup>st</sup> March 2017 and the same cannot be opined upon.
- (iii) In our opinion and according to the Information and explanations given to us, the Company has not granted loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, clause (iii) (a) to (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the company has not provided any loans, investments, guarantees and security under section 185 and 186 of the Companies Act, 2013.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) According to information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act 2013.
- (vii) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company is not regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date they became payable are given below:

<b>S. NO.</b>	<b>NATURE OF DUES</b>	<b>AMOUNT OUTSTANDING FOR MORE THAN SIX MONTHS (IN ₹)</b>
1	EMPLOYEES' STATE INSURANCE*	7,376
2	TDS	2,80,25,724
3	PROPERTY TAX	34,70,770
	<b>TOTAL AMOUNT OUTSTANDING</b>	<b>3,15,03,870</b>

\* Since paid on 23-05-2017

## W.S. INDUSTRIES (INDIA) LIMITED

- (b) According to the information and explanations given to us, the following dues of Income tax have not been deposited by the company on account of dispute

Name of the Statute	Nature of Dues	Amount (in million) (₹)	Period to which the amount relates (Assessment year)	Forum where dispute is pending
Income tax Act, 1961	Income tax	0.40	1996-97 and 1997-98	High Court

- (viii) In our opinion and according to the information and explanations given to us, the Company has defaulted in the repayment of dues to banks and financial institutions as below:

Name of the Bank/ Financial institution	Amount outstanding as at 31 <sup>st</sup> March 2017 (in Million)
Edelweiss –Assigned by PNB	1022.95
Edelweiss –Assigned by IOB	396.03
Edelweiss Asset Reconstruction Company	397.50
Allium Finance Ltd	400.00
Edelweiss Security Receipts	249.62
Edelweiss-NCD	240.00
State Bank of India	163.72
Total	2869.82

- (ix) In our opinion and according to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer including debt instruments during the year and terms loans were being used for the purpose it has been applied for.
- (x) In our opinion and according to the information and explanations given to us, the company has not noticed any fraud by the company or any fraud on the company by its Officers or employees or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not provided for managerial remuneration during the year.
- (xii) The Company is not a Nidhi Company. And hence complying with the provisions of the Nidhi Rules, 2014 does not arise.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.



- 
- (xiv) In our opinion and according to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the clause (xiv) of the Order are not applicable to the Company.
- (xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of the Order are not applicable to the Company.
- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, clause (xvi) of the Order is not applicable to the Company.

For M/s. S.VISWANATHAN LLP  
Chartered Accountants  
Firm Regn No:004770S/S200025

Chella K. Srinivasan  
Partner  
Membership number:023305

Place: Chennai  
Date: 30/05/2017

**W.S. INDUSTRIES (INDIA) LIMITED****BALANCE SHEET AS AT 31-03-2017**

(in ₹ Million)

	Notes	THIS YEAR		PREVIOUS YEAR	
<b>I EQUITY AND LIABILITIES</b>					
<b>1 Shareholders' Funds</b>					
Share Capital	4	<b>338.90</b>		338.90	
Reserves and Surplus	5	<b>(1366.66)</b>	<b>(1027.76)</b>	(1336.48)	(997.58)
<b>2 Current Liabilities</b>					
Short Term borrowings	6 (a)	<b>84.98</b>		83.60	
Trade payables	6 (b)	<b>490.88</b>		510.45	
Other Current Liabilities	6 (c)	<b>3983.35</b>		4008.17	
Short Term provisions	6 (d)	<b>9.80</b>	<b>4569.01</b>	48.04	4650.26
<b>TOTAL</b>			<b>3541.25</b>		<b>3652.68</b>
<b>II ASSETS</b>					
<b>1 Non-current assets</b>					
<b>a Fixed Assets</b>					
i) Tangible assets	7 (a)	<b>1609.63</b>		1700.19	
ii) Capital Work in Progress	7 (b)	<b>7.04</b>	<b>1616.67</b>	7.88	1708.07
<b>Long Term Loans and advances</b>	7 (c)		<b>5.60</b>		5.11
<b>Other non-current assets</b>	7 (d)		<b>–</b>		10.50
<b>b Non-current investments</b>	8		<b>0.50</b>		0.50
<b>2 Current Assets</b>					
i) Inventories	9 (a)	<b>15.71</b>		253.61	
ii) Trade receivables	9 (b)	<b>315.12</b>		360.84	
iii) Cash and cash equivalents	9 (c)	<b>63.91</b>		8.84	
iv) Short term loans and advances	9 (d)	<b>1523.74</b>		1300.24	
v) Other Current Assets	9 (e)	<b>0.01</b>	<b>1918.48</b>	4.97	1928.50
<b>TOTAL</b>			<b>3541.25</b>		<b>3652.68</b>
<b>Significant Accounting Policies &amp; Notes on Financial Statements</b>	1 to 44				

As per our Report of even date

For and on behalf of the Board

for **M/s. S. VISWANATHAN LLP**

Chartered Accountants

Firm Regn. No. 004770S/S200025

**V. SRINIVASAN**

Chairman

**CHELLA K. SRINIVASAN**

Partner

(Membership No.023305)

Chennai

30<sup>th</sup> May 2017**R. KARTHIK**

Director

**B. SWAMINATHAN**

Chief Financial Officer



**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31-03-2017** (in ₹ Million)

	Notes	12 Months ended 31 <sup>st</sup> March 2017		12 Months ended 31 <sup>st</sup> March 2016	
<b>1 Revenue from Operations (Gross)</b>					
Sales and Other Operating income	11	<b>23.99</b>		45.17	
Less: Excise Duty		<b>0.19</b>	<b>23.80</b>	1.08	44.09
<b>2 Other Income</b>	12		<b>488.35</b>		7.00
<b>3 Total Revenue (1+2)</b>			<b>512.15</b>		51.09
<b>4 EXPENSES</b>					
Cost of Materials consumed	13	<b>61.46</b>		12.48	
Changes in Inventories of Finished Goods and Work-in-Progress	14	<b>177.96</b>		0.04	
Employee Benefit expense	15	<b>101.63</b>		164.66	
Finance Costs	16	<b>36.60</b>		12.93	
Depreciation and Amortization expenses		<b>93.55</b>		115.78	
Other expenses	17	<b>71.13</b>	<b>542.33</b>	164.19	470.09
<b>5 PROFIT / (LOSS) BEFORE TAX (3 - 4)</b>			<b>(30.18)</b>		(419.00)
<b>6 Tax expense</b>					
i) Current tax		–		–	
Deferred Tax			–	–	–
<b>7 PROFIT / (LOSS) AFTER TAX (5 - 6)</b>			<b>(30.18)</b>		(419.00)
<b>8 Earnings per equity share ( in ₹):</b>					
i) Basic			<b>(2.02)</b>		(20.41)
ii) Diluted			<b>(2.02)</b>		(20.41)
<b>Significant Accounting Policies &amp; Notes on Financial Statements</b>	1 to 44				

As per our Report of even date

For and on behalf of the Board

for **M/s. S. VISWANATHAN LLP**  
Chartered Accountants  
Firm Regn. No. 004770S/S200025

**V. SRINIVASAN**  
Chairman

**CHELLA K. SRINIVASAN**  
Partner  
(Membership No.023305)

Chennai  
30<sup>th</sup> May 2017

**R. KARTHIK**  
Director

**B. SWAMINATHAN**  
Chief Financial Officer

## W.S. INDUSTRIES (INDIA) LIMITED

### CASH FLOW STATEMENT FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2017

(in ₹ Million)

	THIS YEAR	PREVIOUS YEAR
<b>A CASH FROM OPERATING ACTIVITIES:</b>		
Net Profit / (Loss) before Taxes	(30.18)	(419.00)
Adjustments for:		
Add:		
Loss on Fixed Assets Discarded/sold	0.74	47.99
Depreciation	93.55	115.78
Interest and Financial Charges (Net)	36.60	12.93
	<u>100.71</u>	<u>(242.29)</u>
Less:		
Profit on sale of Assets	0.01	1.01
Operating Profit before Working Capital changes	100.69	(243.30)
Increase/(Decrease) in Working Capital		
(Increase)/Decrease in inventories	237.91	6.18
(Increase)/Decrease in Sundry Debtors	45.72	83.46
(Increase)/Decrease in other Current Assets	(208.52)	(145.45)
Increase/(Decrease) in Liabilities and Provisions	(81.93)	258.75
Income Taxes paid	0.00	0.70
Net cash from operating activities	<u>93.88</u>	<u>(39.66)</u>
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets (including interest capitalised)	(2.89)	(6.56)
Sale/ reduction in value of Fixed Assets	0.02	1.93
Net Cash (used in) / from Investing activities	<u>(2.87)</u>	<u>(4.63)</u>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/decrease in secured Loans	0.20	390.24
Increase/(Decrease) in working Capital from Banks	1.37	(336.11)
Dividend and Dividend Tax paid	(0.91)	0.00
Interest and financing charges paid	(36.60)	(12.93)
Net Cash from Financing Activities	(35.94)	41.20
NET INCREASE IN CASH AND CASH EQUIVALENTS (i)	55.07	(3.09)
Cash and Cash Equivalents as at the beginning of the year	8.84	11.93
Cash and Cash Equivalents as at the close of the year	<u>63.91</u>	<u>8.84</u>

**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2017 (Contd.)** (in ₹ Million)

	THIS YEAR	PREVIOUS YEAR
<b>Notes on Cash Flow Statement:</b>		
1 Above statement has been prepared following the Indirect method except in case of Interest received /Paid. Dividend Received /Paid, Purchase/ Sale of Investments, loans taken and repaid and Taxes Paid , which have been considered on the basis of actual movement of cash with necessary adjustments in corresponding assets and Liabilities.		
2 Purchase of Fixed Assets are stated inclusive of movements of Capital Work-in-Progress between beginning and end of the year		
3 CASH AND CASH EQUIVALENTS		
CASH AND BANK BALANCES	63.91	8.84
UNREALISED (GAIN) / LOSS	—	—
CASH AND BANK BALANCES RESTATED AS ABOVE	<u>63.91</u>	<u>8.84</u>

As per our Report of even date

For and on behalf of the Board

for **M/s. S. VISWANATHAN LLP**  
Chartered Accountants  
Firm Regn. No. 004770S/S200025

**V. SRINIVASAN**  
Chairman

**CHELLA K. SRINIVASAN**  
Partner  
(Membership No.023305)

Chennai  
30<sup>th</sup> May 2017

**R. KARTHIK**  
Director

**B. SWAMINATHAN**  
Chief Financial Officer

# **W.S. INDUSTRIES (INDIA) LIMITED**

---

## **Notes forming part of the Balance Sheet as at 31<sup>st</sup> March 2017 and Statement of Profit and Loss for the period ended 31<sup>st</sup> March 2017**

### **NOTE**

#### **1 SIGNIFICANT ACCOUNTING POLICIES**

##### **General**

##### **(a) Basis of Presentation**

The Financial Statements have been prepared on the historical cost convention on a going concern basis and in accordance with generally Accepted Accounting Principles and complying with the applicable Accounting Standards.

