

**BOARD OF DIRECTORS**

- ❖ **Chairman** **Mr. V.Srinivasan**
- ❖ **Directors** **Mr. K.Raman** *(upto 4th November 2015)*  
**Mr. G.Balasubramanyan** *(upto 4th November 2015)*  
**Mr. K.Rajasekar**  
**Mr. Ramachandran Karthik**
- ❖ **Company Secretary** **Ms. Hema Pasupatheeswaran** *(upto 31<sup>st</sup> August 2016)*
- ❖ **Chief Financial 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**

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

CIN: L29142TN1961PLC004568

**Registered Office:**

**108, Mount Poonamallee Road, Porur, Chennai - 600 116.**

**NOTICE**

NOTICE is hereby given that the 53<sup>rd</sup> Annual General Meeting (AGM) of the Company will be held on Wednesday, the 28<sup>th</sup> December 2016, at 4.00 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 2016 and Statement of Profit and Loss for the year ended on that date together with the Board's Report and Auditors' Report.
2. To ratify the appointment of the Statutory Auditors of the Company for the year 2016-2017 and in this regard to consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and all other applicable provisions of the Companies Act 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s. S.Viswanathan LLP, Chartered Accountants, Chennai, (Firm Registration No.004770S), as the Statutory Auditors of the Company for the financial year 2016-17 to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board of Directors.

**SPECIAL BUSINESS**

**Appointment of Mr.Ramachandran Karthik 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. Ramachandran Karthik (DIN 07627521), who was appointed as an Additional Director of the Company by the Board of Directors and whose term of office expires at this Annual General Meeting ('AGM') and in respect of whom the Company has received a Notice in writing 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 with effect from the date of appointment of additional director."

BY ORDER OF THE BOARD  
FOR W.S.INDUSTRIES (INDIA) LIMITED  
B. SWAMINATHAN  
CHIEF FINANCIAL OFFICER

Chennai  
14<sup>th</sup> November, 2016

**NOTES:**

1. A Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
2. A member entitled to attend and vote 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 19<sup>th</sup> December 2016 to 28<sup>th</sup> December 2016 (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 Enterprises (India) 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 Obligations and Disclosure Requirements (LODR), 2015, the Company is pleased to provide the facility of remote e-Voting to all members as per the applicable Regulations 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 December 28, 2016. 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.

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

The following statement sets out all material facts relating to special Business mentioned in the accompanying Notice:

Mr. Ramachandran Karthik was appointed as an Additional Director w.e.f. 1<sup>st</sup> November 2016 in accordance with the provisions of Section 161 of the Companies Act, 2013. Pursuant to Section 161 of the Companies Act, 2013 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the Company proposing Mr. Ramachandran Karthik candidature for appointment as Director of the Company along with requisite deposit.

## W.S. INDUSTRIES (INDIA) LIMITED



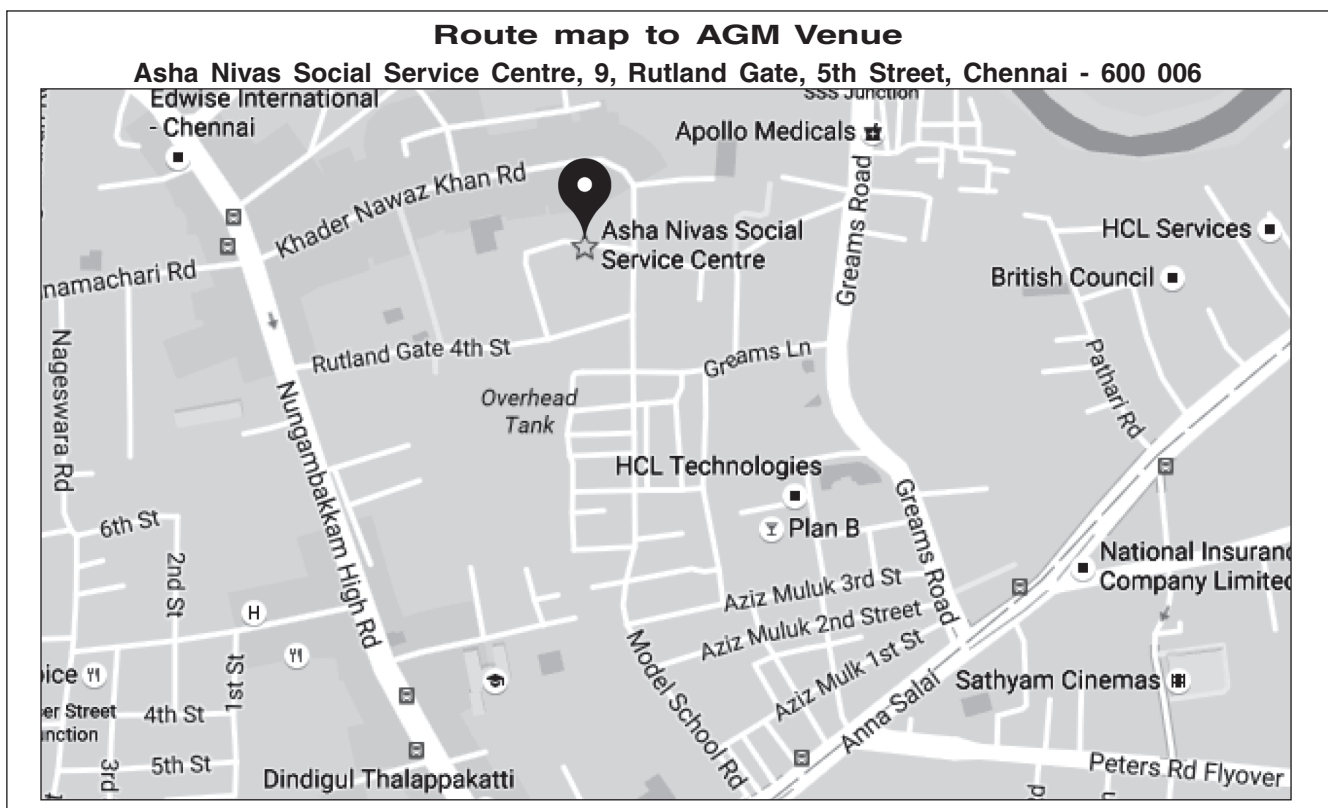
This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013. The disclosure required under Regulation 26(4) of Listing Regulations is given below:

Name of the Director	Mr. Ramachandran Karthik
Date of birth	18/01/1961
Date of appointment	1/11/2016
Qualification & expertise	Mr. Ramachandran Karthik is an engineer by qualification. He has had nearly thirty years of experience in various organisations in various functional areas including project management. His expertise and organisational skills will assist the Company in finalising & implementing its revival process.
Shareholding	Nil
Other Directorships	Nil
Membership of the Committees of the Board of other companies	Nil
Relationship with other Directors	Nil

None of the Directors 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  
B. SWAMINATHAN  
CHIEF FINANCIAL OFFICER

Chennai  
14<sup>th</sup> November, 2016





## 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 53<sup>rd</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting 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 24<sup>th</sup> December 2016 (9:00 am) and ends on 27<sup>th</sup> December 2016 (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 21<sup>st</sup> December 2016, 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 Participant(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](mailto: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 53rd AGM [for members whose email IDs are not registered with the Company / Depository Participant(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 e-Voting 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 21<sup>st</sup> December 2016.
- 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. 21<sup>st</sup> December 2016, 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 53<sup>rd</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 e-Voting 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.
- XIV. The Chairman shall, at the 53<sup>rd</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 53<sup>rd</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 53<sup>rd</sup> AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman 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 31<sup>st</sup> December 2016 and on the website of NSDL immediately after the declaration of result by the Chairman 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 2015-2016**

The Members

Your Directors hereby present the Fifty Third Annual Report on the business and operations of the Company and the Audited Financial Statements for the Financial Year ended 31<sup>st</sup> March 2016. The salient highlights are provided in the table below:

(₹ in Million)

	For the period ended 31 <sup>st</sup> March 2016 (12 months)	For the period ended 31 <sup>st</sup> March 2015 (6 months)*
Sales and other operational income	44.09	99.58
Other Income	7.00	20.78
Total Income	51.09	120.36
Gross Profit / (Loss) from Operations	(290.28)	(185.55)
Less : Depreciation	115.78	62.86
Interest / Finance Charges	12.93	236.06
Net Profit / (Loss) for the year	(418.99)	(484.47)
Provision / (withdrawal) for Income Tax / Deferred Tax	–	(15.00)
Net Profit / (Loss) for the year after Tax	(418.99)	(469.47)
Profit / (Loss) brought forward from the previous year	(1974.01)	(1426.99)
Depreciation on transition to Schedule II of the Companies Act, 2013	–	(77.54)
Surplus / (Deficit) / carried to Balance Sheet	(2393.00)	(1974.01)

\* The figures given in the previous period and the current period are not comparable.

### 1. Results of our operations

Due to mounting losses, inadequacy of working capital and other support, operations have slowed down and the Company had suspended the manufacturing operations at the Chennai plant. The Company will take the directions of the Hon'ble BIFR in finalizing a revival scheme along with the appointed Operating Agency.

#### Consolidated Financial Statements

Your Company is also presenting the Audited Consolidated Financial Statements prepared in accordance with the Accounting Standard 21 issued by the Institute of Chartered Accountants of India.

#### Status of filing under BIFR

Upon erosion of entire net worth of your Company, your Company had become a Sick Industrial Company as per the provisions of Sick Industrial Companies (Special Provision) Act 1985 (SICA). Accordingly, your Company filed a Reference with the Board for Industrial and Financial Reconstruction (BIFR) which has since been registered as Case No.75/2015 by the Hon'ble BIFR for adopting such measures for the rehabilitation and revival of the Company.

### 2. Dividend

In view of the losses mounted, the Directors regret that it will not be possible to propose any dividend on the Equity Shares.

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

### 3. Reserves

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

**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.

**5. 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 provided in Notes to accounts point no.38 of Financial Statements.

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

**6. Fixed Deposits**

Your Company has not accepted any Fixed Deposits and as such no amount of principal or interest was outstanding as of the Balance Sheet date.

**7. Management Discussion and Analysis Report**

A report on the Management Discussion and Analysis is annexed herewith as Annexure - 1 and forms part of this report.

**8. Corporate Governance**

A separate report on Corporate Governance along is appended as Annexure - 2 and forms part of this report.

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in Annexure - 3 to this Report.

**10. 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.

**11. Material changes and commitment affecting financial position between the Financial Year ended 31<sup>st</sup> March 2016 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.

The attention is drawn to Note No.46 of Financial Statements about the external claim on part of the land belonging to the premises of Chennai plant and potential loss of material arising there of which can be quantified only after proper assessment which would not be done so far because of labour unrest which has prevented company officials from entering in the premises.

**12. Updation on Risk Management Policy**

The Company implemented the Risk Management Policy last financial year, as per the requirements of the Companies Act, 2013. The Board regularly reviews the said policy and the risks identified therein.

**13. Subsidiaries**

During the period under review, your Board of Directors have reviewed the Financial Statements of the 100% subsidiary as well as the step subsidiary. 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 2016, which forms part of the Annual Report. Further the statement containing the salient features of the Financials of the subsidiaries is given in the Financial Statements forming part of 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).

**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 adequate internal financial controls with respect of financial reporting.

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

During the year under review, Mr.K.Raman and Mr.G.Balasubramanyan, resigned as Directors, stating personal reasons, effective 4<sup>th</sup> November 2015. The Board took note of the said resignations on 13<sup>th</sup> November 2015 and placed on record its appreciation and gratitude for the long service, guidance and immense contribution made by the said Directors.

Mrs.Hema Pasupatheeswaran resigned as Director effective 25<sup>th</sup> December 2015.

Mr.Ramachandran Karthik was appointed as Additional Director of the Company by the Board of Directors whose term of office expires at this AGM. The Company has received a Notice in writing 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 the approval of the Members. A brief profile of the Mr.Ramachandran Karthik is provided under the Corporate Governance Report and in the Notice of the Annual General Meeting.

Your Company is making all efforts to identify and induct suitable persons on Board to fill in the vacancies caused due to resignations of directors.

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. Meetings of the Board**

Six Board Meetings were held on 30<sup>th</sup> May 2015, 14<sup>th</sup> August 2015, 13<sup>th</sup> November 2015, 30<sup>th</sup> December 2015, 13<sup>th</sup> February 2016 and 30<sup>th</sup> March 2016 during the Financial year covered by this Report. For further details, please refer the Corporate Governance Report of this Annual Report.

**18. Audit Committee, its composition and functions**

The Audit Committee comprised of 3 directors viz., Mr.K.Raman, Mr.V.Srinivasan and Mr.G.Balasubramanyan. However with the resignation of two directors Mr.G.Balasubramanyan and Mr.K.Raman, the strength of the Audit Committee is reduced. As already mentioned above Your Company is making all efforts to identify and induct new members on Board and accordingly the Audit Committee. All recommendations made by the Audit Committee during the period under review, were accepted by the Board.

**19. Auditors****Statutory Auditors**

M/s.S.Viswanathan LLP, Chartered Accountants, (Reg No. 004770S/S20025; Membership No.023305) were appointed as Statutory Auditors of the Company for a period of three years at the Annual General Meeting held on 27<sup>th</sup> March 2015. Their appointment is to be ratified every year at the Annual General meeting as per the provisions of Section 139(1) and the said appointment is placed for the ratification of the shareholders at the ensuing Annual General Meeting.

