



25<sup>th</sup> July 2016

M/s.National Stock Exchange of India Ltd.  
Regd. Office : "Exchange Plaza"  
Bandra-Kurla Complex  
Bandra (East), Mumbai - 400 051.

Symbol : WSI

Dear Sir,

**Sub : Statement on Impact of Audit Qualifications under Regulation 33 of SEBI LODR 2015.**

Pursuant to SEBI Circular No.CIR/CFD/CMD/56/2016 dated 27<sup>th</sup> May 2016, we attach herewith Statement on Impact of Audit Qualifications for Audit Report with modified opinion under Regulation 33 for Consolidated and Standalone Audited Financial Statements.

Thanking you,

Yours faithfully,  
for W.S. INDUSTRIES (INDIA) LIMITED,

B.SWAMINATHAN  
CHIEF FINANCIAL OFFICER

Encl : As above



**W.S. Industries (India) Ltd.**

CIN : L29142TN1961PLC004568

108, Mount Poonamallee Road, Porur, Chennai - 600 116, India

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Dept E-mail : [diroffice@wsinsulators.com](mailto:diroffice@wsinsulators.com)

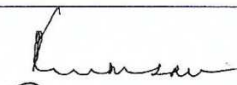

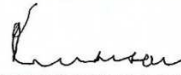

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Consolidated Annual Audited Financial Results under Regulation 33 of the SEBI (LODR) Regulations 2015**

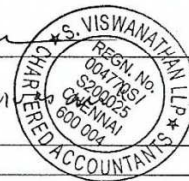
Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2016 [see Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl No.	Particulars	Audited figures (as reported before adjusting for qualifications) Rs in Million	Adjusted figures (audited figures after adjusting for qualifications) Rs in Million
	1	Turnover / Total Income	77.89	77.89
	2	Total Expenditure	525.99	1610.47
	3	Net Profit/(Loss)	(448.10)	(1532.58)
	4	Earnings Per Share	(21.79)	(73.09)
	5	Total Assets	3549.10	3549.10
	6	Total Liabilities	3549.10	3549.10
	7	Net Worth	(1492.85)	(2577.33)
	8	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil
<b>II</b>	<b>Audit Qualification (each audit qualification separately):</b>			
	<b><u>Auditors' disclaimer No.1</u></b>			
	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 Dec. 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: <b>Not applicable</b> Management's Views: <b>Not applicable</b>			
	e. For Audit qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification: <b>Insignificant Impact</b> (ii) If management is unable to estimate the impact, reasons for the same:  The heavy rains and floods in Chennai in Nov'15 and Dec'15 caused flooding within the Holding Company's premises, which is also the administrative office and houses all the books of accounts and records, as a result of which the records were immersed in water and debris.  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.  (iii) Auditor's Comments on (i) or (ii) above:			

	Auditors are unable to comment on the financial impact.
	<b><u>Auditors' disclaimer No.2</u></b>
	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: <b>Not applicable</b> Management's Views: <b>Not applicable</b>
	e. For Audit qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification: <b>Unable to estimate</b> (ii) If management is unable to estimate the impact, reasons for the same:  Both Punjab National Bank & the Indian Overseas Bank of the Holding Company, have assigned their facilities to Edelweiss Asset Reconstruction Company Ltd, as on 10th December 2015 and 29th 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.  (iii) Auditor's Comments on (i) or (ii) above:  Statement of facts.
	<b><u>Auditors' disclaimer No.3</u></b>
	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: <b>Not applicable</b> Management's Views: <b>Not applicable</b>
	e. For Audit qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification: <b>Unable to estimate</b> (ii) If management is unable to estimate the impact, reasons for the same:  The heavy rains and floods in Chennai in Nov'15 and Dec'15 caused flooding within the Holding Company's premises, which is also the administrative office and houses all the books of accounts and records, as a result of which the records were immersed in water and debris. Also water had entered the stores area where the inventory is being stored.  Simultaneously the workers of our Chennai plant of the Holding Company started an agitation and prevented entry of both our personnel and vehicles inside the premises. As a result we were unable to enter the premises and make proper assessment of the damage to the records and inventory and take immediate steps to repair and salvage the same. As on date in spite of lodging several police complaints, as well as 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.