##### **(b) Fixed Assets**

Fixed Assets are stated at acquisition/historical cost and include expenditure incurred up to the date the asset is put to use (as reduced by Cenvat/VAT credit wherever applicable).

Depreciation on Building, Plant and Machinery and Electrical Installations has been provided on Straight Line Method and on other assets on Written Down Value basis in accordance with the rates prescribed under Part 'C' of Schedule II of the Companies Act 2013, which is also estimated by the management to be the estimated useful life of the said assets. Assets costing less than ₹ 5,000/- are fully depreciated in the year of purchase.

Cost of the Leasehold rights in land is amortised over the primary lease period.

Expenses incurred during the construction period prior to commencement of production are classified and disclosed under Capital Work-in-progress

##### **(c) Investments:**

Investments in shares in Subsidiary and Associate Companies being long term in nature, are stated at acquisition cost. Current investments are valued at lower of Cost and Net Asset Value.

##### **(d) Current Assets:**

##### **Inventories**

- i. Raw materials, Packing materials and stores and spares (other than bonded materials) have been valued at weighted average cost and includes freight, taxes and duties, net of Cenvat/VAT credit, wherever applicable.
- ii. Bonded materials are valued at CIF value and Material in Transit at cost.
- iii. Work-in-progress has been valued at cost or Net Realisable Value, whichever is lower.
- iv. Finished Goods have been valued at cost or Net Realisable Value, whichever is lower and inclusive of Excise Duty.
- v. Raw Materials, packing materials, Stores and Spares, bonded materials, materials in transit, work-in-process and finished goods are as per inventories taken, valued as per the standard accounting practices and valuation policies followed by the Company.



**Others:**

Sundry Debtors are stated after providing for Bad Debts/recoveries.

**(e) Foreign Currency transactions:**

Transactions in foreign exchange are accounted for at the rates prevailing on the dates of the transactions.

Exchange difference, arising on forward contracts, is recognized as income or expense.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the rate of exchange prevailing at the year end. The resultant difference, if any, is dealt with appropriately in the accounts in accordance with the Accounting Standard 11 and Companies (Accounting Standards) Amendment Rules, 2009.

**(f) Sales:**

Net Sales are after trade discounts and inclusive of price variation claims and Receipts from Turnkey Contracts.

**(g) Retirement benefits:**

Fixed contributions to Employees' Provident Fund and Superannuation Fund are charged off in the accounts. Contribution to Gratuity is covered under a Master Policy with Life Insurance Corporation of India and the annual premium ascertained based on Actuarial valuation has been charged to Profit and Loss Account. Earned Leave salary to eligible employees as per Company's policy ascertained on actuarial basis has been provided for in the Accounts.

**(h) Amortization of Deferred Revenue Expenditure:**

Expenditure incurred under Voluntary Retirement / settlements made are expensed during the year.

**(i) Research & Development:**

Revenue expenditure on research and development are expensed in the year in which they are incurred. Capital expenditure on research and development is shown under fixed assets.

**(j) Impairment of Assets**

Impairment loss, if any, is provided to the extent the carrying amount of the assets exceeds their recoverable amount.

**(k) Deferred Tax:**

Deferred Tax is recognized on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversing in one or more subsequent periods. Deferred Tax assets are recognized only to the extent there is a virtual certainty of its realization.

**(l) Lease & Rentals**

Receipts: Lease and rental receipts in respect of assets leased/rented out are accounted, in accordance with the terms and conditions of the lease/rental agreements entered into with the lessees/tenants and are in accordance with conditions specified in Accounting Standard 19.

## **W.S. INDUSTRIES (INDIA) LIMITED**

---

Lease payments on assets taken on lease are recognized as an expense on a straight line basis over the lease term.

### **(m) Contingent Liability:**

Contingent Liability is disclosed for (i) Possible obligations where the probability of the final outcome in favour of the company is not certain, or (ii) Obligations likely to arise out of past events where it is unlikely that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

## **2 Operations review:**

- a) During the year under review, there was no production in the Chennai and Vizag plants.
- b) The heavy rains and floods in Chennai in Nov. and Dec. 2015 caused flooding within the Company's premises resulting in soiling of facilities and records. Also continuing labour unrest in the Chennai plant has prevented the company's officials from entering the premises and taking proper assessment, repair and salvage measures.
- c) The Company will implement a revival plan after finalizing the same in consultation with banks / financial institutions.

## **3 SEGMENT**

The Company has two reportable business segments, namely, i) Electro – porcelain Products and ii) Turnkey Projects.



## Note 4

### SHARE CAPITAL

(in ₹ Million)

	THIS YEAR		PREVIOUS YEAR	
<b>Authorised</b>				
3,50,00,000 Equity Shares of ₹10/- each	350.00		350.00	
15,00,000 Cumulative Redeemable Preference Shares of ₹ 100/- each	150.00		150.00	
		500.00		500.00
<b>Issued, Subscribed and Paid - up:</b>				
2,11,39,789 Equity Shares of ₹10/- each fully paid - up		211.40		211.40
1275000 Cumulative Redeemable Preference Shares of ₹ 100/- each fully paid - up		127.50		127.50
<b>TOTAL</b>		<b>338.90</b>		<b>338.90</b>

#### Reconciliation of Shares outstanding at the beginning and at the end of the year:

	No. of shares	Value (₹ in Million)	No. of shares	Value (₹ in Million)
<b>Equity Shares:</b>				
At the beginning and end of the year	2,11,39,789	211.40	2,11,39,789	211.40
<b>Preference Shares:</b>				
At the beginning and end of the year	12,75,000	127.50	12,75,000	127.50

#### Shareholders holding more than 5% shares in the company:

Name of Shareholder	Equity Shares			
	As at 31 <sup>st</sup> March 2017		As at 31 <sup>st</sup> March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
W.S. International (P) Ltd.	11,19,798	5%	11,19,798	5%
Blue Chip Investments (P) Ltd.	40,96,138	19%	40,96,138	19%
Credit Renaissance Fund Ltd.	25,20,000	12%	25,20,000	12%
East Sail	19,85,557	9%	19,85,557	9%

Name of Shareholder	Preference Shares			
	As at 31 <sup>st</sup> March 2017		As at 31 <sup>st</sup> March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Credit Renaissance Fund Ltd. *	7,60,000	60%	7,60,000	60%
Credit Renaissance Development Fund L.P. *	1,65,000	13%	1,65,000	13%
Vensunar (P) Ltd.	3,50,000	27%	3,50,000	27%

The 925,000 Non-convertible, Redeemable and cumulative Preference Shares of ₹ 100/- each fully paid up with coupon rate of 5% / 7.5% subscribed by the Overseas Investors, viz., Credit Renaissance Fund Ltd. and Credit Renaissance Development Fund L.P. and due for redemption on 2<sup>nd</sup> October 2015 has been extended by the above shareholders for a further period of 18 months, i.e., upto 1<sup>st</sup> April 2017.

\* The said shares, acquired by Vensunar Holdings (P) Ltd. on 1<sup>st</sup> April 2017 have been rolled over for a period of 18 months.

350,000 Non-convertible, Redeemable and cumulative Preference Shares ₹ 100/- each fully paid up with a coupon rate of 10% subscribed by Vensunar (P) Ltd. is due for redemption on 28 02 2018.

## W.S. INDUSTRIES (INDIA) LIMITED

### Note 5

#### RESERVES & SURPLUS

(in ₹ Million)

	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>a. Capital Reserves</b>		
As per Last Balance Sheet	9.95	9.95
<b>b. Share Premium Account</b>		
As per Last Balance Sheet	180.50	180.50
<b>c. Revaluation Reserve</b>		
As per Last Balance Sheet	664.11	664.11
<b>d. Capital Redemption Reserve</b>		
As per Last Balance Sheet	176.16	176.16
<b>e. Special General Reserve</b>		
As per Last Balance Sheet	25.81	25.81
<b>f. Surplus in Statement of Profit and Loss</b>		
Balance as per last Profit and Loss Account of the previous year	(2393.01)	(1974.01)
Profit / (Loss) for the year	(30.18)	(419.00)
Net Surplus / (Deficit) in Statement of Profit and Loss	<u>(2423.19)</u>	<u>(2393.01)</u>
<b>Total Reserves and Surplus</b>	<u>(1366.66)</u>	<u>(1336.48)</u>

### Note 6

#### CURRENT LIABILITIES

##### a Short Term Borrowings

###### Secured

Working Capital Borrowings from Banks

24.98

23.60

Others

60.00

60.00

TOTAL

84.98

83.60

Working Capital facilities availed from Banks are secured by the Hypothecation of Stocks of Raw Materials, Stores, Spares (not relating to Plant and Machinery), Work-in-Progress, Finished Goods, Book Debts and Documentary Bills. They are further secured by a Second Charge on the block assets of the company situated at Chennai unit except to the extent of 15.08 acres of land on which charge has been ceded, ranking pari-passu among themselves.