With reference to the Auditor's Report, 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 and Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, 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 2015-2016. The Secretarial Audit Report for the Financial year 2015-2016, is enclosed as Annexure - 6 to this Report.

**Comment on Secretarial Auditor Report**

With reference to the observations made by the secretarial auditor, Ms. Lakshmmi Subramanian, Practicing Company Secretary, in her Secretarial Audit Report, your Company has taken the corrective measures during the current financial year.

**20. General**

On the Industrial front, the Chennai plant witnessed labour unrest and the Company is working towards solution for its Chennai workmen under the Revival Scheme of BIFR.

For the Vizag plant, due to severe cash flow stress, the Company was not in a position to continue to meet the employee cost and hence a retrenchment order was sanctioned by the Development Commissioner, Visakhapatnam Special Economic Zone, Visakhapatnam as provided for under the appropriate acts which has since been completely implemented.

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

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

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

**22. 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 2016 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.
- 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.

**23. 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.

Place : Chennai

Date : 14<sup>th</sup> November 2016

FOR AND ON BEHALF OF THE BOARD  
V.SRINIVASAN  
CHAIRMAN



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**ANNEXURE - 1 TO BOARDS' REPORT  
MANAGEMENT DISCUSSION & ANALYSIS REPORT 2016****Overall Industry Performance****Insulator Industry**

The Indian Insulator industry for the Financial Year 2015-2016, continued to retain last year's trend, with negative growth and the demand continuing to remain more or less flat. Though the anti-dumping duty has reduced the indiscriminate import of insulators, yet the dumping has already done the required damage, with slowdown in demand for local products.

As per the Report of IEEMA, import of Insulators through direct imports declined by 40%; the Imports through Project Imports route continued to the tune of INR 350 crore including Insulators & other components, parts & fittings etc

As compared to last year, the overall sale by volume has fallen down by 7%. The inflation index of insulators grew by 1% as per the Press Release of the Government of India, Ministry of Commerce & Industry, Office of the Economic Advisor. This had an impact on the input costs, with continuous rise in costs of fuel, power, raw materials and other inputs. This, coupled with the delay in realization of payments has aggravated the situation. As a way out, there has been a gradual shift of majority of the projects to EPC domain which however, requires altogether a different business model.

**Turnkey Projects**

According to a statement of the Union Ministry of coal, power and renewable energy, the power Industry has an investment potential of USD 250 billion in the next 4-5 years, providing immense opportunities in power generation, distribution, transmission and equipment.

**Your Company's Performance**

Due to the re-organization program, there was no production at your Chennai plant for the financial year under review. The income that was generated was from realization of the previous years' sales or sales of scrap. Overall operations, as a result of the financial stringency, have slipped considerably. The cash crunch

continued and the Company is in talks with the financial institutions for a revival scheme under the aegis of the Hon'ble Board for Industrial & Financial Reconstruction (BIFR).

**Opportunities and Threats**

The rationalisation of the EPC business are seen as a major opportunity for cash flow and revival of your Company's business. The continuing lesser demand for insulator business, the ever increasing product costs and the indeterminable time of availability of cash for working capital needs are seen as imminent threats.

**Risks and Concerns**

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. However your Company's pending reference with the Hon'ble BIFR would help in reaching at a settlement under the revival scheme as aforesaid.

**Internal Control System and their adequacy**

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

**Financial Review**

Financial difficulties faced by the Company in recent past, have been primarily the result of steep rise in the price of raw material coupled with reduction in sales volume, higher competition in the industry, overdue in debtor's realisation and economic slowdown, which all resulted in a liquidity crunch.

Your Company operates in a highly working capital intensive industry and due to liquidity crunch during the last few years, your Company was not able to meet its financial obligations towards lenders, access to fresh working capital was also not available. This has had a negative impact on the Company and on its cash inflows.



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

Since the net worth of the Company is fully eroded, your Company had become a Sick Industrial Company as per the provisions of Sick Industrial Companies (Special Provision) Act, 1985 (SICA). Accordingly, your Company filed a Reference with the Board for Industrial and Financial Reconstruction (BIFR) which has since been registered as Case No. 75/2015 by the Hon'ble BIFR for adopting measures for the rehabilitation and revival of the Company.

**Notices from Banks and Financial Institutions under provisions of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act")**

Pursuant to Company's account becoming NPA, the Punjab National Bank (PNB) and Indian Overseas Bank (IOB) served possession notice under provisions of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) on the Company's land 15.03 acres at Chennai for recovery of amount due then. The Company has filed an appeal before the Debt Recovery Tribunal (DRT) III against above said Banks, seeking to set aside the proceedings amongst other reliefs. The same was contested by the Company.

In the meantime, your company has received notices from both PNB and IOB assigning financial assistances

granted by them to Edelweiss Assets Reconstruction Company Limited.

The Company is in discussions with the current lenders to negotiate and find a suitable solution to protect your Company's interests.

**Material developments in Human Resources / Industrial Relations front, including number of people employed**

Due to the financial stringency, consequences resulted in the HR and IR front workforce management was a very difficult challenge.

**Outlook**

The Company is in discussion and examining various options to revive the operations and turnaround the operations.

**CAUTIONARY STATEMENT:**

Statements in the Management's Discussion and Analysis Report describing Your Company's projections, estimates, expectations or predictions may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to Your Company's operations include demand-supply conditions, raw material and fuel and energy prices, changes in Government regulations, tax regimes, and economic developments within the Country and other markets where Your Company operates.



**ANNEXURE - 2 TO BOARDS' REPORT  
REPORT ON CORPORATE GOVERNANCE**

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

Your Company's corporate governance policy is set on high standards of fairness, transparency and accountability. With more than five decades of adherence to ethical standards and fair practices, is further strengthened by the written code.

Despite the difficult times your Company is going through it has strived its best in adhering to the revised corporate governance norms under SEBI Listing Obligations and Disclosure Requirements (LODR) Regulations 2015. 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 2015-16 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 30/09/2015	Membership in other Boards	Committees Membership (Inclusive of WSI)	No. of Shares held
Mr.V. Srinivasan	NI-NE	6	Yes	2	2	446453
Mr.K.Raman <sup>@</sup>	IN-NE	2	No	1	2	-
Mr.G.Balasubramanian <sup>@</sup>	IN-NE	2	Yes	2	1	-
Mr.K. Rajasekar	NI-NE	5	Yes	0	-	-
Ms.Hema Pasupatheeswaran <sup>#</sup>	NI- Ex	2	Yes	0	-	-

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

<sup>@</sup> Mr.K.Raman & Mr.G.Balasubramanian resigned effective from 4<sup>th</sup> November 2015

<sup>#</sup> Ms.Hema Pasupatheeswaran resigned as Executive Director effective from 25<sup>th</sup> December 2015

None of the Directors are related to each other.

The Company held 6 Board Meetings during the Financial Year 2015-2016 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 2015, 14<sup>th</sup> August 2015, 13<sup>th</sup> November 2015, 30<sup>th</sup> December 2015, 13<sup>th</sup> February 2016 and 30<sup>th</sup> March 2016. A Circular Resolution was passed on 25<sup>th</sup> June 2015.



Notes on Director seeking appointment given below:

Name of the Director	Mr. Ramachandran Karthik
Date of birth	18/01/1961
Date of appointment	1/11/2016
Qualification & expertise	Mr. Ramachandran Karthik is an engineer by qualification. He has had nearly thirty years of experience in various organisations in various functional areas including project management. His expertise and organisational skills will assist the Company in finalising & implementing its revival process.
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 Chairman and the Chief Financial Officer regarding compliance with all applicable laws, on a quarterly basis. 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

As stated earlier, due to the resignation of the directors, the Audit Committee could not duly constituted in line with the provisions of the SEBI (LODR) Regulations, 2015.

However 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.K.Raman @	Independent - Non-executive	2
Mr.G.Balasubramanian @	Independent - Non-executive	2
Mr.V.Srinivasan	Non-independent - Non-executive	4

@ Mr.K.Raman & Mr.G.Balasubramanian resigned effective from 4<sup>th</sup> November 2015

The meetings of the Audit Committee were held on 30<sup>th</sup> May 2015, 14<sup>th</sup> August 2015, 13<sup>th</sup> November 2015, and 13<sup>th</sup> February 2016. The Meetings are attended by the Chief Financial Officer of the Company. The Company Secretary acts as the Secretary of the Audit Committee.





The Chairman of the Audit Committee Mr.G.Balasubramanyan was present at the Annual General Meeting of the Company held on 30<sup>th</sup> September 2015.

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

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

#### **5. 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. The Company Secretary is the Compliance Officer of the Company.

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.

#### **6. Subsidiary Companies**

The Company has an unlisted wholly owned subsidiary viz., W.S.T&D Limited and a step-subsiary W.S.Electric Limited. 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. The Company also consolidates the accounts of the wholly owned subsidiary and the same is placed for the approval of the shareholders.

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

#### **7. 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 Chairman 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.

#### **8. General Body Meetings**

##### **a. location and time, where last three Annual General Meetings held**

<b>For the Financial Year ended</b>	<b>Date &amp; Time</b>	<b>Location</b>
30.9.2013	11.2.2014 11.00 A.M	Bharatiya Vidya Bhavan, New No.18,20,22 (Old No.37-39), East Mada Street, Mylapore, Chennai - 600 004.
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.



**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	11.02.2014	1. Appointment of Mr. S.Suresh as the Whole time Director of your Company 2. Resolution under Section 180(1)(c) of the Companies Act 2013 3. Resolution under Section 180(1)(a) of the Companies Act 2013
2	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 2013
3	30.09.2015	Appointment of Mrs.Hema Pasupatheeswaran as Executive Director

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

No special resolution was passed through postal ballot last year

**9. 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.wsindustries.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.

**10. General Shareholder Information**

a.	AGM - Date, Time & Venue	Wednesday, 28 <sup>th</sup> December 2016 at 4.00 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 2015 - 31 <sup>st</sup> March 2016
c.	Book Closure Date	19 <sup>th</sup> December 2016 to 28 <sup>th</sup> December 2016 (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.



- 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 2016 is as under:

(in ₹)

Month	Year	Bombay Stock Exchange Ltd.		National Stock Exchange of India Ltd.	
		High	Low	High	Low
April	2015	13.00	10.84	12.15	10.65
May	2015	12.50	11.00	12.20	10.55
June	2015	10.84	9.39	12.45	9.45
July	2015	19.05	9.84	18.05	9.30
August	2015	14.89	11.29	15.15	11.10
September	2015	12.63	10.98	12.85	10.70
October	2015	11.84	10.26	11.50	10.10
November	2015	10.94	10.02	11.40	9.90
December	2015	11.76	10.06	11.65	10.20
January	2016	12.29	10.01	12.10	9.95
February	2016	10.58	8.00	10.50	8.15
March	2016	9.24	7.90	9.00	8.05

- g. Registrars and Share Transfer Agents: Integrated Enterprises (India) 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:

**Distribution Schedule:**

CATEGORY	SHAREHOLDERS		SHARES	
	NUMBER	%	NUMBER	%
Upto 5000	9622	98.57	2863030	13.54
5001-10000	71	0.73	499998	2.37
10001-20000	25	0.26	360612	1.71
20001-30000	11	0.11	254644	1.20
30001-40000	5	0.05	173942	0.82
40001-50000	0	0.00	0	0.00
50001 and above	28	0.29	16987563	80.36
<b>Total</b>	<b>9762</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 / FII's	2	400	0.00
Banks / Financial Institutions	8	73205	0.35
Other Bodies Corporate	156	636442	3.01
NRI / Foreign Companies	73	3372039	15.95
Public	9465	4789440	22.66
Others	41	2369778	11.21
<b>Total</b>	<b>9762</b>	<b>21139789</b>	<b>100.00</b>

j.	Dematerialisation of shares & liquidity	The shares of your Company can be held and traded in electronic form. 95.01% of your Company's Shareholding has been dematerialized as on 31 <sup>st</sup> March 2016.
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 Enterprises (India) Limited 2 <sup>nd</sup> Floor, Kences Towers, No.1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai - 600 017. Phone No: 044 - 28140801 corpsev@integratedindia.in
	b) Other matters	108, Mount Poonamallee Road Porur, Chennai - 600 116. sectl@wsinsulators.com

***Tentative Financial Calendar:***

1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017 and next Annual General Meeting.

Results for the quarter ending 30 <sup>th</sup> September 2016	Within 45 days from the end of the quarter
Results for the quarter ending 31 <sup>st</sup> December 2016	Within 45 days from the end of the quarter
Results for the quarter ending 31 <sup>st</sup> March 2017	Audited Results within 60 days from the end of the quarter
Annual General Meeting	September 2017

**11. Other Disclosures**

- 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.
- 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;
- 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.

**12. Chairman and CFO Certification**

The Chairman 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 Chairman and the Chief Financial Officer is published in this Report.

The Chairman 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.



