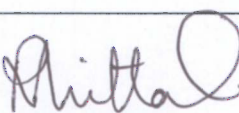
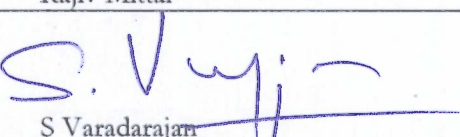


FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	VA TECH WABAG LIMITED
2.	Annual financial statements for the year ended	March 31, 2014
3.	Type of Audit observation	<p>A. The report of statutory auditors contains the following observations on the standalone financial statement:</p> <p>(i) Emphasis of Matter in the Independent Auditors' Report on the financial statement</p> <p>"We draw attention to notes 3.3(a) and 3.3(b) to the accompanying financial statement which describe the uncertainty related to the outcome of litigations in connection with certain deductions being disallowed which, according to the management, is due to retrospective amendment of Section 80-IA of the Income tax Act, 1961 pursuant to Finance Act, 2009. Our opinion is not qualified in respect of this matter."</p> <p>B. The report of Statutory Auditors contains the following observation on the consolidated financial statement:</p> <p>(i) Emphasis of Matter in the Independent Auditors' Report on the consolidated financial statement</p> <p>"We draw attention to notes 3.3(a) and 3.3(b) to the accompanying financial statement which describe the uncertainty related to the outcome of litigations in connection with certain deductions being disallowed which, according to the management, is due to retrospective amendment of Section 80-IA of the Income tax Act, 1961 pursuant to Finance Act, 2009. Our opinion is not qualified in respect of this matter."</p>
4.	Frequency of observation	Observations A (i) and B (i) have been reported since the year ended March 31, 2010.
5.	Signed by:	
	Managing Director	 Rajiv Mittal
	Chief Financial Officer	 S Varadarajan

	Auditors of the company	<p><i>Walker Chandiok & Co LLP</i></p> <p>For Walker Chandiok & Co LLP <i>(formerly Walker, Chandiok & Co)</i> Chartered Accountants Firm Registration No.: 001076N</p> <p><i>S. S. S.</i></p> <p>per Suresh E S Partner Membership No. 206931</p>
	Audit Committee Chairman	<p><i>B. D. N.</i></p> <p>Bhagwan Dass Narang</p>