##### b Trade payables

Trade payables

490.88

510.45

490.88

510.45

**Note 6****CURRENT LIABILITIES (Contd.)**

(in ₹ Million)

	THIS YEAR	PREVIOUS YEAR
<b>c Other Current Liabilities</b>		
i Current maturities of Long Term Loans *	<b>2844.85</b>	2844.65
ii Interest accrued but not due on loans	<b>60.26</b>	60.26
iii Interest accrued and due on loans @	<b>304.54</b>	304.54
iv Unclaimed Dividend	-	0.91
v Creditors for Capital Expenditure	<b>4.06</b>	5.08
vi Advance from customer		9.61
vii Interest accrued and due on NCDs #	<b>83.31</b>	83.31
viii Other payables	<b>686.33</b>	699.81
<b>TOTAL</b>	<b>3983.35</b>	4008.17

\* Period and amount of dues: ₹ 2844.85 Million has fallen due on or before 31<sup>st</sup> March 2016

@ Period and amount of dues: ₹ 304.54 Million has fallen due on or before 31<sup>st</sup> March 2016

# Period and amount of dues: ₹ 83.31 Million has fallen due on or before 31<sup>st</sup> March 2016

The above Long Term Loans are secured by the :

First charge on the company's immovable and movable fixed assets, present and future, as set out hereunder:

- i) Term Loans availed and outstanding to banks, aggregating to ₹ 40.14 million are secured by the first charge on the block assets of the company situated at the Chennai plant except to the extent of 15.08 acres of land on pari passu basis.
- ii) Working Capital Term Loans and Funded Interest Term Loans outstanding to banks, aggregating to ₹ 98.61 million are secured primarily by a first charge on the current assets of the company and further secured by a second charge on the Fixed assets of the Company on pari passu basis.
- iii) Security has been created on NCD of ₹ 240 million in favour of IDBI Trusteeship Services Limited on behalf of the Debentureholders and in favour of Allium Finance Ltd. and Edelweiss Asset Reconstruction Company Ltd. for the Term Loans aggregating to ₹ 797.50 million on the block assets of the company situated at the Vizag Plant and on 5 acres of land situated at Porur, Chennai and in respect of vacant land of the Company admeasuring 2.214 acres situated at Sedarpet Village, Pondicherry on pari passu basis among these lenders and pledge of 29,70,000 equity shares of the Promoters.
- iv) Security Receipts of ₹ 249.62 million classified as Term Loan from other than Banks are secured by Block Assets of the company situated at Chennai except for 15.08 acres of land and also secured by block assets of the company situated at Vizag.
- v) For the facilities assigned by Punjab National Bank and Indian Overseas Bank, for ₹ 1418.98 million in favour of Edelweiss Asset Reconstruction Company Ltd., Term Loans are secured by the first charge on the Block Assets of the Company situated at the Chennai Plant except to the extent of 15.08 Acres of land on paripassu basis and Working Capital loans are secured primarily by a first charge on the current assets of the company and further secured by a second charge on the Fixed Assets of the company on paripassu basis.

**Terms of Repayment**

The facilities extended to the company have been declared as Non-performing Assets with the respective Banks/ Financial Institutions.

## W.S. INDUSTRIES (INDIA) LIMITED

### Note 6

#### CURRENT LIABILITIES (Contd.)

(in ₹ Million)

	THIS YEAR		PREVIOUS YEAR	
<b>d Short Term Provisions</b>				
i Provision for Employee benefits		5.72		43.96
ii Income Tax (Net of payments)		4.08		4.08
TOTAL		<u>9.80</u>		<u>48.04</u>
<b>Note 7</b>				
<b>NON-CURRENT ASSETS</b>				
<b>FIXED ASSETS</b>				
<b>a Tangible Assets</b>	1609.63		1700.19	
<b>b Capital work in Progress</b>	7.04	1616.67	7.88	1708.07
Note: Please see Annexure enclosed for details				
<b>c Long Term Loans And Advances</b>				
Unsecured, considered good				
Deposits		5.01		5.05
Prepaid expenses		0.59		0.06
		<u>5.60</u>		<u>5.11</u>
<b>d Other Non-Current Assets</b>				
Unsecured, considered good				
Deferred Revenue Expenditure (to the extent not written off)		—		10.50
		<u>—</u>		<u>10.50</u>



**ANNEXURE TO NOTE 7**  
**FIXED ASSETS**

(in ₹ Million)

**TANGIBLE ASSETS**

Sl. No.	Description	Gross Block at Cost				Depreciation	Net Block	
		As at 01.04.2016	Additions/ Transfers	Sold/ Discarded/ Transfers	As at 31 03 2017	Upto 31 03 2017	As at 31 03 2017	As at 31 03 2016
1	Land and Betterment							
	a) Freehold Land	664.62			664.62		664.62	664.62
	b) Leasehold Rights in land	48.01			48.01	11.64	36.37	37.83
2	Buildings	436.55	3.41	0.69	439.27	127.91	311.36	321.23
3	Plant & Machinery	957.44	0.10	0.05	957.49	411.10	546.39	609.10
4	Electrical Installation	112.24			112.24	68.68	43.56	59.14
5	Vehicles	7.99			7.99	7.06	0.93	1.16
6	Furniture & Fixtures and other Equipment	25.11	0.21	0.06	25.26	18.89	6.37	7.08
7	Office equipment	1.46	0.01		1.47	1.44	0.03	0.03
	TOTAL	2253.42	3.73	0.80	2256.35	646.72	1609.63	1700.19
	Capital Work in progress	7.88	2.73	3.57	7.04		7.04	7.88
	GRAND TOTAL	2261.30	6.46	4.37	2263.39	646.72	1616.67	1708.07

**Note 8**

**INVESTMENTS**

(in ₹ Million)

	THIS YEAR	PREVIOUS YEAR
<b>Non-current Investments</b>		
<b>Long Term Investments (at Cost)</b>		
<b>Unquoted :</b>		
Shares in Subsidiary Companies (fully paid-up)		
50,100 Equity Shares of face value of ₹ 10/- each in W.S. T & D Ltd.	0.50	0.50
	0.50	0.50
<b>Current Investments</b>		
Book value of Unquoted Investments	0.50	0.50
Market value of short term Investments	-	-

## W.S. INDUSTRIES (INDIA) LIMITED

### Note 8

#### CURRENT ASSETS

(in ₹ Million)

	THIS YEAR		PREVIOUS YEAR	
<b>a) Inventories</b>				
(i) Stores and Spare Parts	0.24		14.04	
(ii) Raw Materials	2.60		48.40	
(iii) Packing Materials	0.02		0.36	
(v) Work in progress	8.71		174.16	
(vi) Finished Goods	4.14	15.71	16.65	253.61
(For method of valuation, please refer to Note No. 1(d))				
<b>b) Trade Receivables</b>				
Unsecured - considered good :				
Exceeding six months	307.93		340.71	
Other Debts	7.19	315.12	20.13	360.84
<b>c) Cash and Bank Balances</b>				
Cash and cash equivalents				
(i) Cash on hand	0.01		0.85	
(ii) Bank Balances				
- in Current Accounts *	33.90		7.99	
- Fixed Deposits	30.00			
		63.91		8.84
* includes Unclaimed Dividend	—		0.91	
<b>d) Short Term Loans and Advances</b>				
Loans and advances - Unsecured - Considered good				
Related parties	553.01		300.03	
Others	946.58		979.08	
Tax deducted at source	11.04		10.84	
Deposits	12.94		7.92	
Prepaid Expenses	0.17		2.37	
		1523.74		1300.24
<b>e) Other Current Assets</b>				
i) Interest accrued on investments	0.01		—	
ii) Deferred Revenue Expenditure (to be written off in one year)	—		4.97	
		0.01		4.97


**Note 10**
**CONTINGENT LIABILITIES AND COMMITMENTS NOT PROVIDED FOR**

(in ₹ Million)

	THIS YEAR	PREVIOUS YEAR
<b>I Contingent Liabilities</b>		
(a) Guarantees	85.70	231.86
(b) Corporate Guarantees issued	1.26	12.92
(c) Customs Duty on Bonded Materials	1.47	1.34
(d) Arrears of dividend on Cumulative redeemable Preference Shares	71.95	59.39
(e) Labour Disputes	13.50	13.50
(f) Additional Demand on account of reassessment of Property Tax	14.36	11.31
(g) Additional Demand for Panchayat Licence Fees	0.30	0.30
<b>II Commitments</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for -	0.40	2.55
(b) i) In respect of Voluntary Retirement Scheme offered by the company, the amount payable to eligible employees who have opted for the deferred payment as set out in the scheme for the coming years	-	272.50
(ii) Due to the strained financial position of the company, individual settlements with the workers have been initiated. Settlement to the remaining workers on similar basis amounts to -	33.20	-
<b>Note 11</b>		
<b>Revenue from operations</b>		
(a) Sale of Products		
- Insulator Products	10.06	11.21
- Turnkey Products	13.74	32.88
	23.80	44.09
<b>Note 12</b>		
<b>Other Income</b>		
Other Receipts	0.95	5.99
Profit on Sale of Fixed Assets	0.01	1.01
Liabilities written back	487.39	
Total	488.35	7.00

## W.S. INDUSTRIES (INDIA) LIMITED

### Note 13

#### COST OF MATERIALS CONSUMED

(in ₹ Million)

	THIS YEAR	PREVIOUS YEAR
(a) Raw Materials		
(i) Clays and Minerals	26.05	1.97
(ii) Metal Parts	9.84	0.72
(iii) Others	25.57	9.80
	<u>61.46</u>	<u>12.49</u>

### Note 14

#### CHANGES IN INVENTORIES OF FINISHED GOODS & WORK-IN-PROGRESS

##### Closing Stock :

Work in progress

8.71

174.16

Finished Goods

4.14

16.65

12.85

190.81

##### Opening Stock :

Work in progress

174.16

174.19

Finished Goods

16.65

190.81

16.66

190.85

##### TOTAL

177.96

0.04

### Note 15

#### EMPLOYEE BENEFITS EXPENSES

a Salaries, Wages and Bonus & Wages

94.81

153.72

b Contribution to PF, ESI, Gratuity, etc.