**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 2015-16.

Place : Chennai

V.SRINIVASAN

Date : 14<sup>th</sup> November 2016

CHAIRMAN

**ANNEXURE TO BOARD'S REPORT**

**CERTIFICATE OF THE AUDITORS TO THE SHAREHOLDERS OF  
W.S. INDUSTRIES (INDIA) LIMITED ON CORPORATE GOVERNANCE**

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 2016 as stipulated in Regulations 34(3) and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation hereof, 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

Chella K. Srinivasan

Partner

Membership Number: 023305

Chennai

14<sup>th</sup> November 2016



**ANNEXURE - 3 TO BOARDS' REPORT**

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Information under Section 134 (3) (m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules 2014 and forming part of the Boards' Report.

**CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION**

We are unable to report on any of these matters, since there is no production activity in both the plants.

**EXPENDITURE ON R&D:**

(₹ in million)

Capital	Nil
Recurring	0.75
<b>Total</b>	<b>0.75</b>

**IMPORTED TECHNOLOGY:** - **Not Applicable**

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

- The Company's Foreign Exchange Risk Management practices are covered under Annexure 1 - Management Discussion and Analysis Report.
- Total foreign exchange used and earned.

(₹ in million)

<b>EARNINGS</b>	
Exports	0.04
Others	-
<b>Total</b>	<b>0.04</b>
<b>OUTGO</b>	
Import of Raw Materials and Components	-
Others (Including machinery imports)	0.14
<b>Total</b>	<b>0.14</b>
<b>NET OUTGO</b>	<b>(0.10)</b>

FOR AND ON BEHALF OF THE BOARD

Place : Chennai  
Date : 14<sup>th</sup> November 2016

V.SRINIVASAN  
CHAIRMAN

**ANNEXURE - 4 TO BOARDS' REPORT**
**FORM NO. MGT - 9**
**EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.3.2016**

[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**

1.	CIN	L29142TN1961PLC004568
2.	Registration Date	23.08.1961
3.	Name of the Company	W.S. Industries (India) Limited
4.	Category / Sub-Category of the Company	Public Company, Limited by Shares
5.	Address of the Registered office	No. 108, Mount Poonamallee Road, Porur, Chennai - 600 116.
6.	Whether listed company	Yes
7.	Name, Address Contact details of Registrar and Transfer Agent, if any	Integrated Enterprises India 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:

Sl. No	Name and Description of Main Products / Services	NIC code of the product / service	% to total turnover of the Company
1	Insulators	2733	25%
2.	Turnkey Projects	4321	75%

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

Sl. No	Name of the Company	CIN / GLN	Holding / Subsidiary of the Company	% 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	Nil	2(87)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i. Category-wise Shareholding:**

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	Demat	Physical	Total	% of total shares	
<b>A. Promoters</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	887048	-	887048	41.96	887048	-	887048	41.96	-
e) Banks / FI									
f) Any other									
Subtotal (A) (1)	9649144	-	9649144	45.64	9649144	-	9649144	45.64	-

**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	Demat	Physical	Total	% of total shares	
<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 others									
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) Bank / FI	71033	2172	73205	0.35	71033	2172	73205	0.35	-
c) Cent. Govt.									-
d) State Govt(s)									-
e) Venture Capital Funds									-
f) Insurance Companies	344546	-	344546	1.63	344546	-	344546	1.63	-
g) FIs	1985577	100	1985677	9.39	1985577	100	1985677	9.39	-
h) Foreign Venture Capital Fund									-
i) Others (specify)									-
<b>Sub-Total-B(1)</b>	<b>2401156</b>	<b>2672</b>	<b>2403828</b>	<b>11.37</b>	<b>2401156</b>	<b>2672</b>	<b>2403828</b>	<b>11.37</b>	<b>-</b>
<b>2. Non-Institutions</b>									
a. Bodies Corp.									
i) Indian	3577296	343533	3920829	18.54	3445863	343533	3789396	17.92	-0.62
ii) Overseas	-	50933	50933	0.24	-	50933	50933	0.24	-
b. Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2570217	559634	3129851	14.81	2843561	586157	3429718	16.22	1.41
ii. Individual shareholders holding nominal share capital in excess of Rs.1 Lakh	1598585	114356	1712941	8.10	1459865	71002	1530867	7.24	-0.86
c. Others (Specify)									
Clearing Member	1933	-	1933	0.00	1152	-	1152	0.01	0.01
Margin Trading A/c. Corporate	10806	-	10806	0.05	30360	-	30360	0.14	0.09
Trust	5050	-	5050	0.02	5050	-	5050	0.02	-
Beneficiary A/c.	5133	-	5133	0.02	-	-	-	-	-
<b>Sub-Total-B(2)</b>	<b>7769020</b>	<b>1068456</b>	<b>8837476</b>	<b>41.80</b>	<b>7785851</b>	<b>1051625</b>	<b>8837476</b>	<b>41.80</b>	<b>-</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>10170176</b>	<b>1071128</b>	<b>11241304</b>	<b>53.18</b>	<b>10187007</b>	<b>1054297</b>	<b>11241304</b>	<b>53.18</b>	<b>-</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+C)</b>	<b>20068661</b>	<b>1071128</b>	<b>21139789</b>		<b>20085492</b>	<b>1054297</b>	<b>21139789</b>	<b>100</b>	<b>-</b>


**ii. Shareholding of Promoters:**

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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 / to encumbered total shares	
Mr.V.Srinivasan	446453	2.11	–	446453	2.11	–	–
Mrs.Vidya Srinivasan	25750	0.13	–	25750	0.13	–	–
Mr.Murali Srinivasan Venkatraman	11359	0.05	–	14492	0.07	–	–
Mr.Shriram Murali	3133	0.01	–	–	–	–	–
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 (Associate)	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>	<b>–</b>

**iii. Change in Promoters' Shareholding:**

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	Datewise 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 and Holders of GDRs and ADRs):**

Sl. No.	Shareholders	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	610000	2.89	12.2.2016 to 26.2.2016	63077	0.29		673077	3.18
4	Credit Renaissance Development Fund, LP	630000	2.98	-	-	-	-	630000	2.98
5	The Oriental Insurance Company Limited	344546	1.63	-	-	-	-	344546	1.63
6	Sanjiv Dhiresbhai Shah	8864	0.04	1.4.2015 to 31.3.2016	190840	0.90	transfer	199704	0.94
7	Premier Housing and Ind. Enterprises Ltd.	175000	0.83	-	-	-	-	175000	0.83
8	Harsha Hitesh Javeri	141000	0.67	12.2.2016 to 19.2.2016	9000	0.042	transfer	150000	0.71
9	Saligram Stocks and Services Private Limited	140626	0.67	16.10.2015 to 8.1.2016	25176	0.12	transfer	115450	0.55
10	Trench Germany GmbH	100000	0.47	-	-	-	-	100000	0.47

**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
	Datewise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus)	No change during the year			
	At the end of the year	446453	2.11	446453	2.11



**V. INDEBTEDNESS**

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

(₹ In Lakhs)

Particulars	Secured Loan Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2917.67	-	-	2917.67
ii) Interest due but not paid	344.30	-	-	344.30
iii) Interest accrued but not due	93.71	-	-	93.71
<b>Total of (i + ii + iii)</b>	<b>3355.68</b>	<b>-</b>	<b>-</b>	<b>3355.68</b>
<b>Change in Indebtedness during the financial year</b>				
+Addition	20.68	-	-	20.68
-Reduction	-	-	-	-
Net change	20.68	-	-	20.68
<b>Indebtedness at the end of the financial year</b>				
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
<b>Total of (i + ii + iii)</b>	<b>3376.36</b>	<b>-</b>	<b>-</b>	<b>3376.36</b>

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

(₹In Lakhs)

Sl. No.	Particulars of Remuneration	Name of the WTD
		Mr. S.Suresh (till 18th August 2015)
1.	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	5,35,068
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	10,26,147
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	Nil
2.	Stock Option	Nil
3.	Sweat Equity	Nil
4.	Commission	
	- As % of Profit	Nil
5.	Others, please specify	Nil
	Total (A)	15,61,215
	Ceiling as per the Act	-

B. Remuneration of other directors:

Particulars of Remuneration	Name of Independent Directors			Total Amount (₹)
	.....	.....	.....	
Independent Directors	The Company does not pay any remuneration including sitting fees to any of the Directors of the Company			
- Fee for attending board and committee meetings				
- Commission				
- Others, please specify				
Total (1)				
Other Non-Executive Directors				
- Fee for attending board and committee meetings				
- Commission				
- Others, please specify				
Total (2)				
Total (B) = (1 + 2)				
Total Managerial				
Overall Ceiling as per the Act				



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

## C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

(in ₹)

Sl. No.	Particulars of Remuneration	Name of the Key Managerial Personnel			Total Amount
		CEO	Company Secretary	CFO	
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	329500	349160	678660
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	425250	807515	1232765
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	Nil	Nil	Nil
2.	Stock Option	-	Nil	Nil	Nil
3.	Sweat Equity	-	Nil	Nil	Nil
4.	Commission - As % of Profit	-	Nil	Nil	Nil
5.	Others, please specify	-	Nil	Nil	Nil
	Total	-	754750	1156675	1911425

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

There were no Penalties, Punishment or Compounding of Offences during the year ended 31<sup>st</sup> March 2016.



**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 2015-2016

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: The books of accounts of the Company namely Cash vouchers, bank vouchers, purchase bills, journal vouchers and other related documents were not made available to us for the period up to December 2015 and hence we were able to audit the books only for the remaining period.
- b. Type of Audit Qualification : Disclaimer of opinion
- c. Frequency of qualification : Appeared first 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: Insignificant Impact
  - (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.

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 take immediate steps to repair and salvage the same. As on date in spite 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 till date due to factors beyond our control. Similarly, due to the adverse labour situation in the Vizag plant, we have been unable to make available the books of accounts. However, since the data have been periodically updated electronically, management is of the view that there is no financial impact arising from the disclaimer.

- (iii) Auditor's Comments on (i) or (ii) above:

Auditors are unable to comment on the financial impact.

**Auditors' Disclaimer No.2**

- a. Details of Audit Qualification: Confirmation of Balances as at 31<sup>st</sup> March 2016, 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 first 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 seeking relief from the financial institution/banks as part of the revival scheme for consideration and sanction by the Hon'ble BIFR.

- (iii) Auditor's Comments on (i) or (ii) above:

Statement of facts.

**Auditors' Disclaimer No.3**

- a. Details of Audit Qualification: Physical stock of inventory could not be carried out by us, as at 31<sup>st</sup> March 2016 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 first 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 November 2015 and December 2015 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 adverse labour situation in the 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 has been referred to BIFR seeking relief under revival scheme.
- b. Type of Audit Qualification : Emphasis of matter
- c. Frequency of qualification : Appeared for the second 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 preparing a revival scheme and seeking necessary reliefs for consideration and sanction of the Hon'ble BIFR.
  - (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 first 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
  - (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 is seeking relief as part of revival scheme by BIFR.
- b. Type of Audit Qualification : Emphasis of matter
- c. Frequency of qualification : Appeared for the first time
- d. For Audit qualification(s) where the impact is quantified by the auditor:  
Rs. 1084.48 million

**Management's Views:**

The Company is in the process of seeking relief from the financial institution/banks as part of the revival scheme, for consideration and sanction before the Hon'ble BIFR.

- 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 Company has provided an amount equivalent to the Wages and Salaries for the period from September 2015 (in case of Chennai unit) and from July 2015 (in the case of Vizag unit) till December 2015 towards employee settlement. In view of the above no provision has been made for PF and ESI for the period September 2015 to March 2016 and July 2015 to March 2016 for Chennai and Vizag units respectively.
- b. Type of Audit Qualification : Emphasis of matter
- c. Frequency of qualification : Appeared for the first 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 intends as part of the revival scheme to be submitted for consideration and sanction of the Hon'ble BIFR, the revised compensation / VRS / ESS scheme that will be negotiated with the applicable Chennai employees and accordingly appropriate provisions have been made in the said accounts.  
  
In the case of the Vizag plant, the Company has obtained approval and implemented a retrenchment scheme. Similar to the case of Chennai employees, a compensation amount is to be negotiated with the applicable employees as well.  
  
In both cases no PF/ESI have been provided for such proposed compensation based on professional advise received.
  - (iii) 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: The books of accounts of the Holding Company namely Cash vouchers, bank vouchers, purchase bills, journal vouchers and other related documents were not made available



to us for the period up to December 2015 and hence we were able to audit the books only for the remaining period.

- b. Type of Audit Qualification : Disclaimer of opinion
- c. Frequency of qualification : Appeared first 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: Insignificant Impact
  - (v) If management is unable to estimate the impact, reasons for the same:

The heavy rains and floods in Chennai in November 2015 and December 2015 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.

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 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 till date due to factors beyond our control. Similarly, due to the adverse labour situation in the Vizag plant of the Holding Company, we have been unable to make available the books of accounts. However, since the data have been periodically updated electronically, management is of the view that there is no financial impact arising from the disclaimer.

- (vi) Auditor's Comments on (i) or (ii) above:

Auditors are unable to comment on the financial impact.

**Auditors' Disclaimer No.2**

- a. Details of Audit Qualification: Confirmation of Balances as at 31<sup>st</sup> March 2016 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 first 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: Unable to estimate
  - (v) 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 seeking relief from the financial institution / banks as part of the revival scheme for consideration and sanction by the Hon'ble BIFR.





(vi) Auditor's Comments on (i) or (ii) above:

Statement of facts.