	(iii) Auditor's Comments on (i) or (ii) above:  Statement of facts.
	<b><u>Emphasis of matter no.1</u></b>
	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: <b>Not applicable</b> Management's Views: <b>Not applicable</b>
	e. For Audit qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification: <b>Not relevant</b> (ii) If management is unable to estimate the impact, reasons for the same: <b>Not applicable</b>  <u>Observation:</u> 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.  (iii) Auditor's Comments on (i) or (ii) above:  Statement of facts.
	<b><u>Emphasis of matter no.2</u></b>
	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: <b>Not applicable</b> Management's Views: <b>Not applicable</b>
	e. For Audit qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification: <b>Not relevant</b> (ii) If management is unable to estimate the impact, reasons for the same: <b>Not applicable</b>  <u>Observation:</u> The Holding 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
	<b><u>Emphasis of matter no.3</u></b>
	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:

	<p>Rs. 1084.48 million</p> <p>Management's Views:</p> <p>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.</p>
	<p>e. For Audit qualification(s) where the impact is not quantified by the auditor:</p> <p>(i) Management's estimation on the impact of audit qualification: <b>Not applicable</b></p> <p>(ii) If management is unable to estimate the impact, reasons for the same: <b>Not applicable</b></p> <p>(iii) Auditor's Comments on (i) or (ii) above:</p> <p>Statement of facts.</p>
	<b><u>Emphasis of matter no.4</u></b>
	<p>a. Details of Audit Qualification: The Holding Company has provided an amount equivalent to the Wages and Salaries for the period from Sep 2015 (in case of Chennai unit) and from July 2015 (in the case of Vizag unit) till Dec 2015 towards employee settlement. In view of the above no provision has been made for PF and ESI for the period Sept 2015 to March 2016 and July 2015 to March 2016 for Chennai and Vizag units respectively.</p>
	b. Type of Audit Qualification : Emphasis of matter
	c. Frequency of qualification : Appeared for the first time
	<p>d. For Audit qualification(s) where the impact is quantified by the auditor: <b>Not applicable</b></p> <p>Management's Views: <b>Not applicable</b></p>
	<p>e. For Audit qualification(s) where the impact is not quantified by the auditor:</p> <p>(i) Management's estimation on the impact of audit qualification: <b>Not applicable</b></p> <p>(ii) If management is unable to estimate the impact, reasons for the same:</p> <p>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.</p> <p>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.</p> <p>In both cases no PF/ESI have been provided for such proposed compensation based on professional advise received.</p> <p>(iii) Auditor's Comments on (i) or (ii) above:</p>

	This is subject to final settlement.	
	<b>Emphasis of matter no.5</b>	
	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: <b>Not applicable</b> Management's Views: <b>Not applicable</b>	
	e. For Audit qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification: <b>Not applicable</b> (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.	
<b>III</b>	<b>Signatories:</b>	
	<b>Chairman</b>	
	<b>CFO</b>	
	<b>Audit Committee Chairman</b>	
	<b>Statutory Auditor</b>	
	<b>Place:</b>	<b>Chennai</b>
	<b>Date:</b>	<b>20<sup>th</sup> July 2016</b>



**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Standalone Annual Audited Financial Results under Regulation 33 of the SEBI (LODR) Regulations 2015**

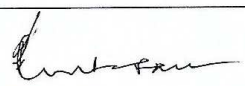
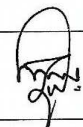
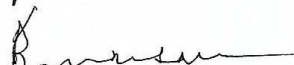
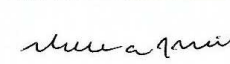
<b>Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2016 [see Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]</b>				
<b>I.</b>	<b>Sl No.</b>	<b>Particulars</b>	<b>Audited figures (as reported before adjusting for qualifications) Rs in Million</b>	<b>Adjusted figures (audited figures after adjusting for qualifications) Rs in Million</b>
	1	Turnover / Total Income	51.09	51.09
	2	Total Expenditure	470.08	1554.56
	3	Net Profit/(Loss)	(418.99)	(1503.47)
	4	Earnings Per Share	(20.41)	(71.71)
	5	Total Assets	3652.69	3652.69
	6	Total Liabilities	3652.69	3652.69
	7	Net Worth	(997.57)	(2082.05)
	8	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil
<b>II</b>	<b>Audit Qualification (each audit qualification separately):</b>			
	<b><u>Auditors' disclaimer No.1</u></b>			
	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 Dec. 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: <b>Not applicable</b> Management's Views: <b>Not applicable</b>			
	e. For Audit qualification(s) where the impact is not quantified by the auditor: (iv) Management's estimation on the impact of audit qualification: <b>Insignificant Impact</b> (v) 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.  (vi) Auditor's Comments on (i) or (ii) above:			