4.72

4.91

c Welfare Expenses

2.10

6.03

##### TOTAL

101.63

164.66

### Note 16

#### FINANCE COSTS

a Interest Expense

35.80

1.29

b Bank Charges

1.68

6.82

c Net (gain) / loss on foreign currency transactions

(0.88)

4.82

36.60

12.93


**Note 17**
**OTHER EXPENSES**

(in ₹ Million)

	THIS YEAR	PREVIOUS YEAR
Consumption of Stores and Spares	4.62	0.23
Power and Fuel	1.99	2.91
Rent	0.69	1.17
Rates and Taxes	11.60	3.45
Insurance	2.65	3.17
Repairs and Maintenance:		
Plant & Machinery	8.43	0.17
Other Assets	1.87	1.75
Directors' Sitting Fees	–	(0.02)
Travelling and Conveyance	2.53	3.47
Auditors' Remuneration	0.36	0.34
Agency Commission	(0.28)	2.23
Packing, forwarding and freight	0.15	(0.41)
Loss on Assets discarded / sold	0.74	47.99
Bad Debts written off	0.02	51.90
Others	35.76	45.84
<b>TOTAL</b>	<b>71.13</b>	<b>164.19</b>

**Note 18**
**PAYMENT TO AUDITOR**

(included under Note No. 17)

**As auditor:**

Audit Fee	0.30	0.30
Tax Audit Fee	0.02	0.02
Limited Review	0.02	0.02
In other capacity:		
Other services (Certification Fees)	0.02	0.00
	<u>0.36</u>	<u>0.34</u>

 Year ended  
31 03 2017

 Year ended  
31 03 2016

**Note 19**

 (iii) Value of imports on CIF basis  
(including Materials in transit)

Raw Materials	–	–
Components and Spare Parts	–	–

## W.S. INDUSTRIES (INDIA) LIMITED

### Note 20

VALUE OF RAW MATERIALS (INCLUDING COMPONENTS) AND STORES/SPARE PARTS CONSUMED (in ₹ Million)

	THIS YEAR		PREVIOUS YEAR	
<b>i) RAW MATERIALS</b>				
Imported	4.41	7%	2.21	18%
Indigenous	57.05	93%	10.27	82%
	<u>61.46</u>	<u>100%</u>	<u>12.48</u>	<u>100%</u>
<b>ii) STORES/SPARE PARTS</b>				
Imported	3.04	21%	–	0%
Indigenous	11.77	79%	1.95	100%
	<u>14.80</u>	<u>100%</u>	<u>1.95</u>	<u>100%</u>
<b>Note 21</b>				
<b>AMOUNTS REMITTED IN FOREIGN CURRENCIES:</b>				
Others		–		0.14
<b>Note 22</b>				
<b>EARNINGS IN FOREIGN EXCHANGE</b>				
Physical Exports		–		0.04
<b>Note 23</b>				
<b>EMPLOYEE COST INCLUDES:</b>				
(a) Research and Development:				
(i) Salaries and Wages		–		0.67
(ii) Contribution to Provident Fund		–		0.08
(b) Repairs and Maintenance:				
(i) Salaries and Wages		–		2.43
(ii) Contribution to Provident Fund		–		0.32

### Note 24

The arbitration in respect of the dispute pertaining to the Framework Agreement with Mantri Premier Homes Private Limited and Mantri Developers Private Limited, is continuing before the Arbitral Tribunal. The provision for interest to the extent of ₹ 45.90 million for the year have not been considered in the Financials Statements.

### Note 25

In the matter pertaining to the dispute with M/s Pragathi Fabricators, with reference to the order of A.P.State Micro & Small Enterprises Facilitation Council, Hyderabad, in pursuance to the High Court order, directing the City Civil Court to reassess the case, the said court had taken up the matter for hearing. In the meantime, Pragathi Fabricators had filed a Special Leave Petition, before the Supreme Court, for deposit of future interest. The Hon'ble Court had passed orders directing the Company to deposit an amount of ₹ 50,00,000/- (Rupees fifty lakhs only) before the Additional Chief Judge, City Civil Court, Hyderabad to the credit of the said O.P No.363 of 2012, based on which the said OP to reconsider on merits and disposed off. This order has been complied with.



### Note 26

The matter pertaining to the summary suit filed by Balaji Electrical Insulators P Ltd before the Civil Judge Ahmedabad, Mirzapur is pending before the said court.

### Note 27

Vacant land of the company admeasuring 2 acres 12 Guntas (2.3 acres) in Survey No.80, Block Nos. 9-20 of Settigere Village, Karnataka which was mortgaged in favour of M/s. Trinity Infraventures Limited towards security for the amount of ₹ 60 million secured from them has been transferred as provided for in the related agreements. .

### Note 28

Roto Pumps Ltd., a supplier has filed a summary suit before the Civil Court, Noida, for recovery of amounts due to them and the Company has taken steps to defend the same.

### Note 29

The District Revenue Officer of Thiruvallur District had passed orders with reference to change in patta pertaining to certain lands owned by the Company (as reported last year). The matter underwent several rounds of litigations and is currently before the Hon'ble Supreme Court of India which has ordered status quo ante.

### Note 30

The Company has also filed Writ Petitions before the Madras High Court for the following: for stay of retrospective increase in levy of corporation tax, for stay of proceedings before the Joint Commissioner of Labour and proceedings before the PF authorities. In all these matters, interim stay has been granted. PF amounts claimed by the authorities have been paid.

### Note 31

## SEGMENT DISCLOSURE

### A. PRIMARY SEGMENT INFORMATION

₹ in Million

	Particulars	Electro-porcelain Products	Turnkey Projects	Total	Electro-porcelain Products	Turnkey Projects	Total
		2016 - 17			2015 - 16		
<b>1</b>	<b>REVENUE</b>						
	Gross Sales	10.25	13.74	23.99	12.29	32.88	45.17
	Less: Excise Duty	0.19	—	0.19	1.08	—	1.08
	Net Sales	10.06	13.74	23.80	11.21	32.88	44.09
<b>2</b>	<b>RESULT</b>						
	Segment result - EBIT	(467.31)	(14.63)	(481.94)	(351.47)	(61.59)	(413.06)
	Finance Charges (Net)			(36.60)			(12.93)
	Other Income			488.34			5.99
	Profit on sale of fixed assets (Net)			0.01			1.01
	Income Tax			—			—
	Net Profit / (Loss)			(30.18)			(418.99)
	Other Information						
	Segment Assets	1876.98	70.51	1947.49	2239.68	82.84	2322.52

## W.S. INDUSTRIES (INDIA) LIMITED

### Note 31

#### SEGMENT DISCLOSURE

##### A. PRIMARY SEGMENT INFORMATION (Contd.)

₹ in Million

	Particulars	Electro-porcelain Products	Turnkey Projects	Total	Electro-porcelain Products	Turnkey Projects	Total
		2016 - 17			2015 - 16		
3	Unallocated Corporate Assets			1593.76			1330.17
	<b>Total Assets</b>			<b>3541.25</b>			<b>3652.69</b>
	Segment Liabilities	492.20	3.76	495.96	526.16	0.36	526.52
	Unallocated Corporate Liabilities			4073.04			4123.74
	<b>Total Liabilities</b>			<b>4569.00</b>			<b>4650.26</b>
	Capital expenditure	2.89	–	2.89	6.61	–	6.61
	Depreciation	93.46	0.09	93.55	115.63	0.15	115.78
<b>B.</b>	<b>SECONDARY SEGMENT INFORMATION</b>						
	Revenue by Geographical Market						
	India	10.06	13.74	23.80	11.17	32.88	44.05
	Rest of the World	–	–	–	0.04	–	0.04
	<b>Total</b>	<b>10.06</b>	<b>13.74</b>	<b>23.80</b>	<b>11.21</b>	<b>32.88</b>	<b>44.09</b>

#### Notes to Segment Reporting

1 Business Segments:

The Company has considered business segment as the primary segment for disclosure. The business segments are: Electro-porcelain products and Turnkey Projects.

2 Geographical Segments:

The geographical segments considered for disclosure are: India and Rest of the world.

3 Segmental assets includes all operating assets used by respective segment and consists principally of operating Debtors, Inventories and Fixed Assets net of allowances and provisions.

Segmental liabilities include all operating liabilities and consist primarily of Creditors and accrued liabilities.

Segment assets and liabilities do not include income tax assets and liabilities.

### Note 32

#### Details of Specified Bank Notes held and transacted during the period 08 11 2016 to 30 12 2016 (in ₹)

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	800000	52747	852747
(+) Permitted receipts	–	270725	270725
(-) Permitted payments	–	286544	286544
(-) Amount deposited in Banks	800000	–	800000
Closing cash in hand as on 30.12.2016	–	36928	36928