**Auditors' Disclaimer No.3**

- 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 2016 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 first 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: Unable to estimate

(v) If management is unable to estimate the impact, reasons for the same:

The heavy rains and floods in Chennai in November 2015 and December 2015 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 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 adverse labour situation in the Vizag plant of the Holding Company, we have been unable to conduct the physical inventory till date for the same reasons.

(vi) 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 has been referred to BIFR seeking relief under revival scheme.
- b. Type of Audit Qualification : Emphasis of matter
- c. Frequency of qualification : Appeared first 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 preparing a revival scheme and seeking necessary reliefs for consideration and sanction of the Hon'ble BIFR.

(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 Chennai unit of the Holding Company 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 first 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's revival scheme will take into consideration the revival of the plant in Vizag

(vi) 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 Holding company is seeking relief as part of revival scheme by BIFR.
- b. Type of Audit Qualification : Emphasis of matter
- c. Frequency of qualification : Appeared for the first time
- d. For Audit qualification(s) where the impact is quantified by the auditor:  
Rs. 1084.48 million

**Management's Views:**

The Holding Company is in the process of seeking relief from the financial institution/banks as part of the revival scheme, for consideration and sanction before the Hon'ble BIFR.

- 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 applicable
  - (v) If management is unable to estimate the impact, reasons for the same:

Not applicable

(vi) Auditor's Comments on (i) or (ii) above:

Statement of facts.

**Emphasis of matter no.4**

- a. Details of Audit Qualification: The Holding Company has provided an amount equivalent to the Wages and Salaries for the period from September 2015 (in case of Chennai unit) and from July 2015 (in the case of Vizag unit) till December 2015 towards employee settlement. In view of the above no provision has been made for PF and ESI for the period September 2015 to March 2016 and July 2015 to March 2016 for Chennai and Vizag units respectively.
- b. Type of Audit Qualification : Emphasis of matter
- c. Frequency of qualification : Appeared for the first 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 applicable
  - (v) If management is unable to estimate the impact, reasons for the same:

The Holding Company intends as part of the revival scheme to be submitted for consideration and sanction of the Hon'ble BIFR, the revised compensation / VRS / ESS scheme will be negotiated with the applicable Chennai employees and accordingly appropriate provisions have been made in the said accounts.

In the case of the Vizag plant, the Holding Company has obtained approval and implemented a retrenchment scheme. Similar to the case of Chennai employees, a compensation amount is to be negotiated with the applicable employees as well.

In both cases no PF / ESI have been provided for such proposed compensation based on professional advise received.
  - (vi) Auditor's Comments on (i) or (ii) above:

This is subject to final settlement.

**Emphasis of matter no.5**

- a. Details of Audit Qualification: The disclosure under AS 15 in respect of retirement benefits has been obtained for the Holding Company for the period from Apr 2015 to August 2015 and from April 2015 to June 2015 for Chennai and Vizag units respectively.
- b. Type of Audit Qualification : Emphasis of matter
- c. Frequency of qualification : Appeared for the first 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:

Please refer Companies response to Emphasis of matter no.4
  - (iii) Auditor's Comments on (i) or (ii) above:

This is subject to final settlement.



**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 Poonamallee Road,  
Porur, Chennai - 600 1116.

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, 2016, 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, 2016 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.

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 initiating the strict compliances of SS 1 & SS 2 (Since being the first year of implementation) and SEBI (LODR) Regulations 2015 in certain areas and updation in 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 filed with MCA.
- The Company is yet to appoint a Woman Director in the place of Director who has resigned on 25<sup>th</sup> December 2015.
- Since the Independent directors resigned on November 4, 2015, the Company is yet to appoint Independent Directors.
- Since the Company has only two directors on its board, while DIR 11 has been filed by the resigning Director, the Company is under the process of filing e-Form DIR-12.
- The Company is yet to make payment of Debenture interest and redeem its debentures even after the due date. Hence falling within the attraction of the proviso Section 164(2) (b) 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.

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 is in the process of complying with the adequate systems and establishing the processes to monitor and there has been delay / lack of compliance with other applicable general laws viz., Industrial Laws, Environmental, Human Resources and labour laws, including the following laws:

1. Employees Provident Fund and Miscellaneous Provisions Act, 1952
2. Employees' State Insurance Act, 1948
3. The Contract Labour (Regulation & Abolition) Act, 1970



4. The Factories Act, 1948
5. The Industrial Disputes Act, 1947
6. The Industrial Employment (Standing Orders) Act 1946
7. The Workmen's Compensation Act, 1923 & Rules
8. Payment of Gratuity Act 1972 & Rules
9. The Payment of Bonus Act, 1965
10. The Minimum Wages Act, 1948
11. The Maternity Benefit Act, 1961
12. Apprentices Act, 1961

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. There were changes in the composition of the Board of Directors and could not be intimated properly due to the observations made above. 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:

- The factory and the administrative buildings of the Company were severely affected due to the floods in Chennai which occurred during the months of November and December 2015 due to which all the physical and electronic records have been destroyed.
- Non-repayment of interest on debentures and redemption of debentures.

For LAKSHMMI SUBRAMANIAN & ASSOCIATES

Lakshmmi Subramanian

Senior Partner

FCS No. 3534

C.P.NO. 1087

Place : Chennai

Date : 14<sup>th</sup> November 2016



**ANNEXURE - A**

The Members

W.S. INDUSTRIES (INDIA) LIMITED  
108, Mount Poonamallee Road,  
Porur, Chennai - 600 1116.

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 : 14<sup>th</sup> November 2016





**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, 2016, 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) The books of accounts of the Company namely Cash vouchers, bank vouchers, purchase bills, journal vouchers and other related documents were not made available to us for the period up to December 2015 and hence we were able to audit the books only for the remaining period.
- (ii) Confirmation of Balances as at 31<sup>st</sup> March 2016, were not available for our verification in respect of most of the banks and financial institutions.





- (iii) Physical stock of inventory could not be carried out by us, as at 31<sup>st</sup> March 2016 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 networth and the company has been referred to BIFR seeking relief under revival scheme.
- (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 seeking relief as part of revival scheme by BIFR.
- (iv) The Company has provided an amount equivalent to the Wages and salaries for the period from September 2015 (in case of Chennai unit) and from July 2015 (in the case of Vizag unit) till December 2015 only, towards employee settlement. In view of the above, no provision has been made for PF and ESI for the September 2015 to March 2016 and July 2015 to March 2016 for Chennai and Vizag units respectively.
- (v) The disclosure under AS 15 in respect of retirement benefits has been obtained for the period from April 2015 to August 2015 and from April 2015 to 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) For the reasons stated in the Point (i) of the Basis for Disclaimer of opinion paragraph above, we are unable to opine whether proper books of accounts have been kept by the Company for the said period as required by law.
  - (c) For the reasons stated in the Point (i) of the Basis for Disclaimer of opinion paragraph above, we are unable to opine whether 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) Due to the possible effects of the matter specified in the Basis for Disclaimer of opinion paragraph above, we are unable to opine whether, the aforesaid Standalone 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) In view of the fact that the Company has not paid interest on the debentures, as required under Section 164(2)(b) of the Companies Act 2013, the provisions of this section shall apply to the directors of the Company.
  - (f) The reservation relating to the maintenance of Books of accounts and other matters connected therewith, are stated in the Basis for Disclaimer of Opinion paragraph above.
  - (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".
  - (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.
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  
Regn No:004770S/S200025  
Chella K Srinivasan  
Partner  
Membership number:023305

Place : Chennai  
Date : 30-5-2016

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**"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, 2016 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.

**Auditor's 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.

Because of the matter described in the Disclaimer of opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls over financial reporting of the Company.

**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.

**Disclaimer of Opinion**

The system of internal financial controls over financial reporting, with regard to the company were not 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 2016.

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  
Regn No:004770S/S200025  
Chella K Srinivasan  
Partner  
Membership number:023305

Place : Chennai  
Date : 30-5-2016


**"Annexure B" to the Independent Auditors' Report of even date on the Financial Statements of W.S. INDUSTRIES (INDIA) LIMITED.**

Referred to in paragraph 1 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 2016 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, 2016 for a period of more than six months from the date they became payable are given below:

S No.	Nature of Dues	Amount outstanding for more than six months (in ₹)
1.	PROVIDENT FUND	1,75,57,621
2.	EMPLOYEES' STATE INSURANCE	18,49,695
3.	SALES TAX-VAT	24,02,394
4.	SALES TAX-CST	12,10,931
5.	SERVICE TAX	5,72,165
6.	TDS	2,72,07,907
7.	TCS	74,768
8.	PROPERTY TAX	30,68,306
9.	PROFESSIONAL TAX	14,92,817
10.	GRATUITY TO LIC	3,51,29,658
	<b>TOTAL AMOUNT OUTSTANDING</b>	<b>9,05,66,262</b>



- (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 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 2016 (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	162.15
Total	2868.25

- (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 term 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 provided for managerial remuneration during the year in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act;
- (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 are not applicable to the Company.

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

Place : Chennai  
Date : 30-5-2016

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

**BALANCE SHEET AS AT 31-03-2016**

(₹ in Million)

	Notes	12 Months ended 31 <sup>st</sup> March 2016		6 Months ended 31 <sup>st</sup> March 2015	
<b>I EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' Funds</b>					
Share Capital	5	<b>338.90</b>		338.90	
Reserves and Surplus	6	<b>(1336.48)</b>	<b>(997.58)</b>	(917.48)	(578.58)
<b>(2) Non Current Liabilities</b>					
Long Term Borrowings	7	–		897.31	
			–		897.31
<b>(3) Current Liabilities</b>					
Short Term borrowings	8 (a)	<b>83.60</b>		419.71	
Trade payables	8 (b)	<b>510.45</b>		533.57	
Other Current Liabilities	8 (c)	<b>4008.17</b>		2427.03	
Short Term provisions	8 (d)	<b>48.04</b>	<b>4650.26</b>	59.07	3439.38
<b>Total</b>			<b>3652.68</b>		<b>3758.11</b>
<b>II ASSETS</b>					
<b>(1) Non Current Assets</b>					
<b>(a) Fixed Assets</b>					
i) Tangible assets	9 (a)	<b>1700.19</b>		1859.36	
ii) Capital Work in Progress	9 (b)	<b>7.88</b>	<b>1708.07</b>	6.84	1866.20
<b>Long Term Loans and Advances</b>	9 (c)		<b>5.11</b>		9.74
<b>Other Non Current Assets</b>	9 (d)		<b>10.50</b>		13.03
<b>(b) Non Current Investments</b>	10		<b>0.50</b>		0.50
<b>(2) Current Assets</b>					
i) Inventories	11 (a)	<b>253.61</b>		259.79	
ii) Trade receivables	11 (b)	<b>360.84</b>		444.29	
iii) Cash and cash equivalents	11 (c)	<b>8.84</b>		11.93	
iv) Short term loans and advances	11 (d)	<b>1300.24</b>		1143.76	
v) Other Current Assets	11 (e)	<b>4.97</b>	<b>1928.50</b>	8.85	1868.64
<b>Total</b>			<b>3652.68</b>		<b>3758.11</b>
<b>Significant Accounting Policies &amp; Notes on Financial Statements</b>	1 to 47				

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, 2016.

**B.SWAMINATHAN**  
Chief Financial Officer

**HEMA PASUPATHEESWARAN**  
Vice President (Legal) &  
Company Secretary


**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31.03.2016 (₹ in Million)**

	Notes	12 Months ended 31 <sup>st</sup> March 2016	6 Months ended 31 <sup>st</sup> March 2015
<b>1 Revenue from Operations (Gross)</b>			
Sales and Other Operating income	13	45.17	102.73
		45.17	102.73
Less: Excise Duty		1.08	3.15
		44.09	99.58
<b>2 Other Income</b>	14	7.00	20.78
<b>3 Total Revenue (1+2)</b>		51.09	120.36
<b>4 EXPENSES</b>			
Cost of Materials consumed	15	12.49	76.89
Changes in Inventories of Finished Goods and Work-in-Progress	16	0.04	25.90
Employee Benefit expense	17	164.66	135.61
Finance Costs	18	12.93	236.06
Depreciation and Amortization expenses		115.78	62.86
Other expenses	19	164.19	67.51
		470.09	604.83
<b>5 PROFIT / (LOSS) BEFORE TAX (3 - 4)</b>		(419.00)	(484.47)
<b>6 Tax expense</b>			
i) Current tax		–	–
Deferred Tax		–	(15.00)
		–	(15.00)
<b>7 PROFIT / (LOSS) AFTER TAX (5 - 6)</b>		(419.00)	(469.47)
<b>8 Earnings per equity share ( in ₹):</b>			
i) Basic		(20.41)	(22.78)
ii) Diluted		(20.41)	(22.78)
<b>Significant Accounting Policies &amp; Notes on Financial Statements</b>	1 to 47		

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, 2016.