	Auditors are unable to comment on the financial impact.
	<b><u>Auditors' disclaimer No.2</u></b>
	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: <b>Not applicable</b> Management's Views: <b>Not applicable</b>
	e. For Audit qualification(s) where the impact is not quantified by the auditor: (iv) Management's estimation on the impact of audit qualification: <b>Unable to estimate</b> (v) 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 10th 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.  (vi) Auditor's Comments on (i) or (ii) above:  Statement of facts.
	<b><u>Auditors' disclaimer No.3</u></b>
	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: <b>Not applicable</b> Management's Views: <b>Not applicable</b>
	e. For Audit qualification(s) where the impact is not quantified by the auditor: (iv) Management's estimation on the impact of audit qualification: <b>Unable to estimate</b> (v) If management is unable to estimate the impact, reasons for the same:  The heavy rains and floods in Chennai in Nov'15 and Dec'15 caused flooding within the Company's premises, which is also the administrative office and houses all the books of accounts and records, as a result of which the records were immersed in water and debris. Also water had entered the stores area where the inventory is being stored.  Simultaneously the workers of our Chennai plant started an agitation and prevented entry of both our personnel and vehicles inside the premises. As a result we were unable to enter the premises and make proper assessment of the damage to the records and inventory and take immediate steps to repair and salvage the same. As on date inspite of lodging several police complaints, as well as taking legal redress, the workers have not conceded to all our appeals as well as the police and judicial intervention and as a result we have been unable to extricate these records nor inspect the inventory till date due to factors beyond our control.  Similarly, due to the adverse labour situation in the Vizag plant, 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.
	<b><u>Emphasis of matter no.1</u></b>
	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: <b>Not applicable</b> Management's Views: <b>Not applicable</b>
	e. For Audit qualification(s) where the impact is not quantified by the auditor: (iv) Management's estimation on the impact of audit qualification: <b>Not relevant</b> (v) If management is unable to estimate the impact, reasons for the same: <b>Not applicable</b>  <u>Observation:</u> The 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.
	<b><u>Emphasis of matter no.2</u></b>
	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: <b>Not applicable</b> Management's Views: <b>Not applicable</b>
	e. For Audit qualification(s) where the impact is not quantified by the auditor: (iv) Management's estimation on the impact of audit qualification: <b>Not relevant</b> (v) If management is unable to estimate the impact, reasons for the same: <b>Not applicable</b>  <u>Observation:</u> The 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.
	<b><u>Emphasis of matter no.3</u></b>
	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

	<p>Management's Views:</p> <p>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.</p>
	<p>e. For Audit qualification(s) where the impact is not quantified by the auditor:</p> <p>(iv) Management's estimation on the impact of audit qualification: <b>Not applicable</b></p> <p>(v) If management is unable to estimate the impact, reasons for the same: <b>Not applicable</b></p> <p>(vi) Auditor's Comments on (i) or (ii) above:</p> <p>Statement of facts.</p>
	<b><u>Emphasis of matter no.4</u></b>
	<p>a. Details of Audit Qualification: The Company has provided an amount equivalent to the Wages and Salaries for the period from Sep 2015 (in case of Chennai unit) and from July 2015 (in the case of Vizag unit) till Dec 2015 towards employee settlement. In view of the above no provision has been made for PF and ESI for the period Sept 2015 to March 2016 and July 2015 to March 2016 for Chennai and Vizag units respectively.</p>
	b. Type of Audit Qualification : Emphasis of matter
	c. Frequency of qualification : Appeared for the first time
	<p>d. For Audit qualification(s) where the impact is quantified by the auditor: <b>Not applicable</b></p> <p>Management's Views: <b>Not applicable</b></p>
	<p>e. For Audit qualification(s) where the impact is not quantified by the auditor:</p> <p>(iv) Management's estimation on the impact of audit qualification: <b>Not applicable</b></p> <p>(v) If management is unable to estimate the impact, reasons for the same:</p> <p>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.</p> <p>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.</p> <p>In both cases no PF/ESI have been provided for such proposed compensation based on professional advise received.</p> <p>(vi) Auditor's Comments on (i) or (ii) above:</p> <p>This is subject to final settlement.</p>

	<b><u>Emphasis of matter no.5</u></b>
	a. Details of Audit Qualification: The disclosure under AS 15 in respect of retirement benefits has been obtained 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: <b>Not applicable</b> Management's Views: <b>Not applicable</b>
	e. For Audit qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification: <b>Not applicable</b> (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.
<b>III</b>	<b>Signatories:</b>
	Chairman 
	CFO 
	Audit Committee Chairman 
	Statutory Auditor 
	Place: <b>Chennai</b>
	Date: <b>20<sup>th</sup> July 2016</b>