### Note 33

#### Disclosure as required under Accounting Standards (AS) 15 of the Companies (Accounting Standards) Rules, 2006:

₹ in Million

	Group Gratuity Scheme		Leave Encashment Benefits	
	This year	Previous year	This year	Previous year
<b>I. (a) Change in present value of obligations:</b>				
Present value of obligations at the beginning of the year	59.46	53.00	13.13	8.52
Interest Cost	3.59	1.65	1.02	0.25
Current Service Cost	1.75	4.54	5.64	0.43
Benefits paid	26.82	0.71	–	0.83
Actuarial (Gain) / Loss on obligations	(8.21)	(6.89)	(6.83)	(0.32)
Present value of obligations at the end of the year	29.77	51.59	1.20	8.05
<b>(b) Changes in the fair value of Plan Assets:</b>				
Fair value of Plan Assets at the beginning of the year	–	–	–	–
Expected Return on Plan Assets	–	–	–	–
Contributions	–	–	–	–
Benefits paid	–	–	–	–
Actuarial (Gain) / Loss on obligations	(8.21)	(4.68)	–	–
Present value Plan Assets at the end of the year	–	–	–	–
<b>(c) Fair Value of Plan Assets</b>				
Fair value of Plan Assets at the beginning of the year	–	–	–	–
Actual Return on Plan Assets	–	–	–	–
Contributions	–	–	–	–
Benefits paid	–	–	–	–
Actuarial (Gain) / Loss on obligations	–	–	–	–
Fair Value of Plan Assets at the end of the year	–	–	–	–
Funded status	–	–	–	–
Excess of Actual over estimated return on Plan Assets	–	–	–	–
<b>(d) Actuarial Gain / Loss recognized</b>				
Actuarial Gain / (Loss) for the Year - obligations	(8.21)	(2.21)	–	–
Actuarial Gain / (Loss) for the year – Plan Assets	–	–	–	–
Total (Gain) / Loss for the year	–	–	–	–
Actuarial (Gain) / Loss recognized in the year	–	–	–	–
<b>(e) Amounts to be recognized in the Balance Sheet and Statement of Profit and Loss</b>				
Present value of obligations at the end of the year	–	–	–	–
Fair Value of Plan Assets at the end of the year	–	–	–	–
Funded Status	–	–	–	–
Net Asset/(Liability) recognized in Balance Sheet	–	–	–	–
<b>(f) Expenses recognized in the statement of Profit and Loss</b>				
Current Service Cost	–	–	–	–
Interest Cost	–	–	–	–
Expected Return on Plan Assets	–	–	–	–
Net Actuarial (Gain) / Loss recognized in the year	–	–	–	–
Expenses recognized in the statement of Profit and Loss	–	–	–	–
<b>(g) Actuarial Assumptions</b>				
Discount Rate	7.5% / 6.75%	7.80%	7.5% / 6.75%	7.80%
Expected return on Plan Assets	–	–	–	–
Salary increase	–	5.00%	–	5.00%

## W.S. INDUSTRIES (INDIA) LIMITED

### Note 34

#### Disclosure of Related Party transactions, as required under Accounting Standard (AS) 18 of The Companies (Accounting Standards) Rules, 2006:

(a) List of Related Parties :

Subsidiary Company	Relative of Director	Other related parties
W.S.T & D Limited		
W.S.Electric Ltd. (upto 29 <sup>th</sup> Dec. 2016)		

(b) Transactions with Related parties : (in ₹ Million)

	Subsidiary Company	Director	Relative of Director	Other related parties
Sale of Goods	–	–	–	–
Interest Payments	–	–	–	–
Payments for services received	–	–	–	–
Receipts for services rendered	–	–	–	–
Remuneration	–	–	–	–
Sitting Fees	–	–	–	–
Sale of Assets	–	–	–	–
Receipt of outstanding against Sale of Investments	38.21	–	–	–
Advance paid	291.19	–	–	–
Advance received	478.89	–	–	–
Repayment of liability	–	–	–	–
Balance as on 31 03 2017:	–	–	–	–
Receivable	553.01	–	–	–

(c) Remuneration to Managing Directors / Wholetime Director

	THIS YEAR		PREVIOUS YEAR	
Salary	–		0.48	
Contribution to Provident & Other Funds	–		0.06	
Perquisites	–	–	1.03	1.56



---

**Note 35**

The stock of inventory could not be physically verified during the year due to reasons indicated in Note 2. However the movement of materials is negligible after the last verification which was done in March 2015.

**Note 36**

Confirmation of balances from suppliers and customers could not be carried out for the period under review for the reasons indicated in Note 2.

**Note 37**

No Interest has been provided on the facilities availed from the banks/financial institutions since the Company will be seeking reliefs as part of the revival scheme being finalized for consideration and sanction by the appropriate authorities. The Company has sought confirmation of balance from financial institutions which is being awaited. The provision for Interest for the year to the extent of ₹ 793.08 million have not been considered in the Financial Statements.

**Note 38**

Loss on Assets discarded during the year is ₹ 0.68 Million

**Note 39**

The disclosure as required under Accounting Standards (AS) 15 of the Companies (Accounting Standards) Rules,2006 has been obtained for the period ending Aug2015 in Chennai and June 2015 in Vizag.

**Note 40**

Tresspass has taken place in the premises of the factory at Chennai. The necessary complaints to the appropriate authorities have been filed and legal action as required, has been taken. Consequent impact can be determined only after proper assessment.

**Note 41**

As informed last year the facilities extended to the Company have been declared as Non Performing Assets with the respective Banks / financial institutions. Punjab National Bank and Indian Overseas Bank had proceeded to take symbolic possession of part of Company's lands admeasuring 15.03 acre situated at Chennai together with all buildings and plant and machinery under the SARFAESI Act,2002. Subsequently they have assigned their respective facilities in favour of M/s. Edelweiss Asset Reconstruction Company on 10<sup>th</sup> December 2015 and on 29<sup>th</sup> March 2016 respectively along with the underlying rights and benefits. The Company is in discussions with Edelweiss group and State Bank of India to find a resolution to this matter.

**Note 42**

The Company is in the process of implementing settlements with the surplus workers / executives both at Chennai and Vizag plants. In view of the same the provisions created last year under the head employee cost have been written back in this financial year.

## **W.S. INDUSTRIES (INDIA) LIMITED**

---

### **Note 43**

During the year, there was a change in the status of W.S. Electric Ltd. being no longer a subsidiary as on 29<sup>th</sup> December, 2016 due to fresh infusion of equity in addition to acquisition of 49.954% shareholding not held by W.S. T&D Ltd.

### **Note 44**

Since the Company's financial position has not improved and there are various issues relating to the labour settlement and claims relating to title to the lands owned by the Company, which is being litigated, it has expressed its inability to make payment of ₹ 421.72 million to W.S Electric Limited and has requested them to waive the same which has been agreed to. Accordingly there is an appropriate treatment reflected in the books.

The Company's shares are listed in Mumbai and National Stock Exchanges. The listing fees there against have been paid up to date.

Figures have been regrouped/reclassified wherever necessary, to conform to this year's classifications.

---

As per our Report of even date

For and on behalf of the Board

for **M/s. S. VISWANATHAN LLP**

Chartered Accountants

Firm Regn. No. 004770S/S200025

**V. SRINIVASAN**

Chairman

**CHELLA K. SRINIVASAN**

Partner

(Membership No.023305)

Chennai

30<sup>th</sup> May 2017

**R. KARTHIK**

Director

**B. SWAMINATHAN**

Chief Financial Officer



## INDEPENDENT AUDITOR'S REPORT

To The Members of **W.S. INDUSTRIES (INDIA) LIMITED.**

### **Report on the Consolidated Financial Statements**

We have audited the accompanying Consolidated Financial Statements of W.S. INDUSTRIES (INDIA) LIMITED (herein after referred to as “the **Holding company**”) and its subsidiary (the Holding Company and its Subsidiary together referred to as “**the Group**”), comprising the Consolidated Balance Sheet as at 31<sup>st</sup> March,2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.(herein after referred to as “ the Consolidated Financial Statements”)

### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as “the Act”) that give a true and fair view of the Consolidated financial position, Consolidated financial performance and Consolidated cash flows of the group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the group is responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding company as aforesaid.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these Consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated financial statements. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the

## **W.S. INDUSTRIES (INDIA) LIMITED**

---

Consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated financial statements.

Because of the matter described in the Basis for Disclaimer Opinion paragraph, we are not able to obtain sufficient appropriate audit evidence to provide a basis for our opinion on the consolidated financial statements.

### **Basis for Disclaimer of Opinion:**

- (i) Confirmation of Balances as at 31<sup>st</sup> March 2017 for the Holding Company, were not available for our verification in respect of most of the banks and financial institutions.**
- (ii) Physical stock of inventory could not be carried out by us for the Holding Company, as at 31<sup>st</sup> March 2017 and hence we are unable to give any opinion on the same.**

### **Opinion**

Because of the Significance of the matters specified in the Basis for Disclaimer of Opinion Paragraph above, we have not been able to obtain sufficient audit evidence to express an audit opinion on certain aspects of the consolidated financial statements.

### **Emphasis of Matter:**

- (i) We emphasise on the matter that the accumulated losses of the Holding Company are more than its net worth and the company had been referred to BIFR. The Holding Company is in the process of applying to NCLT for a revival scheme in consultation with secured creditors.
- (ii) There was no production in one of the units of the Holding company during the year and hence, that unit cannot be considered as going concern.
- (iii) Interest has not been provided in the books for the loans availed from banks and other financial institutions of the Holding Company during the year. The Holding Company is in the process of applying to NCLT for a revival scheme in consultation with secured creditors.
- (iv) The disclosure under AS 15 in respect of retirement benefits has been obtained for the period till August 2015 and till June 2015 for Chennai and vizag units of the Holding company.

### **Report on Other Legal and Regulatory Requirements**

1. As required by section 143 (3) of the Act, we report to the extent that:
  - (a) As described in the Basis for Disclaimer of opinion paragraph above, we have sought but were not able to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Consolidated Financial statements;
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements.



- 
- (d) the aforesaid Consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) The company has not paid interest on debentures. However the provision of sec 164(2)(b) of the Companies Act, 2013 are not applicable to the directors in the Holding company.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in “**Annexure A**”.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (h) The Group has disclosed the impact of the pending litigations on its Consolidated financial position in its financial statements.
- (ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) The Group is not required to transfer, any amount to the Investor Education and Protection Fund.
2. Requirement by the Companies (Auditor’s Report) Order, 2016 (“the Order”), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, on the matters specified in paragraphs 3 and 4 of the Order are not applicable in the case of Consolidated Financial Statements.

For M/s. S.VISWANATHAN LLP  
Chartered Accountants  
Firm Regn No:004770S/S200025

Chella K. Srinivasan  
Partner  
Membership number:023305

Place: Chennai  
Date: 30/05/2017

## **W.S. INDUSTRIES (INDIA) LIMITED**

---

### **“Annexure A” to the Independent Auditor’s Report of Even Date on the Consolidated Financial Statements of WS INDUSTRIES (INDIA) LIMITED.**

#### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **W.S. INDUSTRIES (INDIA) LIMITED** (herein after referred to as “Holding Company”) and its subsidiary companies which are companies incorporated in India as of March 31, 2017 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding company, its Subsidiary Company which are companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company’s internal financial controls system over financial reporting.