**B.SWAMINATHAN**  
 Chief Financial Officer

**HEMA PASUPATHEESWARAN**  
 Vice President (Legal) &  
 Company Secretary




**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016**

(₹ in Million)

	THIS YEAR	PREVIOUS YEAR
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) before Taxes	(419.00)	(484.47)
Adjustments for:		
Add:		
Loss on Fixed Assets Discarded / sold	47.99	14.04
Depreciation	115.78	62.86
Interest and Financial Charges (Net)	12.93	236.06
	<u>(242.29)</u>	<u>(171.51)</u>
Less:		
Profit on sale of Assets	1.01	–
Operating Profit before Working Capital changes	(243.30)	(171.51)
Increase / (Decrease) in Working Capital		
(Increase) / Decrease in inventories	6.18	44.22
(Increase) / Decrease in Sundry Debtors	83.46	30.70
(Increase) / Decrease in other Current Assets	(145.45)	44.50
Increase / (Decrease) in Liabilities and Provisions	258.75	(197.30)
Income Taxes paid	0.70	–
Net cash from operating activities	(39.66)	(249.39)
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets		
(including interest capitalised)	(6.56)	(0.07)
Sale / reduction in value of Fixed Assets	1.93	0.01
Net Cash (used in) / from Investing activities	<u>(4.63)</u>	<u>(0.06)</u>




**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016 (Contd.)** (₹ in Million)

	THIS YEAR	PREVIOUS YEAR
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase / decrease in secured Loans	<b>390.24</b>	896.05
Increase / decrease in Unsecured Loans	–	(25.00)
Increase / (Decrease) in working Capital from Banks	<b>(336.11)</b>	(392.81)
Interest and financing charges paid	<b>(12.93)</b>	(236.06)
Net Cash from Financing Activities	<b>41.20</b>	242.18
NET INCREASE IN CASH AND CASH EQUIVALENTS (i)	<b>(3.09)</b>	(7.27)
Cash and Cash Equivalents as at the beginning of the year	<b>11.93</b>	19.21
Cash and Cash Equivalents as at the close of the year	<b>8.84</b>	11.93

**Notes on Cash Flow Statement:**

- 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.
- Purchase of Fixed Assets are stated inclusive of movements of Capital Work-in-Progress between beginning and end of the year.

<b>3 CASH AND CASH EQUIVALENTS</b>		
CASH AND BANK BALANCES	<b>8.84</b>	11.93
UNREALISED (GAIN) / LOSS	–	–
CASH AND BANK BALANCES RESTATED AS ABOVE	<b>8.84</b>	11.93

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)

**B.SWAMINATHAN**  
Chief Financial Officer

**HEMA PASUPATHEESWARAN**  
Vice President (Legal) &  
Company Secretary

Chennai  
30<sup>th</sup> May, 2016.



Notes forming part of the Balance Sheet as at 31<sup>st</sup> March 2016 and Statement of Profit and Loss for the period ended 31<sup>st</sup> March 2016

**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 Rs. 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 and certified by the Management.

**Others:**

- vi. 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.

**Notes forming part of the Balance Sheet as at 31<sup>st</sup> March 2016 and Statement of Profit and Loss for the period ended 31<sup>st</sup> March 2016**

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 are expensed over a period of five years.

**(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.

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.

**Notes forming part of the Balance Sheet as at 31<sup>st</sup> March 2016 and Statement of Profit and Loss for the period ended 31<sup>st</sup> March 2016****2 Operations review:**

- a) During the year under review, there was no production in the Chennai plant. As reported in the previous year, the Vizag plant was badly affected by the Hud Hud cyclone in October 2014. The insurance settlement of Rs.19.6 Million was received by the Company in January 2016 and essential repairs commenced thereafter. Therefore no production could be carried out during the year.
- b) The heavy rains and floods in Chennai in November15 and December15 resulted in flooding within the Company's premises resulting in soiling of facilities and records. Also 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) Due to the delay in receipt of insurance claims and non availability of finance from the banks the Vizag plant has temporarily suspended its operations. Due to severe cash flow stress the Company was not in a position to continue to meet the employee cost and hence a retrenchment order was sanctioned by the Development Commissioner, Visakhapatnam Special Economic Zone, Visakhapatnam under as provided for under the appropriate acts which has since been completely implemented.
- d) The Company is expected to revive its operations after filing the revival plan for consideration and sanction by the Hon'ble BIFR.

**3 SEGMENT**

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

- 4 The figures for the current year are for a period of 12 months while those of the previous year are for a period of 6 months and hence are not directly comparable.


**Note 5**
**SHARE CAPITAL**

(₹ in million)

	THIS YEAR		PREVIOUS YEAR	
<b>Authorised</b>				
35,000,000 Equity Shares of Rs.10/- each	<b>350.00</b>		350.00	
1,500,000 Cumulative Redeemable Preference Shares of Rs. 100/- each	<b>150.00</b>		150.00	
		<b>500.00</b>		500.00
<b>Issued, Subscribed and Paid - up:</b>				
21,139,789 Equity Shares of Rs.10/- each fully paid - up		<b>211.40</b>		211.40
1275000 Cumulative Redeemable Preference Shares of Rs. 100/- each fully paid - up		<b>127.50</b>		127.50
<b>TOTAL</b>		<b>338.90</b>		338.90

**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	<b>21,139,789</b>	<b>211.40</b>	21,139,789	211.40
<b>Preference Shares:</b>				
At the beginning and end of the year	<b>1,275,000</b>	<b>127.50</b>	1,275,000	127.50

**Shareholders holding more than 5% shares in the Company:**

Name of Shareholder	Equity Shares			
	As at 31 <sup>st</sup> March 2016		As at 31 <sup>st</sup> March 2015	
	No. of Shares held	% of holding	No. of Shares held	% of holding
W.S. International (P) Ltd.	<b>1,119,798</b>	<b>5</b>	1,119,798	5
Blue Chip Investments (P) Ltd.	<b>4,096,138</b>	<b>19</b>	4,096,138	19
Credit Renaissance Fund Ltd.	<b>2,520,000</b>	<b>12</b>	2,520,000	12
East Sail	<b>1,985,557</b>	<b>9</b>	1,985,557	9

Name of Shareholder	Preference Shares			
	As at 31 <sup>st</sup> March 2016		As at 31 <sup>st</sup> March 2015	
	No. of Shares held	% of holding	No. of Shares held	% of holding
Credit Renaissance Fund Ltd.	760,000	60%	760,000	60%
Credit Renaissance Development Fund L.P.	165,000	13%	165,000	13%
Vensunar (P) Ltd.	350,000	27%	350,000	27%

The 925,000 Non-convertible, Redeemable and cumulative Preference Shares of Rs.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 3<sup>rd</sup> October 2014 has been extended by the above shareholders for a further period of one year, i.e., upto 2<sup>nd</sup> October 2015. The Company has made a request to the shareholders for the extension of the redemption date.

350,000 Non-convertible, Redeemable and cumulative Preference Shares Rs. 100/- each fully paid up with a coupon rate of 10% subscribed by Vensunar (P) Ltd. is due for redemption on 28.02.2018.


**Note 6**
**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	180.50	180.50
<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	664.11	664.11
<b>d. 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>e. Special General Reserve</b>		
As per Last Balance Sheet	25.81	25.81
<b>f. General Reserve</b>		
As per Last Balance Sheet	—	—
Less: Transfer to Statement of Profit and Loss	—	—
Closing Balance		
<b>g Surplus in Statement of Profit and Loss</b>		
Balance as per last Profit and Loss Account of the previous year	(1974.01)	(1426.99)
Profit / (Loss) for the year	(419.00)	(469.47)
Less: Additional Depreciation on Opening Block of Assets as on 01/10/2014 as per the new Companies Act, 2013	—	—
Transfer from General Reserve	(2393.01)	77.54 (1974.01)
<b>Appropriations:</b>		
Transfer to Capital Redemption Reserve	—	—
Preference Dividend	—	—
Tax on Preference Dividend	—	—
Net Surplus / (Deficit) in Statement of Profit and Loss	(2393.01)	(1974.01)
<b>Total Reserves and Surplus</b>	<b>(1336.48)</b>	<b>(917.48)</b>
<b>Note 7</b>		
<b>NON CURRENT LIABILITIES</b>		
<b>LONG TERM BORROWINGS</b>		
<b>Secured</b>		
i Non Convertible Debentures	—	114.60
ii Term Loans from Banks	—	477.31
iii Term Loans from other than Banks	—	305.40
<b>TOTAL</b>	<b>—</b>	<b>897.31</b>


**Note 8**
**CURRENT LIABILITIES**
**a. Short Term Borrowings**

(₹ in million)

	THIS YEAR	PREVIOUS YEAR
<b>Secured</b>		
Working Capital Borrowings from Banks	23.60	359.71
Others	60.00	60.00
<b>TOTAL</b>	<u>83.60</u>	419.71
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	510.45	533.57
	<u>510.45</u>	533.57
<b>c. Other Current Payables</b>		
i Current maturities of Long Term Loans *	2844.65	1600.65
ii Interest accrued but not due on loans	60.26	93.71
iii Interest accrued and due on loans @	304.54	260.99
iv Unclaimed Dividend	0.91	0.91
v Creditors for Capital Expenditure	5.08	4.77
vi Advance from customer	9.61	103.12
vii Interest accrued and due on NCDs #	83.31	83.31
viii Other payables: subsidiary	390.09	7.21
viii Other payables	309.72	270.36
ix Advance received towards sale of land	-	2.00
<b>TOTAL</b>	<u>4008.17</u>	2427.03

\* Period and amount of dues: ₹ 2844.65 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 ₹ 1418.78 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**

During the year, the facilities extended to the Company have been declared as Non-performing Assets with the respective Banks/ Financial Institutions.

**d. Short Term Provisions**

(₹ in million)

	THIS YEAR		PREVIOUS YEAR	
i Provision for Employee benefits	43.96		55.69	
ii Income Tax (Net of payments)	4.08		3.38	
<b>TOTAL</b>	<b>48.04</b>		<b>59.07</b>	
<b>Note 9</b>				
<b>NON-CURRENT ASSETS</b>				
<b>FIXED ASSETS</b>				
a. Tangible Assets	1700.19		1859.36	
b. Capital work in Progress	7.88	1708.07	6.84	1866.20
(Note: Please see Annexure enclosed for details)				
<b>c. Long Term Loans and Advance</b>				
<b>Unsecured, considered good</b>				
Loans and advances		—		0.07
Deposits		5.05		9.26
Prepaid expenses		0.06		0.41
		<b>5.11</b>		<b>9.74</b>
<b>d. Other Non-current Assets</b>				
<b>Unsecured, considered good</b>				
Deferred Revenue Expenditure (to the extent not written off)		10.50		13.03
		<b>10.50</b>		<b>13.03</b>

**ANNEXURE TO NOTE 9**
**FIXED ASSETS**
**Tangible Assets**

(₹ in million)

SI No.	Description	Gross Block at Cost			Depreciation	Net Block	
		As at 01.04.2015	Additions / Transfers	Sold / Discarded / Transfers	As at 31.03.2016	Upto 31.03.2016	As at 31.03.2016
1	Land and Betterment						
	a) Freehold Land	664.62			664.62		664.62
	b) Leasehold Rights in land	48.01			48.01	10.18	37.83
2	Buildings	497.02	5.24	65.71	436.55	115.32	321.23
3	Plant & Machinery	1349.52	0.16	392.24	957.44	348.34	609.10
4	Electrical Installation	131.52		19.28	112.24	53.10	59.14
5	Vehicles	13.09		5.10	7.99	6.83	1.16
6	Furniture & Fixtures and other Equipment	49.29	0.07	24.25	25.11	18.03	7.08
7	Office equipment	7.64	0.10	6.28	1.46	1.43	0.03
	<b>TOTAL</b>	<b>2760.70</b>	<b>5.57</b>	<b>512.86</b>	<b>2253.42</b>	<b>553.23</b>	<b>1700.19</b>
	Capital Work in progress	6.84	8.68	7.64	7.88		7.88
	<b>GRAND TOTAL</b>	<b>2767.53</b>	<b>14.25</b>	<b>520.50</b>	<b>2261.29</b>	<b>553.23</b>	<b>1708.07</b>

**Note 10**
**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 Rs. 10/- each in W.S. T & D Ltd.	0.50	0.50
	<u>0.50</u>	<u>0.50</u>
<b>Current Investments</b>		
Book value of Unquoted Investments	0.50	0.50
Market value of short term Investments	—	—


**Note 11**
**CURRENT ASSETS**

(₹ in million)

	THIS YEAR		PREVIOUS YEAR	
<b>a) Inventories</b>				
(i) Stores and Spare Parts	14.04		14.11	
(ii) Raw Materials	48.40		53.59	
(iii) Packing Materials	0.36		0.36	
(iv) Materials in Transit			0.89	
(v) Work in progress	174.16		174.19	
(vi) Finished Goods	16.65	253.61	16.66	259.79
(For method of valuation, please refer to Note No. 1(d))				
<b>b) Trade Receivables</b>				
<b>Unsecured - considered good :</b>				
Exceeding six months	340.71		311.02	
Other Debts	20.13	360.84	133.27	444.29
<b>c) Cash and Bank Balances</b>				
Cash and cash equivalents				
(i) Cash on hand	0.85		0.27	
(ii) Bank Balances				
- in Current Accounts *	7.99		11.66	
- Margin Money				
		8.84		11.93
* includes Unclaimed Dividend	0.91		0.91	
<b>d) Short Term Loans and Advances</b>				
Loans and advances - Unsecured - Considered good				
Related parties	300.03		119.15	
Others	979.08		984.37	
Tax deducted at source	10.84		31.06	
Deposits	7.92		6.90	
Prepaid Expenses	2.37		2.29	
		1300.24		1143.76
<b>e) Other Current Assets</b>				
i) Interest accrued on investments				
ii) Deferred Revenue Expenditure ( to be written off in one year)	4.97		8.85	
		4.97		8.85

**Note 12**
**CONTINGENT LIABILITIES AND COMMITMENTS NOT PROVIDED FOR**

(₹ in million)

	THIS YEAR	PREVIOUS YEAR
<b>I Contingent Liabilities</b>		
(a) Guarantees	231.86	442.27
(b) Corporate Guarantees issued	12.92	35.08
(c) Customs Duty on Bonded Materials	1.34	1.34
(d) Arrears of dividend on Cumulative redeemable Preference Shares	59.39	46.83
(e) Labour Disputes	13.50	15.00
(f) Additional Demand on account of reassessment of Property Tax	11.31	28.52
(g) Additional Demand for Panchay at Licence Fees	0.30	0.15
<b>II Commitments</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for -	2.55	6.82
(b) 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	318.89
<b>Note 13</b>		
<b>REVENUE FROM OPERATIONS</b>		
(a) Sale of Products		
- Insulator Products	11.21	73.34
- Turnkey Products	32.88	26.24
	44.09	99.58
<b>Note 14</b>		
<b>OTHER INCOME</b>		
Other Receipts	5.99	20.78
Profit on Sale of Fixed Assets	1.01	0.00
<b>TOTAL</b>	7.00	20.78
<b>Note 15</b>		
<b>COST OF MATERIALS CONSUMED</b>		
(a) Raw Materials		
(i) Clays and Minerals	1.97	5.23
(ii) Metal Parts	0.72	0.86
(iii) Others	9.80	70.81
	12.49	76.89


**Note 16**
**CHANGES IN INVENTORIES OF FINISHED GOODS & WORK-IN-PROGRESS**

(₹ in million)

	THIS YEAR		PREVIOUS YEAR	
Closing Stock :				
Work in progress	<b>174.16</b>		174.19	
Finished Goods	<b>16.65</b>	<b>190.81</b>	<u>16.66</u>	190.85
Opening Stock :				
Work in progress	<b>174.19</b>		188.43	
Finished Goods	<b>16.66</b>	<b>190.85</b>	<u>28.31</u>	216.74
<b>TOTAL</b>		<u><b>0.04</b></u>		<u>25.90</u>
<b>Note 17</b>				
<b>EMPLOYEE BENEFITS EXPENSES</b>				
a Salaries, Wages, Bonus and Settlement		<b>153.72</b>		113.19
b Contribution to PF, ESI, Gratuity, etc.		<b>4.91</b>		14.06
c Welfare Expenses		<b>6.03</b>		8.36
<b>TOTAL</b>		<u><b>164.66</b></u>		<u>135.61</u>
<b>Note 18</b>				
<b>FINANCE COSTS</b>				
a Interest Expense		<b>1.29</b>		231.18
b Bank Charges		<b>6.82</b>		4.22
c Net (gain) / loss on foreign currency transactions		<b>4.82</b>		0.66
		<u><b>12.93</b></u>		<u>236.06</u>


**Note 19**
**OTHER EXPENSES**

(₹ in million)

	THIS YEAR	PREVIOUS YEAR
Consumption of Stores and Spares	0.23	1.16
Power and Fuel	2.91	7.41
Rent	1.17	1.27
Rates and Taxes	3.45	6.18
Insurance	3.17	1.47
Repairs and Maintenance:		
Plant & Machinery	0.17	0.81
Other Assets	1.75	1.11
Research and Development		
Directors' Sitting Fees	(0.02)	0.39
Travelling and Conveyance	3.47	3.40
Auditors' Remuneration	0.34	0.33
Agency Commission	2.23	0.89
Packing, forwarding and freight	(0.41)	2.12
Loss on Assets discarded / sold	47.99	14.04
Bad Debts written off	51.90	-
Others	45.84	26.94
<b>TOTAL</b>	<b>164.19</b>	<b>67.51</b>
<b>Note 20</b>		
<b>PAYMENT TO AUDITOR (included under Note No. 17)</b>		
<b>As auditor:</b>		
Audit Fee	0.30	0.30
Tax Audit Fee	0.02	0.02
Limited Review	0.02	0.01
In other capacity:		
Other services (Certification Fees)	-	0.01
	<b>0.34</b>	<b>0.33</b>
<b>Note 21</b>		
(iii) Value of imports on CIF basis (including Materials in transit)		
Raw Materials	-	-
Components and Spare Parts	-	-


**Note 22**

Value of Raw Materials (including Components) and Stores/Spare Parts consumed. (₹ in million)

	THIS YEAR		PREVIOUS YEAR	
i) RAW MATERIALS				
Imported	2.21	18%	5.45	7%
Indigenous	10.27	82%	71.44	93%
	<u>12.48</u>	<u>100%</u>	<u>76.89</u>	<u>100%</u>
ii) STORES/SPARE PARTS				
Imported	–	0%	–	0%
Indigenous	1.95	100%	2.69	100%
	<u>1.95</u>	<u>100%</u>	<u>2.69</u>	<u>100%</u>
<b>Note 23</b> Amounts remitted in foreign currencies:				
Others		0.14		0.05
<b>Note 24</b> Earnings in Foreign Exchange				
Physical Exports		0.04		15.63
<b>Note 25</b> Bank balance in Current Account includes:				
E E F C Account		–		–
<b>Note 26</b> Employee cost includes:				
(a) Research and Development:				
(i) Salaries and Wages		0.67		0.88
(ii) Contribution to Provident Fund		0.08		0.11
(b) Repairs and Maintenance:				
(i) Salaries and Wages		2.43		2.89
(ii) Contribution to Provident Fund		0.32		0.38

**Note 27**

The dispute pertaining to the sale of additional lands at Porur, covered under the Framework Agreement, which was referred to arbitration, at the instance of Mantri Premier Homes Private Limited and Mantri Developers Private Limited, is pending before the said Tribunal. The provision for Interest to the extent of Rs. 46.03 million have not been considered in the Financial Statements.

**Note 28**

The settlement agreement entered in to between IARC and the Company has been filed before the Debts Recovery Appellate Tribunal (DRAT), Chennai.

**Note 29**

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 SLP is pending before the said court.




**Note 30**

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 31**

The Company has pledged its shareholding in its wholly owned subsidiary W.S T&D Limited in favour of Tractors & Farm Equipments Limited for the amount due to them by the subsidiary.

**Note 32**

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 has been mortgaged in favour of M/s. Trinity Infraventures Limited towards security for the amount of Rs. 60 million secured from them.

**Note 33**

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 34**

The Company has filed a Writ Petition before the Madras High Court, for quashing of the impugned orders of the District Revenue Officer with reference to a dispute and consequent change in patta pertaining to certain lands owned by the Company. An interim stay has been granted.

**Note 35**

The Company has also filed Writ Petitions before the Madras High Court, 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.

**Note 36**
**SEGMENT DISCLOSURE**
**A. Primary Segment Information**

		Electro- porcelain Products	Turnkey Projects	Total	Electro procelain Products	Turnkey Projects	Total
	Particulars	2015-16			2014-15		
<b>1</b>	<b>REVENUE</b>						
	Gross Sales	12.29	32.88	45.17	76.49	26.24	102.73
	Less: Excise Duty	1.08	–	1.08	3.15	–	3.15
	Net Sales	11.21	32.88	44.09	73.34	26.24	99.58
<b>2</b>	<b>RESULT</b>						
	Segment result - EBIT	(351.47)	(61.59)	(413.06)	(248.69)	(20.50)	(269.19)
	Finance Charges (Net)			(12.93)			(236.06)
	Other Income			5.99			20.78
	Profit on sale of fixed assets (Net)			1.01			–
	Income Tax			–			(15.00)
	Net Profit / (Loss)			(418.99)			(499.47)
	Other Information						
	Segment Assets	2239.68	82.84	2322.52	2430.15	140.14	2570.29

**Note 36**
**SEGMENT DISCLOSURE**
**A. Primary Segment Information (Contd.)**

		Electro- porcelain Products	Turnkey Projects	Total	Electro procelain Products	Turnkey Projects	Total
	Particulars	2015-16			2014-15		
<b>3</b>	<b>UNALLOCATED CORPORATE ASSETS</b>			<u>1330.17</u>			<u>1187.82</u>
	<b>Total Assets</b>			<u>3652.69</u>			<u>3758.11</u>
	Segment Liabilities	<b>526.16</b>	<b>0.36</b>	<b>526.52</b>	557.72	(17.95)	539.77
	Unallocated Corporate Liabilities			<b>4139.81</b>			3695.23
	<b>Total Liabilities</b>			<u>4666.33</u>			<u>4235.00</u>
	Capital expenditure	<b>6.61</b>	–	<b>6.61</b>	0.09	–	0.09
	Depreciation	<b>115.63</b>	<b>0.15</b>	<b>115.78</b>	62.63	0.22	62.86
	Non-cash expenses other than depreciation						
<b>B.</b>	<b>Secondary Segment Information</b>						
	Revenue by Geographical Market						
	India	<b>11.17</b>	<b>32.88</b>	<b>44.05</b>	57.71	26.24	83.95
	Rest of the World	<b>0.04</b>	–	<b>0.04</b>	15.63	-	15.63
	<b>Total</b>	<u>11.21</u>	<u>32.88</u>	<u>44.09</u>	<u>73.34</u>	<u>26.24</u>	<u>99.58</u>

**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 37**
**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	53.00	68.40	8.52	7.03
Interest Cost	1.65	2.34	0.25	0.26
Current Service Cost	4.54	4.64	0.43	2.77
Benefits paid	0.71	(27.64)	0.83	(2.43)
Actuarial (Gain) / Loss on obligations	(6.89)		(0.32)	0.89
Present value of obligations at the end of the year	51.59	63.00	8.05	8.52
<b>(b) Changes in the fair value of Plan Assets:</b>				
Fair value of Plan Assets at the beginning of the year	–	32.12	–	7.03
Expected Return on Plan Assets	–	0.78	–	–
Contributions	–	–	–	–
Benefits paid	–	(27.64)	–	(2.43)
Actuarial (Gain) / Loss on obligations	(4.68)	18.36	–	0.89
Present value Plan Assets at the end of the year	–	23.61	–	8.52
<b>(c) Fair Value of Plan Assets</b>				
Fair value of Plan Assets at the beginning of the year	–	32.12	–	–
Actual Return on Plan Assets	–	0.78	–	–
Contributions	–	–	–	–
Benefits paid	–	(27.64)	–	(2.43)
Actuarial (Gain) / Loss on obligations	–	18.36	–	–
Fair Value of Plan Assets at the end of the year	–	23.61	–	–
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	(2.21)	(15.27)	–	–
Actuarial Gain / (Loss) for the year - Plan Assets	–	18.36	–	–
Total (Gain) / Loss for the year	–	–	–	0.89
Actuarial (Gain) / Loss recognized in the year	–	–	–	0.89
<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	–	39.38	–	8.52
Fair Value of Plan Assets at the end of the year	–	19.14	–	–
Funded Status	–	–	–	–
Net Asset/(Liability) recognized in Balance Sheet	–	34.59	–	–
<b>(f) Expenses recognized in the Statement of Profit and Loss</b>				
Current Service Cost	–	4.64	–	2.77
Interest Cost	–	2.34	–	0.26
Expected Return on Plan Assets	–	(0.78)	–	–
Net Actuarial (Gain) / Loss recognized in the year	–	(3.10)	–	0.89
Expenses recognized in the statement of Profit and Loss	–	3.10	–	3.92
<b>(g) Actuarial Assumptions</b>				
Discount Rate	7.80%	8.50%	7.80%	7.80%
Expected return on Plan Assets	–	8.50%	–	–
Salary increase	5.00%	5.00%	5.00%	5.00%


**Note 38**
**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 Companies	Relative of Director	Other related parties
W.S.T & D Limited W.S. Electric Limited	Sri. Narayan Sethuramon	W. S . International (P) Ltd. Ashwini Services and consultancy Ltd. Vensunar Holdings (P) Ltd.

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

	Subsidiary Companies	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	119.15	–	–	–
Advance received	82.84	–	–	–
On account of Takeover of liability from Subsidiary	307.80	–	–	–
On account of Takeover of liability to step Subsidiary	(307.80)	–	–	–
Repayment of liability	–	–	8.30	11.61
Balance as on 31.03.2016:				
Payable	390.09	–	–	–
Receivable	300.03	–	–	–

(c) Remuneration to Managing Directors / Wholetime Director

	THIS YEAR		PREVIOUS YEAR	
Salary	0.48		1.29	
Contribution to Provident & Other Funds	0.06		0.24	
Perquisites	1.02	1.56	1.01	2.54

**Note 39**

W S T&D Ltd., the wholly owned Subsidiary of the Company, owes ₹ 308.09 Million to its Subsidiary Company, viz., W S Electric Ltd. W S T&D Ltd. has requested the company to take over a liability of ₹ 307.80 Million out of the total amount payable and the same has been considered in the Financial Statement after due consideration by the Board.

**Note 40**

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 41**

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 42**

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 Hon'ble BIFR. The Company has sought confirmation of balance from financial institutions which is being awaited. The provision for Interest to the extent of ₹ 1084.48 million has not been considered in the Financial Statements.