---

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and Directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

The system of internal financial controls over financial reporting, with regard to the company were made available to us, to determine whether the company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at 31<sup>st</sup> March 2017.

We have considered the disclaimer reported above in determining the nature, timing and extent of audit tests in our audit of the Consolidated financial statements of the Company and the disclaimer has affected our opinion on the Consolidated financial statements of the company, and we have issued a Disclaimer of opinion on the Consolidated financial statements.

For M/s. S.VISWANATHAN LLP  
Chartered Accountants  
Firm Regn No:004770S/S200025

Chella K. Srinivasan  
Partner  
Membership number:023305

Place: Chennai  
Date: 30/05/2017

**W.S. INDUSTRIES (INDIA) LIMITED****CONSOLIDATED BALANCE SHEET AS AT 31-03-2017**

(in ₹ Million)

	Notes	THIS YEAR		PREVIOUS YEAR	
<b>I EQUITY AND LIABILITIES</b>					
<b>1 Shareholders' Funds</b>					
Share Capital	4	<b>338.90</b>		338.90	
Reserves and Surplus	5	<b>(1393.13)</b>	<b>(1054.23)</b>	(1831.75)	(1492.85)
Minority Interest			–		204.67
<b>2 Non-current liabilities</b>					
Long Term Borrowings	6		–		220.98
<b>3 Current Liabilities</b>					
Short Term borrowings	7 (a)	<b>84.98</b>		83.60	
Trade payables	7 (b)	<b>490.87</b>		510.45	
Other Current Liabilities	7 (c)	<b>4023.37</b>		3960.44	
Short Term provisions	7 (d)	<b>9.80</b>	<b>4609.02</b>	61.81	4616.30
<b>Total</b>			<b>3554.79</b>		<b>3549.10</b>
<b>II ASSETS</b>					
<b>1 Non-current assets</b>					
Fixed Assets					
i) Tangible assets	8 (a)	<b>1609.68</b>		1703.83	
ii) Capital Work in Progress	8 (b)	<b>7.04</b>	<b>1616.72</b>	7.87	1711.70
<b>Non-current investments</b>	8 (c)		<b>538.70</b>		–
Deferred Tax assets (Net)			–		–
<b>Long Term Loans and advances</b>	8 (d)		<b>5.60</b>		5.11
<b>Other non-current assets</b>	8 (e)		–		10.50
<b>2 Current Assets</b>					
i) Inventories	9 (a)	<b>15.70</b>		435.21	
ii) Trade receivables	9 (b)	<b>315.12</b>		360.84	
iii) Cash and cash equivalents	9 (c)	<b>64.69</b>		11.30	
iv) Short term loans and advances	9 (d)	<b>998.25</b>		1009.47	
v) Other Current Assets	9 (e)	<b>0.01</b>	<b>1393.77</b>	4.97	1821.79
<b>Total</b>			<b>3554.79</b>		<b>3549.10</b>
<b>Significant Accounting Policies &amp; Notes on Financial Statements</b>	1 to 19				

As per our Report of even date

For and on behalf of the Board

for **M/s. S. VISWANATHAN LLP**

Chartered Accountants

Firm Regn. No. 004770S/S200025

**V. SRINIVASAN**

Chairman

**CHELLA K. SRINIVASAN**

Partner

(Membership No.023305)

Chennai

30<sup>th</sup> May 2017**R. KARTHIK**

Director

**B. SWAMINATHAN**

Chief Financial Officer



**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017** (in ₹ Million)

	Notes	THIS YEAR		PREVIOUS YEAR	
<b>1 Revenue from Operations (Gross)</b>					
Sales and Other Operating income	10	<b>29.04</b>		71.82	
Less: Excise Duty		<b>0.19</b>	<b>28.85</b>	1.08	70.74
<b>2 Other Income</b>	11		<b>488.35</b>		7.15
<b>3 Total Revenue (1+2)</b>			<b>517.20</b>		<b>77.89</b>
<b>4 EXPENSES</b>					
Cost of Materials consumed	12	<b>61.46</b>		12.49	
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	13	<b>177.97</b>		0.04	
Employee Benefit expense	14	<b>101.63</b>		164.66	
Finance Costs	15	<b>73.43</b>		53.02	
Depreciation and Amortization expenses		<b>94.11</b>		116.27	
Other expenses	16	<b>102.01</b>	<b>610.61</b>	173.61	520.09
<b>5 PROFIT / (LOSS) BEFORE TAX (3 - 4)</b>			<b>(93.40)</b>		(442.20)
<b>6 Tax expense</b>					
i) Current tax.		<b>0.91</b>		5.90	
ii) Deferred Tax			<b>0.91</b>		5.90
<b>7 PROFIT / (LOSS) AFTER TAX Before Adjustment of Minority Interest (5 - 6)</b>			<b>(94.31)</b>		(448.10)
<b>8 Minority Interest in Income</b>			<b>(29.86)</b>		(12.21)
<b>9 Adjustment on account of Cessation of subsidiary Refer Note 1(b)</b>			<b>504.40</b>		
<b>10 PROFIT / (LOSS) AFTER TAX After Adjustment of Minority Interest and Cessation of subsidiary (7 - 8 - 9)</b>			<b>439.94</b>		(435.89)
<b>11 Earnings per equity share ( in ₹):</b>					
i) Basic			<b>20.22</b>		(21.79)
ii) Diluted			<b>20.22</b>		(21.79)
<b>Significant Accounting Policies &amp; Notes on Financial Statements</b>	1 to 19				

As per our Report of even date

For and on behalf of the Board

for **M/s. S. VISWANATHAN LLP**  
Chartered Accountants  
Firm Regn. No. 004770S/S200025

**V. SRINIVASAN**  
Chairman

**CHELLA K. SRINIVASAN**  
Partner  
(Membership No.023305)

Chennai  
30<sup>th</sup> May 2017

**R. KARTHIK**  
Director

**B. SWAMINATHAN**  
Chief Financial Officer

## W.S. INDUSTRIES (INDIA) LIMITED

### CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2017 (in ₹ Million)

	THIS YEAR	PREVIOUS YEAR
<b>A CASH FROM OPERATING ACTIVITIES:</b>		
Net Profit / (Loss) before Taxes	(93.40)	(442.20)
Adjustments for:		
Add:		
Loss on Fixed Assets Discarded/sold	0.74	47.99
Depreciation	94.11	116.27
Interest and Financial Charges (Net)	73.43	53.02
	<u>74.87</u>	<u>(224.92)</u>
Less:		
Profit on sale of Assets	0.01	1.01
Operating Profit before Working Capital changes	<u>74.86</u>	<u>(225.93)</u>
Increase/(Decrease) in Working Capital		
(Increase)/Decrease in inventories	237.91	6.18
(Increase)/Decrease in Sundry Debtors	45.72	83.46
(Increase)/Decrease in other Current Assets	(238.34)	32.78
Increase/(Decrease) in Liabilities and Provisions	(49.50)	50.56
Income Taxes paid	0.00	1.09
Adjustment for Loss on account of Cessation of subsidiary Refer Note 1(b)	58.37	
Minority Interest in income	(29.86)	(12.21)
Net cash from operating activities	<u>99.17</u>	<u>(64.08)</u>
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets (including interest capitalised)	(2.89)	(7.81)
Sale/ reduction in value of Fixed Assets	0.02	1.93
Change in minority interest	29.86	12.21
Net Cash (used in) / from Investing activities	<u>26.99</u>	<u>6.33</u>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/decrease in secured Loans	0.20	411.59
Increase/decrease in Unsecured Loans	0.00	(66.17)
Increase/(Decrease) in working Capital from Banks	1.37	(336.11)
Dividend and Dividend Tax paid	(0.91)	0.00
Interest and financing charges paid	(73.43)	(53.02)
Net Cash from Financing Activities	<u>(72.76)</u>	<u>(43.17)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS (i)	53.39	(101.46)
Cash and Cash Equivalents as at the beginning of the year	11.30	112.76
Cash and Cash Equivalents as at the close of the year	64.69	11.30

**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2017 (Contd.) (in ₹ Million)**

	THIS YEAR	PREVIOUS YEAR
<b>Notes on Cash Flow Statement:</b>		
1 Above statement has been prepared following the Indirect method except in case of Interest received/Paid. Dividend Received /Paid, Purchase/ Sale of Investments, loans taken and repaid and Taxes Paid , which have been considered on the basis of actual movement of cash with necessary adjustments in corresponding assets and Liabilities.		
2 Purchase of Fixed Assets are stated inclusive of movements of Capital Work-in-Progress between beginning and end of the year		
3 CASH AND CASH EQUIVALENTS		
CASH AND BANK BALANCES	64.69	11.30
UNREALISED (GAIN) / LOSS	—	—
CASH AND BANK BALANCES RESTATED AS ABOVE	<u>64.69</u>	<u>11.30</u>

As per our Report of even date

For and on behalf of the Board

for **M/s. S. VISWANATHAN LLP**  
Chartered Accountants  
Firm Regn. No. 004770S/S200025

**V. SRINIVASAN**  
Chairman

**CHELLA K. SRINIVASAN**  
Partner  
(Membership No.023305)

Chennai  
30<sup>th</sup> May 2017

**R. KARTHIK**  
Director

**B. SWAMINATHAN**  
Chief Financial Officer

# **W.S. INDUSTRIES (INDIA) LIMITED**

---

## **CONSOLIDATED FINANCIAL STATEMENTS**

### **NOTE**

#### **1 SIGNIFICANT ACCOUNTING POLICIES**

##### **a Basis of presentation of Financial Statements**

The Consolidated financial statements relate to W.S. Industries (India) Limited (the Parent Company), and its Subsidiary Companies. The Parent Company with its subsidiaries constitute the Group.