**Note 43**

Loss on Assets discarded during the year is ₹ 47.99 Million

**Note 44**

Since no production and related activities were carried out during the year the Company has not charge salaries and wages from September 2015 in Chennai and July 2015 in Vizag. Appropriate provision for likely compensation to be negotiated equivalent to 4 months in Chennai and 6 months in Vizag has been provided since this will be part of a revival scheme which will be put together and submitted to the Hon'ble BIFR for their consideration and sanction.

**Note 45**

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

**Note 46**

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

**Note 47**

During the 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.

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

The figures for the current year are for a period of 12 months while those of the previous year are for a period of 6 months and hence are not directly comparable.

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, 2016.

**B.SWAMINATHAN**

Chief Financial Officer

**HEMA PASUPATHEESWARAN**

Vice President (Legal) &  
Company Secretary

**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, 2016, 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 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) The books of accounts of the Holding Company namely Cash vouchers, bank vouchers, purchase bills, journal vouchers and other related documents were not made available to us for the period up to December 2015 and hence we were able to audit the books only for the remaining period.
- (ii) Confirmation of Balances as at 31<sup>st</sup> March 2016 for the Holding Company, were not available for our verification in respect of most of the banks and financial institutions.
- (iii) Physical stock of inventory could not be carried out by us for the Holding Company, as at 31<sup>st</sup> March 2016 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 networth and the Company has been referred to BIFR seeking relief under revival scheme.
- (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, since the company is seeking relief as part of revival scheme by BIFR.
- (iv) The Holding Company has provided an amount equivalent to the Wages and salaries for the period from September 2015 (in case of Chennai unit) and from July 2015 (in the case of Vizag unit) till December 2015 only, towards employee settlement. In view of the above, no provision has been made for PF and ESI for the September 2015 to March 2016 and July 2015 to March 2016 for Chennai and Vizag units respectively.
- (v) The disclosure under AS 15 in respect of retirement benefits has been obtained for the period from April 2015 to August 2015 and from April 2015 to June 2015 with respect to 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) For the reasons stated in the Point (i) of the Basis for Disclaimer of opinion paragraph above, we are unable to opine whether proper books of accounts have been kept by the Company for the said period as required by law.
  - (c) For the reasons stated in the Point (i) of the Basis for Disclaimer of opinion paragraph above, we are unable to opine whether 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) Due to the possible effects of the matter specified in the Basis for Disclaimer of opinion paragraph above, we are unable to opine whether, 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) In view of the fact that the Company has not paid interest on the debentures, as required under Section 164(2)(b) of the Companies Act 2013, the provisions of this section shall apply to the directors of the Company.





- (f) The reservation relating to the maintenance of Books of accounts and other matters connected there with, are stated in the Basis for Disclaimer of Opinion paragraph above.
  - (g) 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".
  - (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 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  
Regn No:004770S/S200025

**Chella K Srinivasan**  
Partner

Place : Chennai  
Date : 30-5-2016

Membership number:023305

## **"Annexure A" to the Independent Auditor's Report of Even Date on the Consolidated 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** (herein after referred to as "Holding Company") and its subsidiary companies which are companies incorporated in India as of March 31, 2016 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.

#### **Auditor's 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.

Because of the matter described in the Disclaimer of opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls over financial reporting of the Group Company.

#### **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 not 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 31st March 2016.

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  
Regn No:004770S/S200025

**Chella K Srinivasan**  
Partner

Membership number:023305

Place : Chennai  
Date : 30-5-2016


**CONSOLIDATED BALANCE SHEET AS AT 31.03.2016**

(₹ in Million)

	NOTE	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>(1831.75)</b>	<b>(1492.85)</b>	(1395.86)	(1056.96)
Minority Interest			<b>204.67</b>		216.88
<b>(2) Non Current Liabilities</b>					
Long Term Borrowings	6		<b>220.98</b>		1146.12
Other Long Term Liabilities	7				41.17
<b>(3) Current Liabilities</b>					
Short Term borrowings	8 (a)	<b>83.60</b>		419.71	
Trade payables	8 (b)	<b>510.45</b>		533.57	
Other Current Liabilities	8 (c)	<b>3960.44</b>		2563.32	
Short Term provisions	8 (d)	<b>61.81</b>	<b>4616.30</b>	66.54	3583.14
<b>Total</b>			<b>3549.10</b>		<b>3930.35</b>
<b>II ASSETS</b>					
<b>(1) Non Current Assets</b>					
<b>Fixed Assets</b>					
i) Tangible assets	9 (a)	<b>1703.83</b>		1862.23	
ii) Capital Work in Progress	9 (b)	<b>7.87</b>	<b>1711.70</b>	6.83	1869.06
<b>Long Term Loans and Advances</b>	9 (c)		<b>5.11</b>		9.74
<b>Other Non Current Assets</b>	9 (d)		<b>10.50</b>		13.03
<b>(2) Current Assets</b>					
i) Inventories	10 (a)	<b>435.21</b>		441.40	
ii) Trade receivables	10 (b)	<b>360.84</b>		444.29	
iii) Cash and cash equivalents	10 (c)	<b>11.30</b>		112.76	
iv) Short term loans and advances	10 (d)	<b>1009.47</b>		1031.22	
v) Other Current Assets	10 (e)	<b>4.97</b>	<b>1821.79</b>	8.85	2038.52
<b>Total</b>			<b>3549.10</b>		<b>3930.35</b>
<b>Significant Accounting Policies &amp; Notes on Financial Statements</b>	1 to 20				

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, 2016.

**B.SWAMINATHAN**  
Chief Financial Officer

**HEMA PASUPATHEESWARAN**  
Vice President (Legal) &  
Company Secretary


**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED  
31<sup>ST</sup> MARCH 2016**

(₹ in Million)

	NOTE	THIS YEAR		PREVIOUS YEAR	
<b>1 Revenue from Operations (Gross)</b>					
Sales and Other Operating income	11	<b>71.82</b>		137.80	
		<b>71.82</b>		137.80	
Less: Excise Duty		<b>1.08</b>	<b>70.74</b>	3.15	134.65
<b>2 Other Income</b>	12		<b>7.15</b>		20.80
<b>3 Total Revenue (1+2)</b>			<b>77.89</b>		155.45
<b>4 EXPENSES</b>					
Cost of Materials consumed	13	<b>12.49</b>		76.89	
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	14	<b>0.04</b>		25.90	
Employee Benefit expense	15	<b>164.66</b>		136.93	
Finance Costs	16	<b>53.02</b>		253.04	
Depreciation and Amortization expenses		<b>116.27</b>		63.49	
Other expenses	17	<b>173.61</b>	<b>520.09</b>	70.33	626.57
<b>5 PROFIT / (LOSS) BEFORE TAX (3 - 4)</b>			<b>(442.20)</b>		(471.12)
<b>6 Tax expense</b>					
i) Current tax.		<b>5.90</b>		7.80	
ii) Deferred Tax		<b>-</b>	<b>5.90</b>	(15.00)	(7.20)
<b>7 PROFIT / (LOSS) AFTER TAX Before Adjustment of Minority Interest (5 - 6)</b>			<b>(448.10)</b>		(463.92)
<b>8 Minority Interest in Income</b>			<b>(12.21)</b>		3.31
<b>9 PROFIT / (LOSS) AFTER TAX After Adjustment of Minority Interest (7 - 8)</b>			<b>(435.89)</b>		(467.23)
i) Basic			<b>(21.79)</b>		(22.52)
ii) Diluted			<b>(21.79)</b>		(22.52)
<b>Significant Accounting Policies &amp; Notes on Financial Statements</b>	1 to 20				

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, 2016.

**B.SWAMINATHAN**  
Chief Financial Officer

**HEMA PASUPATHEESWARAN**  
Vice President (Legal) &  
Company Secretary


**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2016**

(₹ in Million)

	THIS YEAR	PREVIOUS YEAR
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) before Taxes	(442.20)	(471.12)
Adjustments for:		
Add:		
Assets discarded	47.99	14.04
Depreciation	116.27	63.49
Interest and Financial Charges (Net)	53.02	253.04
	<u>(224.92)</u>	<u>(140.56)</u>
Less:		
Profit on sale of Assets	1.01	—
Operating Profit before Working Capital changes	<u>(225.93)</u>	<u>(140.56)</u>
Increase / (Decrease) in Working Capital		
(Increase) / Decrease in inventories	6.18	44.22
(Increase) / Decrease in Sundry Debtors	83.46	30.70
(Increase) / Decrease in other Current Assets	32.78	7.00
Increase / (Decrease) in Liabilities and Provisions	50.56	(167.69)
Income Taxes paid	1.09	(10.46)
Minority Interest in income	(12.21)	(3.31)
Net cash from operating activities	<u>(64.08)</u>	<u>(240.09)</u>
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets (including interest capitalised)	(7.81)	(3.57)
Sale / reduction in value of Fixed Assets	1.93	0.01
Change in minority interest	12.21	3.31
Net Cash (used in) / from Investing activities	<u>6.33</u>	<u>(0.25)</u>


**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2016 (Contd.)**  
 (₹ in Million)

	THIS YEAR	PREVIOUS YEAR
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase / decrease in secured Loans	411.59	885.55
Increase / decrease in Unsecured Loans	(66.17)	–
Increase / (Decrease) in working Capital from Banks	(336.11)	(392.81)
Interest and financing charges paid	(53.02)	(253.04)
Net Cash from Financing Activities	(43.17)	239.70
NET INCREASE IN CASH AND CASH EQUIVALENTS (i)	(101.46)	(0.64)
Cash and Cash Equivalents as at the beginning of the year	112.76	113.41
Cash and Cash Equivalents as at the close of the year	11.30	112.76

**Notes on Cash Flow Statement:**

- 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.
- 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	11.30	112.76
UNREALISED (GAIN) / LOSS	–	–
CASH AND BANK BALANCES RESTATED AS ABOVE	11.30	112.76

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, 2016.

**B.SWAMINATHAN**  
 Chief Financial Officer

**HEMA PASUPATHEESWARAN**  
 Vice President (Legal) &  
 Company Secretary

**Notes forming part of Accounts****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 2015 - March 2016

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 Companies considered in the consolidated financial statements are W.S. Electric Limited and W.S. T & D Limited. whose country of incorporation is India and the percentage of voting power by W.S. T & D Limited in W.S. Electric is 50.10% and by W.S. Industries (India) limited in W.S. T & D is 100% held on 31<sup>st</sup> March 2016.

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

**3. Regrouping figures**

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


**SHARE CAPITAL**

	THIS YEAR		PREVIOUS YEAR	
<b>Authorised</b>				
35,000,000 Equity Shares of Rs.10/- each	<b>350.00</b>		350.00	
1,500,000 Cumulative Redeemable Preference Shares of Rs. 100/- each	<b>150.00</b>		<u>150.00</u>	
		<b>500.00</b>		500.00
<b>Issued, Subscribed and Paid - up:</b>				
21,139,789 Equity Shares of Rs.10/- each fully paid - up		<b>211.40</b>		211.40
1275000 Cumulative Redeemable Preference Shares of Rs. 100/- each fully paid - up		<b>127.50</b>		127.50
<b>TOTAL</b>		<b>338.90</b>		<u>338.90</u>

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

	No. of Shares held	Value (₹ in million)	No. of Shares held	Value (₹ in million)
<b>Equity Shares:</b>				
At the beginning and end of the year	<b>21,139,789</b>	<b>211.40</b>	21,139,789	211.40
<b>Preference Shares:</b>				
At the beginning and end of the year	<b>1,275,000</b>	<b>127.50</b>	1,275,000	127.50

**Shareholders holding more than 5% shares in the Company:**

Name of Shareholder	Equity Shares			
	As at 31 <sup>st</sup> March 2016		As at 31 <sup>st</sup> March 2015	
	No. of Shares held	% of holding	No. of Shares held	% of holding
W.S. International (P) Ltd.	<b>1,119,798</b>	<b>5</b>	1,119,798	5
Blue Chip Investments (P) Ltd.	<b>4,096,138</b>	<b>19</b>	4,096,138	19
Credit Renaissance Fund Ltd.	<b>2,520,000</b>	<b>12</b>	2,520,000	12
East Sail	<b>1,985,557</b>	<b>9</b>	1,985,557	9
Name of Shareholder	Preference Shares			
	As at 31 <sup>st</sup> March 2016		As at 31 <sup>st</sup> March 2015	
	No. of Shares held	% of holding	No. of Shares held	% of holding
Credit Renaissance Fund Ltd.	760,000	60%	760,000	60%
Credit Renaissance Development Fund L.P.	165,000	13%	165,000	13%
Vensunar (P) Ltd.	350,000	27%	350,000	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 3<sup>rd</sup> October 2014 has been extended by the above shareholders for a further period of one year, i.e., upto 2<sup>nd</sup> October 2015. The Company has made a request to the shareholders for the extension of the redemption date.

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.


**Note 5**

(₹ in million)

**RESERVES & SURPLUS**

	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015
<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: utilisation on account of Buy back	—	—
	<b>255.45</b>	255.45
<b>c. Revaluation Reserve</b>		
As per Last Balance Sheet	664.11	
Additions during the year		664.11
Less: Withdrawn during the year		
Closing Balance	<b>664.11</b>	664.11
<b>d. 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>e. Special General Reserve</b>		
As per Last Balance Sheet	25.81	25.81
<b>f. General Reserve</b>		
As per Last Balance Sheet	(73.63)	(73.63)
Additions during the year		
Less: Transfer to Statement of Profit and Loss		
Closing Balance	<b>(73.63)</b>	<b>(73.63)</b>
<b>g Surplus in Statement of Profit and Loss</b>		
Balance as per last Profit and Loss Account of the previous year on Consolidation of subsidiaries	<b>(2453.71)</b>	(1908.89)
Profit / (Loss) for the year	<b>(435.89)</b>	(467.23)
<b>Less:</b> Additional Depreciation on Opening Block of Assets as on 01/10/2014 as per the new Companies Act, 2013	—	(77.60)
Transfer from General Reserve	<b>(2889.60)</b>	(2453.71)
<b>Appropriations:</b>		
Transfer to Capital Redemption Reserve		
Transfer to General Reserve		
Preference Dividend		
Tax on Preference Dividend		
<b>Net Surplus / (Deficit) in Statement of Profit and Loss</b>	<b>(2889.60)</b>	(2453.71)
<b>Total Reserves and Surplus</b>	<b>(1831.75)</b>	<b>(1395.86)</b>




**Note 6**

(₹ in million)

**NON-CURRENT ASSETS**
**LONG TERM BORROWINGS**
**a) Secured**

	THIS YEAR	PREVIOUS YEAR
i Non-convertible Debentures	–	114.60
ii Term Loans from Banks	–	477.31
iii Term Loans from other than Banks	–	305.40
iv Lease Rental Bills Discounting	<b>220.98</b>	223.81
	<b>220.98</b>	<b>1121.12</b>

**Terms of Repayment**

The above loan together with current maturities is secured by the exclusive charge on the rentals received by the Company from its lessees which has been assigned in favour of the lender and further secured by creation of equitable mortgage by deposit of title deeds of the land owned by the Company, however covering 35213 sqft of undivided interest in land out of 1,22,054 sqft relating to Phase I of the development and 87279 sqft of Rentable Area out of the constructed building in Phase I of the development together with WSE's entitlements thereon. The above outstanding shall carry interest at lender's base rate plus 3%. The above balance loan and current maturities of this loan shall have to be repaid in 88 monthly instalments as agreed.

**b) Unsecured**

Inter Corporate Deposit	–	25.00
	–	25.00

**Note 7**
**OTHER LONG TERM LIABILITIES**

Advance from Subsidiary		
Security Deposits	–	41.17
	–	41.17

**Note 8**
**CURRENT LIABILITIES**
**a) Short Term Borrowings**

Secured		
Working Capital Borrowings from Banks	<b>23.60</b>	359.71
Others	<b>60.00</b>	60.00
<b>TOTAL</b>	<b>83.60</b>	<b>419.71</b>

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.


**Note 8 (Contd.)**

(₹ in million)

**b) Trade payables**

	<b>THIS YEAR</b>	<b>PREVIOUS YEAR</b>
Trade payables	<u>510.45</u>	<u>533.57</u>
	<u>510.45</u>	<u>533.57</u>
<b>c) Other Current Liabilities</b>		
a Current maturities of Long Term Loans *	<b>2865.05</b>	1615.05
b Interest accrued but not due on loans	<b>60.26</b>	93.71
c Interest accrued and due on loans @	<b>322.72</b>	260.99
d Unclaimed Dividend	<b>0.91</b>	0.91
e Creditors for Capital Expenditure	<b>5.08</b>	4.77
t Advance from customer	<b>9.61</b>	103.12
g Interest accrued and due on NCDs #	<b>83.31</b>	83.31
h Other payables	<b>446.73</b>	289.46
i Advance received towards sale of land	-	2.00
j Advance towards Sale of Investments	<b>110.00</b>	110.00
k Security Deposits	<b>31.77</b>	-
l Inter Corporate Deposit	<b>25.00</b>	-
<b>TOTAL</b>	<u><b>3960.44</b></u>	<u>2563.32</u>

\* Period and amount of dues: ₹ 2844.65 Million has fallen due on or before 31<sup>st</sup> March 2016

@ Period and amount of dues: ₹ 322.72 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 adjacent to PPIDC Estate, Pondicherry on pari passu basis among these lenders and pledge of 29,70,000 equity shares of the Promoters.


**Note 8 (Contd.)**

(₹ in million)

- 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 ₹ 1418.78 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.

For Lease Rental Bill Discounting together with current maturities is secured by the exclusive charge on the rentals received by the Company from its lessees which has been assigned in favour of the lender and further secured by creation of equitable mortgage by deposit of title deeds of the land owned by the Company, however covering 35213 sqft of undivided interest in land out of 1,22,054 sqft relating to Phase I of the development and 87279 sqft of Rentable Area out of the constructed building in Phase I of the development together with WSE's entitlements thereon. The above outstanding shall carry interest at lender's base rate plus 3%.

**Terms of Repayment**

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

For lease rental bill discounting together with current maturities shall have to be repaid in 88 monthly instalments as agreed.

**d) Short Term Provisions**

	THIS YEAR		PREVIOUS YEAR	
Provision for Employee benefits	44.58		56.30	
Income Tax (Net of payments)	17.23		10.24	
<b>TOTAL</b>	<b>61.81</b>		<b>66.54</b>	
<b>Note 9</b>				
<b>NON-CURRENT ASSETS</b>				
<b>FIXED ASSETS</b>				
a Tangible Assets	1703.83		1862.23	
b Capital work in Progress	7.87	1711.70	6.83	1869.06
<b>c. Long Term Loans and Advance</b>				
<b>Unsecured, considered good</b>				
Loans and advances	-		0.07	
Deposits	5.05		9.26	
Prepaid expenses	0.06		0.41	
	<b>5.11</b>		<b>9.74</b>	
<b>d. Other Non-current Assets</b>				
<b>Unsecured, considered good</b>				
Deferred Revenue Expenditure	10.50		13.03	
	<b>10.50</b>		<b>13.03</b>	

**Annexure to Note 9**

(₹ in million)

**FIXED ASSETS**
**Tangible Assets**

SI No.	Description	Gross Block at Cost			Depreciation	Net Block		
		As at 01.04.2015	Additions / Transfers	Sold / Discarded / Transfers	As at 31.03.2016	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
1	Land and Betterment							
	a) Freehold Land	664.62			<b>664.62</b>		664.62	655.89
	b) Leasehold Rights in land	48.01			<b>48.01</b>	<b>10.18</b>	37.83	48.01
2	Buildings	497.02	5.24	<b>65.71</b>	<b>436.55</b>	<b>115.31</b>	321.24	348.22
3	Plant & Machinery	1349.64	0.23	<b>392.24</b>	<b>957.63</b>	<b>348.45</b>	609.18	719.04
4	Electrical Installation	131.52		<b>19.28</b>	<b>112.24</b>	<b>53.09</b>	59.15	75.37
5	Vehicles	13.09		<b>5.10</b>	<b>7.99</b>	<b>6.83</b>	1.16	2.22
6	Furniture & Fixtures and other Equipment	52.90	1.24	<b>24.25</b>	<b>29.89</b>	<b>19.27</b>	10.62	13.28
7	Office equipment	7.64	0.10	<b>6.28</b>	<b>1.46</b>	<b>1.43</b>	0.03	0.20
	<b>TOTAL</b>	<b>2764.43</b>	<b>6.81</b>	<b>512.86</b>	<b>2258.39</b>	<b>554.56</b>	1703.83	1862.23
	Capital Work in progress	6.83	8.68	<b>7.64</b>	<b>7.87</b>		7.87	6.83
	<b>GRAND TOTAL</b>	<b>2771.26</b>	<b>15.49</b>	<b>520.50</b>	<b>2266.26</b>	<b>554.56</b>	1711.70	1869.06

**CURRENT ASSETS**
**a) Inventories**

	THIS YEAR		PREVIOUS YEAR	
(i) Stores and Spare Parts	14.04		14.11	
(ii) Raw Materials	48.40		53.59	
(iii) Packing Materials	0.36		0.36	
(iv) Materials in Transit			0.89	
(v) Stock in Trade - Realty	181.60		181.60	
(vi) Work in progress	174.16		174.19	
(vii) Finished Goods	16.65	435.21	16.66	441.40
(For method of valuation, please refer to Note No. 1(d))				
<b>b) Trade Receivables</b>				
<b>Unsecured - considered good :</b>				
Exceeding six months	340.71		311.02	
Other Debts	20.13	360.84	133.27	444.29
<b>c) Cash and Bank Balances</b>				
Cash and cash equivalents				
(i) Cash on hand	0.86		0.29	
(ii) Bank Balances				
- in Current Accounts *	1044		112.47	
- Margin Money				
		11.30		112.76
* includes Unclaimed Dividend	0.91		0.91	
<b>d) Short Term Loans and Advances</b>				
Loans and advances		979.08		984.41
Tax deducted at source		20.09		37.60
Deposits		7.92		6.90
Prepaid Expenses		2.38		2.30
		1009.47		1031.22
<b>e) Other Current Assets</b>				
Deferred Revenue Expenditure (to be written off in one year)		4.97		8.85
		4.97		8.85


**Note 11**

(₹ in million)

**REVENUE FROM OPERATIONS**

	THIS YEAR	PREVIOUS YEAR
(a) Sale of Products		
- Insulator Products	11.21	73.34
- Turnkey Products	32.88	26.24
(b) Lease Rental Income	26.65	35.07
	<u>70.74</u>	<u>134.65</u>

**Note 12**
**OTHER INCOME**

Other Receipts	6.14	20.80
Profit on Sale of Fixed Assets	1.01	0.00
<b>TOTAL</b>	<u>7.15</u>	<u>20.80</u>

**Note 13**
**COST OF MATERIALS CONSUMED**

(a) Raw Materials		
(i) Clays and Minerals	1.97	5.23
(ii) Metal Parts	0.72	0.86
(iii) Others	9.80	70.81
	<u>12.49</u>	<u>76.89</u>

**Note 14**
**CHANGES IN INVENTORIES OF FINISHED GOODS & WORK-IN-PROGRESS**

Closing Stock :		
Work in progress	174.16	174.19
Finished Goods	16.65	16.66
	<u>190.81</u>	<u>190.85</u>
Opening Stock :		
Work in progress	174.19	188.43
Finished Goods	16.66	28.31
	<u>190.85</u>	<u>216.74</u>
<b>TOTAL</b>	<u>0.04</u>	<u>25.90</u>

**Note 15**
**EMPLOYEE BENEFITS EXPENSES**

a Salaries, Wages, Bonus and Settlement	153.72	114.51
b Contribution to PF, ESI, Gratuity, etc.	4.91	14.06
c Welfare Expenses	6.03	8.36
<b>TOTAL</b>	<u>164.66</u>	<u>136.93</u>


**Note 16**

(₹ in million)

**FINANCE COSTS**

	THIS YEAR	PREVIOUS YEAR
a Interest Expense	41.38	248.16
b Bank Charges	6.82	4.22
c Net (gain) / loss on foreign currency transactions	4.82	0.66
	<u>53.02</u>	<u>253.04</u>

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

Consumption of Stores and Spares	0.23	1.16
Power and Fuel	5.31	7.96
Rent	1.17	1.27
Rates and Taxes	4.29	6.97
Insurance	3.29	1.60
Repairs and Maintenance:		
Building	5.28	0.21
Plant & Machinery	0.17	0.81
Other Assets	1.83	1.11
	<u>7.28</u>	<u>2.13</u>
Research and Development		
Directors' Sitting Fees	(0.01)	0.41
Brokerage Commission	-	0.76
Travelling and Conveyance	3.49	3.51
Auditors' Remuneration	0.42	0.42
Agency Commission	2.23	0.89
Packing, forwarding and freight	(0.41)	2.12
Loss on Assets discarded / sold	47.99	14.04
Bad Debts written off	51.90	-
Others	46.43	27.09
<b>TOTAL</b>	<u>173.61</u>	<u>70.33</u>

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

(included under Note No. 17)

**As auditor:**

Audit Fee	0.37	0.37
Tax Audit Fee	0.03	0.03
Limited Review	0.02	0.02

**In other capacity:**

Other services (Certification Fees)	0.00	0.01
Reimbursement of expenses	0.42	0.43

**W.S. INDUSTRIES (INDIA) LIMITED****Note 19**

(₹ in million)

Calculation of Earnings per share  
(Face value of ₹10/- per share)

	THIS YEAR	PREVIOUS YEAR
Net Profit / (Loss)	(448.10)	(463.92)
Preference Dividend	12.56	12.13
Net Earnings before and after extraordinary items	(460.67)	(476.05)
No. of Equity Shares	21139789	21139789
Earnings per share before and after extraordinary items (basic / diluted ) (in ₹ )	(21.79)	(22.52)

**Note 20**

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

	W.S. ELECTRIC LTD.	W.S.T & D LTD.
a Share Capital	38.42	0.50
b Reserves	366.33	(22.18)
c Total Assets (including Preliminary and Pre-operative expenses)	721.63	0.22
d Total Liabilities	721.63	538.92
e Investments	–	538.70
f Turnover	26.65	–
g Profit before Taxation	(18.58)	(4.64)
h Provision for Taxation	5.90	–
i Profit after Tax	(24.48)	(4.64)
j Proposed Dividend	–	–

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)

**B.SWAMINATHAN**  
Chief Financial Officer

**HEMA PASUPATHEESWARAN**  
Vice President (Legal) &  
Company Secretary

Chennai  
30<sup>th</sup> May, 2016.