The financial Statements of the Holding Company and the Subsidiary Companies' statements used are drawn for the Period April 2016 - March 2017

The Group maintains its accounts on accrual basis following the historical cost convention, in accordance with the Generally accepted Accounting Principles (GAAP) and in compliance with the Accounting Standards specified in the Companies (Accounts) Rules, 2014 notified by the Central Government and other provisions of the Companies Act 2013.

The preparation of financial statements in conformity with GAAP requires that the respective managements of the companies makes estimates and assumptions that affect the reported amounts if income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements.

##### **b Principles of consolidation**

The financial statements of the Parent Company and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances, intra-group transactions and unrealized profits resulting therefrom and are presented to the extent possible, in the same manner as the Company's independent financial statements.

The Financial Statements of the Parent Company and its Subsidiary Companies have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances.

The Subsidiary Company considered in the consolidated financial statements is W.S. T & D Limited. whose country of incorporation is India and the percentage of voting power by W.S. Industries (India) limited in W.S. T & D is 100% held on 31<sup>st</sup> March 2017.

During the year, there was a change in the status of W.S. Electric Ltd. being no longer a subsidiary as on 29<sup>th</sup> December, 2016 due to fresh infusion of equity in addition to acquisition of 49.954% shareholding not held by W.S. T&D Ltd. Hence the figures for this year are not directly comparable with those of the previous year.

**2** Stock in Trade is valued at Cost or NRV, whichever is lower.

##### **3 Regrouping of figures**

The previous year's figures have been regrouped and rearranges wherever necessary.



#### Note 4

#### SHARE CAPITAL

(in ₹ Million)

	THIS YEAR		PREVIOUS YEAR	
<b>Authorised</b>				
3,50,00,000 Equity Shares of ₹ 10/- each	350.00		350.00	
15,00,000 Cumulative Redeemable Preference Shares of ₹ 100/- each	150.00		150.00	
		500.00		500.00
<b>Issued, Subscribed and Paid - up:</b>				
2,11,39,789 Equity Shares of ₹ 10/- each fully paid - up		211.40		211.40
1275000 Cumulative Redeemable Preference Shares of ₹ 100/- each fully paid - up		127.50		127.50
<b>TOTAL</b>		<b>338.90</b>		<b>338.90</b>

#### Reconciliation of Shares outstanding at the beginning and at the end of the year:

	No. of shares	Value (₹ in Million)	No. of shares	Value (₹ in Million)
<b>Equity Shares:</b>				
At the beginning and end of the year	2,11,39,789	211.40	2,11,39,789	211.40
<b>Preference Shares:</b>				
At the beginning and end of the year	12,75,000	127.50	12,75,000	127.50

#### Shareholders holding more than 5% shares in the company:

Name of Shareholder	Equity Shares			
	As at 31 <sup>st</sup> March 2017		As at 31 <sup>st</sup> March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
W.S. International (P) Ltd.	11,19,798	5%	11,19,798	5%
Blue Chip Investments (P) Ltd.	40,96,138	19%	40,96,138	19%
Credit Renaissance Fund Ltd.	25,20,000	12%	25,20,000	12%
East Sail	19,85,557	9%	19,85,557	9%

Name of Shareholder	Preference Shares			
	As at 31 <sup>st</sup> March 2017		As at 31 <sup>st</sup> March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Credit Renaissance Fund Ltd. *	7,60,000	60%	7,60,000	60%
Credit Renaissance Development Fund L.P. *	1,65,000	13%	1,65,000	13%
Vensunar (P) Ltd.	3,50,000	27%	3,50,000	27%

The 925,000 Non-convertible, Redeemable and cumulative Preference Shares of ₹ 100/- each fully paid up with coupon rate of 5% / 7.5% subscribed by the Overseas Investors, viz., Credit Renaissance Fund Ltd. and Credit Renaissance Development Fund L.P. and due for redemption on 2<sup>nd</sup> October 2015 has been extended by the above shareholders for a further period of 18 months, i.e., upto 1<sup>st</sup> April 2017.

\* The said shares, acquired by Vensunar Holdings (P) Ltd. on 1<sup>st</sup> April 2017 have been rolled over for a period of 18 months.

350,000 Non-convertible, Redeemable and cumulative Preference Shares ₹ 100/- each fully paid up with a coupon rate of 10% subscribed by Vensunar (P) Ltd. is due for redemption on 28 02 2018.

## W.S. INDUSTRIES (INDIA) LIMITED

### Note 5

#### RESERVES & SURPLUS

(in ₹ Million)

	THIS YEAR	PREVIOUS YEAR
<b>a. Capital Reserves</b>		
As per Last Balance Sheet	9.95	9.95
<b>b. Share Premium Account</b>		
As per Last Balance Sheet	255.45	255.45
Less: Adjustment on account of Cessation of subsidiary Refer Note 1(b)	74.95	255.45
	<b>180.50</b>	
<b>c. Revaluation Reserve</b>		
As per Last Balance Sheet	664.11	664.11
Additions during the year		
Less: Withdrawn during the year		
Closing Balance	<b>664.11</b>	664.11
<b>c. Capital Redemption Reserve</b>		
As per Last Balance Sheet	176.16	176.16
Add: Transfer from Statement of Profit and Loss	176.16	176.16
<b>d. Special General Reserve</b>		
As per Last Balance Sheet	25.81	25.81
<b>e. General Reserve</b>		
As per Last Balance Sheet	(73.63)	(73.63)
Additions during the year		
Less: Adjustment on account of Cessation of subsidiary Refer Note 1(b)	73.63	—
Closing Balance	—	(73.63)
<b>f. Surplus in Statement of Profit and Loss</b>		
Balance as per last Profit and Loss Account of the previous year	(2889.60)	(2453.71)
Profit / (Loss) for the year	439.94	(435.89)
	<b>(2449.66)</b>	(2889.60)
<b>Net Surplus / (Deficit) in Statement of Profit and Loss</b>	<b>(2449.66)</b>	<b>(2889.60)</b>
<b>Total Reserves and Surplus</b>	<b>(1393.13)</b>	<b>(1831.75)</b>
<b>Note 6</b>		
<b>NON CURRENT LIABILITIES</b>		
<b>LONG TERM BORROWINGS</b>		
<b>a) Secured</b>		
Lease Rental Bills Discounting	—	220.98
		<b>220.98</b>



**Note 7**

**CURRENT LIABILITIES**

(in ₹ Million)

	<b>THIS YEAR</b>	<b>PREVIOUS YEAR</b>
<b>a Short Term Borrowings</b>		
<b>Secured</b>		
Working Capital Borrowings from Banks	<b>24.98</b>	23.60
Others	<b>60.00</b>	60.00
<b>TOTAL</b>	<b>84.98</b>	83.60
Working Capital facilities availed from Banks are secured by the Hypothecation of Stocks of Raw Materials, Stores, Spares (not relating to Plant and Machinery), Work-in-Progress, Finished Goods, Book Debts and Documentary Bills. They are further secured by a Second Charge on the block assets of the company situated at Chennai unit except to the extent of 15.08 acres of land on which charge has been ceded, ranking pari-passu among themselves.		
<b>b Trade payables</b>		
Trade payables	<b>490.87</b>	510.45
	<b>490.87</b>	510.45
<b>c Other Current Liabilities</b>		
a Current maturities of Long Term Loans *	<b>2844.85</b>	2865.05
b Interest accrued but not due on loans	<b>60.26</b>	60.26
c Interest accrued and due on loans @	<b>304.54</b>	322.72
d Unclaimed Dividend	–	0.91
e Creditors for Capital Expenditure	<b>4.06</b>	5.08
t Advance from customer	–	9.61
g Interest accrued and due on NCDs #	<b>83.31</b>	83.31
h Other payables	<b>686.34</b>	446.73
i Advance towards Sale of Investments	<b>40.00</b>	110.00
j Security Deposits	–	31.77
k Inter Corporate Deposit	–	25.00
<b>TOTAL</b>	<b>4023.37</b>	3960.44

\* Period and amount of dues: ₹ 2844.85 Million has fallen due on or before 31<sup>st</sup> March 2016

@ Period and amount of dues: ₹ 304.54 Million has fallen due on or before 31<sup>st</sup> March 2016

# Period and amount of dues: ₹ 83.31 Million has fallen due on or before 31<sup>st</sup> March 2016

## W.S. INDUSTRIES (INDIA) LIMITED

### Note 7

#### CURRENT LIABILITIES (Contd.)

The above Long Term Loans are secured by the :

First charge on the company's immovable and movable fixed assets, present and future, as set out hereunder:

- i) Term Loans availed and outstanding to banks, aggregating to ₹ 40.14 million are secured by the first charge on the block assets of the company situated at the Chennai plant except to the extent of 15.08 acres of land on pari passu basis.
- ii) Working Capital Term Loans and Funded Interest Term Loans outstanding to banks, aggregating to ₹ 98.61 million are secured primarily by a first charge on the current assets of the company and further secured by a second charge on the Fixed assets of the Company on pari passu basis.
- iii) Security has been created on NCD of ₹ 240 million in favour of IDBI Trusteeship Services Limited on behalf of the Debentureholders and in favour of Allium Finance Ltd. and Edelweiss Asset Reconstruction Company Ltd. for the Term Loans aggregating to ₹ 797.50 million on the block assets of the company situated at the Vizag Plant and on 5 acres of land situated at Porur, Chennai and in respect of vacant land of the Company admeasuring 2.214 acres situated at Sedarpet Village adjacent to PPIDC Estate, Pondicherry on pari passu basis among these lenders and pledge of 29,70,000 equity shares of the Promoters.
- iv) Security Receipts of ₹ 249.62 million classified as Term Loan from other than Banks are secured by Block Assets of the company situated at Chennai except for 15.08 acres of land and also secured by block assets of the company situated at Vizag.
- v) For the facilities assigned by Punjab National Bank and Indian Overseas Bank, for ₹ 1418.98 million in favour of Edelweiss Asset Reconstruction Company Ltd., Term Loans are secured by the first charge on the Block Assets of the Company situated at the Chennai Plant except to the extent of 15.08 Acres of land on paripassu basis and Working Capital loans are secured primarily by a first charge on the current assets of the company and further secured by a second charge on the Fixed Assets of the company on paripassu basis.

#### Terms of Repayment

The facilities extended to the parent company have been declared as Non-performing Assets with the respective Banks/ Financial Institutions.

(in ₹ Million)

	THIS YEAR	PREVIOUS YEAR
<b>d SHORT TERM PROVISIONS</b>		
Provision for Employee benefits	5.72	44.58
Income Tax (Net of payments)	4.08	17.23
<b>TOTAL</b>	<b>9.80</b>	<b>61.81</b>


**Note 5**
**NON-CURRENT ASSETS**

(in ₹ Million)

	THIS YEAR		PREVIOUS YEAR	
<b>FIXED ASSETS</b>				
a Tangible Assets	<b>1609.68</b>		1703.83	
b Capital work in Progress	<b>7.04</b>	<b>1616.71</b>	7.87	1711.70
		<b>1616.71</b>		1711.70
Note: Please see Annexure enclosed for details				
<b>(c) NON-CURRENT INVESTMENTS</b>				
<b>Non-current Investments</b>				
<b>Long Term Investments (at Cost)</b>				
<b>Unquoted :</b>				
51550 Equity Shares( Previous year				
51550 shares) of ₹ 10 Each only in				
W.S Electric Limited		<b>538.70</b>		–
		<b>538.70</b>		0.00
<b>(d) LONG TERM LOANS AND ADVANCES</b>				
Unsecured, considered good				
Deposits		<b>5.01</b>		5.05
Prepaid expenses		<b>0.59</b>		0.06
		<b>5.60</b>		5.11
<b>(e) OTHER NON-CURRENT ASSETS</b>				
Unsecured, considered good				
Deferred Revenue Expenditure		–		10.50
		–		10.50

**ANNEXURE TO NOTE 8**
**FIXED ASSETS**
**TANGIBLE ASSETS**

(in ₹ Million)

Sl. No.	Description	Gross Block at Cost			As at 31 03 2017	Depreciation Upto 31 03 2017	Net Block	
		As at 01.04.2016	Additions/ Transfers	Sold/ Discarded/ Transfers			As at 31 03 2017	As at 31 03 2016
1	Land and Betterment							
	a) Freehold Land	664.62			664.62		664.62	664.62
	b) Leasehold Rights in land	48.01			48.01	11.64	36.37	37.83
2	Buildings	436.55	3.41	0.69	439.27	127.91	311.36	321.24
3	Plant & Machinery	957.63	0.10	0.16	957.57	411.12	546.45	609.18
4	Electrical Installation	112.24			112.24	68.68	43.56	59.15
5	Vehicles	7.99			7.99	7.06	0.93	1.16
6	Furniture & Fixtures and other Equipment	29.89	0.21	4.86	25.24	18.89	6.35	10.62
7	Office equipment	1.46	0.01		1.47	1.44	0.03	0.03
	TOTAL	2258.39	3.73	5.71	2256.41	646.74	1609.68	1703.83
	Capital Work in progress	7.87	2.73	3.57	7.03		7.03	7.87
	GRAND TOTAL	2266.26	6.46	9.28	2263.44	646.74	1616.71	1711.70

## W.S. INDUSTRIES (INDIA) LIMITED

### Note 9

#### CURRENT ASSETS

(in ₹ Million)

	THIS YEAR		PREVIOUS YEAR	
<b>a) Inventories</b>				
(i) Stores and Spare Parts	0.24		14.04	
(ii) Raw Materials	2.60		48.40	
(iii) Packing Materials	0.02		0.36	
(iv) Stock in Trade - Realty			181.60	
(v) Work in progress	8.71		174.16	
(vi) Finished Goods (For method of valuation, please refer to Note No. 1(d))	4.14	15.70	16.65	435.21
<b>b) Trade Receivables</b>				
Unsecured - considered good :				
Exceeding six months	307.93		340.71	
Other Debts	7.19	315.12	20.13	360.84
<b>c) Cash and Bank Balances</b>				
Cash and cash equivalents				
(i) Cash on hand	0.02		0.86	
(ii) Bank Balances				
- in Current Accounts *	34.67		10.44	
- Fixed Deposit	30.00	64.69	–	11.30
* includes Unclaimed Dividend	–		0.91	
<b>d) Short Term Loans and Advances</b>				
Loans and advances	946.58		979.08	
Tax deducted at source	11.06		20.09	
Deposits	40.44		7.92	
Prepaid Expenses	0.17	998.25	2.38	1009.47
<b>e) Other Current Assets</b>				
i) Interest accrued on investments		0.01		
Deferred Revenue Expenditure (to be written off in one year)				4.97
		0.01		4.97


**Note 10**
**REVENUE FROM OPERATIONS**

(in ₹ Million)

	THIS YEAR	PREVIOUS YEAR
(a) Sale of Products		
- Insulator Products	10.06	11.21
- Turnkey Products	13.74	32.88
(b) Lease Rental Income	5.05	26.65
	<u>28.85</u>	<u>70.74</u>
<b>Note 11</b>		
<b>OTHER INCOME</b>		
Other Receipts	0.95	6.14
Profit on Sale of Fixed Assets	0.01	1.01
Liabilities written back	487.39	-
<b>TOTAL</b>	<u>488.35</u>	<u>7.15</u>
<b>Note 12</b>		
<b>COST OF MATERIALS CONSUMED</b>		
(a) Raw Materials		
(i) Clays and Minerals	26.05	1.97
(ii) Metal Parts	9.84	0.72
(iii) Others	25.57	9.80
	<u>61.46</u>	<u>12.49</u>
<b>Note 13</b>		
<b>CHANGES IN INVENTORIES OF FINISHED GOODS &amp; WORK-IN-PROGRESS</b>		
Closing Stock :		
Work in progress	8.71	174.16
Finished Goods	4.14	16.65
	<u>12.85</u>	<u>190.81</u>
Opening Stock :		
Work in progress	174.16	174.19
Finished Goods	16.65	16.66
	<u>190.81</u>	<u>190.85</u>
<b>TOTAL</b>	<u>177.97</u>	<u>0.04</u>

## W.S. INDUSTRIES (INDIA) LIMITED

### Note 14

#### EMPLOYEE BENEFITS EXPENSES

(in ₹ Million)

	THIS YEAR	PREVIOUS YEAR
a Salaries, Wages and Settlement	94.81	153.72
b Contribution to PF, ESI, Gratuity, etc.	4.72	4.91
c Welfare Expenses	2.10	6.03
<b>TOTAL</b>	<b>101.63</b>	<b>164.66</b>

### Note 15

#### FINANCE COSTS

a Interest Expense	72.63	41.38
b Bank Charges	1.68	6.82
c Net (gain) / loss on foreign currency transactions	(0.88)	4.82
	<b>73.43</b>	<b>53.02</b>

### Note 16

#### OTHER EXPENSES

Consumption of Stores and Spares	4.62	0.23
Power and Fuel	4.95	5.31
Rent	0.69	1.17
Rates and Taxes	12.95	4.29
Insurance	2.73	3.29
Repairs and Maintenance:		
Building	5.34	5.28
Plant & Machinery	8.43	0.17
Other Assets	1.87	1.83
Directors' Sitting Fees	–	(0.01)
Travelling and Conveyance	2.56	3.49
Auditors' Remuneration	0.37	0.42
Agency Commission	(0.28)	2.23
Packing, forwarding and freight	0.15	(0.41)
Loss on Assets discarded / sold	0.74	47.99
Bad Debts written off	0.02	51.90
Others	56.86	46.43
<b>TOTAL</b>	<b>102.01</b>	<b>173.61</b>

**Note 17****PAYMENT TO AUDITOR** (included under Note No. 17)

(in ₹ Million)

	THIS YEAR	PREVIOUS YEAR
As auditor:		
Audit Fee	0.31	0.37
Tax Audit Fee	0.02	0.03
Limited Review	0.02	0.02
In other capacity:		
Other services (Certification Fees)	0.03	0.00
Reimbursement of expenses		
	<u>0.37</u>	<u>0.42</u>
<b>Note 18</b>		
<b>CALCULATION OF EARNINGS PER SHARE</b> <b>(Face value of ₹ 10/- per share)</b>		
Net Profit / (Loss)	(94.31)	(448.10)
Preference Dividend	12.56	12.56
Net Earnings before and after extraordinary items	(106.88)	(460.67)
No. of Equity Shares	21139789	21139789
Earnings per share before and after extraordinary items (basic / diluted ) (in ₹ )	(5.06)	(21.79)

As per our Report of even date

For and on behalf of the Board

for **M/s. S. VISWANATHAN LLP**  
Chartered Accountants  
Firm Regn. No. 004770S/S200025

**V. SRINIVASAN**  
Chairman

**CHELLA K. SRINIVASAN**  
Partner  
(Membership No.023305)

Chennai  
30<sup>th</sup> May 2017

**R. KARTHIK**  
Director

**B. SWAMINATHAN**  
Chief Financial Officer

## **W.S. INDUSTRIES (INDIA) LIMITED**

---

### **Note 19**

**Disclosure of information relating to Subsidiary Companies required to be furnished, vide General Circular No. 2/2011 dated 8<sup>th</sup> Feb. 2011, issued by the Ministry of Corporate Affairs:**

	(in ₹ Million)
	W.S.T & D LTD.
a Share Capital	0.50
b Reserves	(26.49)
c Total Assets (including Preliminary and Pre-operative expenses)	28.35
d Total Liabilities	567.05
e Investments	538.70
f Turnover	–
g Profit before Taxation	(4.30)
h Provision for Taxation	–
i Profit after Tax	(4.30)
j Proposed Dividend	–

---

As per our Report of even date

for **M/s. S. VISWANATHAN LLP**  
Chartered Accountants  
Firm Regn. No. 004770S/S200025

**CHELLA K. SRINIVASAN**  
Partner  
(Membership No.023305)

Chennai  
30<sup>th</sup> May 2017

For and on behalf of the Board

**V. SRINIVASAN**  
Chairman

**R. KARTHIK**  
Director

**B. SWAMINATHAN**  
Chief Financial Officer