



30th May 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 : Audited Financial Statements of the Company for the quarter and year ended 31st March 2016.

Further to our letter dated 17.5.2016, we enclose herewith the following, which was taken on record by the Board of Directors of the Company at their Meeting held today.

1. Standalone Audited Financial Statements for the quarter and year ended 31st March 2016 along with Auditor's Report.
2. Consolidated Audited Financial Statements for the quarter and year ended 31st March 2016 along with Auditor's Report.
3. Form B for Consolidated and Standalone Audited Financial Statements for the year ended 31st March 2016.

We are taking necessary steps to publish the Audited Financial Statements in the newspapers as per SEBI LODR Regulations 2015.

Thanking you,

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


f COMPANY SECRETARY

Encl : As above



W.S. Industries (India) Ltd.

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

Tel : (91) 44 - 66500811

Website : www.wsinsulators.com

Dept. Tel : (91) - 44 - 66500716

Dept. Fax : (91) - 44 - 66500895

Dept E-mail : diroffice@wsinsulators.com

CIN: L291A2TN1961PLC00AS68

STATEMENT OF STANDALONE AUDITED RESULTS FOR THE YEAR ENDED 31/03/2016

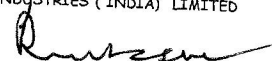
PART I

PARTICULARS	QUARTER ENDED			12 Months ended 31st March 2016	6 Months ended 31st March 2015
	31st March 2016	31st Dec. 2015	31st March 2015		
	Audited	Unaudited	Audited	Audited	Audited
1 Income from operations					
a) Net Sales/Income from Operations (Net of excise duty)	70.07	75.16	668.38	440.92	995.79
b) Other operating Income	64.32	0.85	6.96	69.99	207.78
Total income from operations (net)	134.39	76.01	675.35	510.91	1203.57
2 Expenses					
a) Cost of materials consumed	(7.89)	45.96	294.40	124.83	768.93
b) Purchase of Stock-in-trade	-	-	-	-	-
c) Change in Inventories of Finished Goods and work in progress and stock-in-trade	0.06	-	91.55	0.34	258.96
d) Employee benefits expense	66.55	499.02	758.60	1646.59	1356.09
e) Depreciation and amortisation expense	221.05	312.26	283.51	1157.82	628.56
f) Other Expenses					
i) Bad Debts written off	518.97	-	-	518.97	-
ii) Others	759.79	87.21	364.45	1122.94	675.14
Total expenses	1558.55	944.45	1792.51	4571.50	3687.67
3 Profit / (Loss) from Operations before other income, finance costs and exceptional items	(1424.16)	(868.44)	(1117.16)	(4060.59)	(2484.10)
4 Other Income	-	-	-	-	-
5 Profit / (Loss) from ordinary activities before finance costs and exceptional items(3+4)	(1424.16)	(868.44)	(1117.16)	(4060.59)	(2484.10)
6 Finance Costs	(3634.04)	1145.70	1218.70	129.32	2360.64
7 Profit / (Loss) from ordinary activities after Finance costs but before exceptional items (5) - (6)	2209.88	(2014.14)	(2335.86)	(4189.91)	(4844.74)
8 Exceptional items	-	-	-	-	-
9 Profit / (Loss) from ordinary activities before Tax (7) +(8)	2209.88	(2014.14)	(2335.86)	(4189.91)	(4844.74)
10 Tax Expense	-	-	(300.00)	-	(150.00)
- Deferred Tax	-	-	-	-	-
11 Net Profit / (Loss) from ordinary activities after Tax (9) - (10)	2209.88	(2014.14)	(2035.86)	(4189.91)	(4694.74)
12 Extraordinary items (Net of Tax expense)	-	-	-	-	-
13 Net Profit / (Loss) for the period (11 - 12)	2209.88	(2014.14)	(2035.86)	(4189.91)	(4694.74)
14 Paid up Equity Share Capital (Face Value - Rs. 10/- per Share)	2113.98	2113.98	2113.98	2113.98	2113.98
15 Reserves excluding revaluation reserves as per Balance Sheet of the previous accounting year	-	-	-	-	(15815.89)
16 i. Earnings per Share (before extraordinary items) (of ₹ 10/- each) not annualised					
a) Basic	10.31	(9.67)	(10.06)	(20.41)	(22.78)
b) Diluted	10.31	(9.67)	(10.06)	(20.41)	(22.78)
17 ii. Earnings per Share (after extraordinary items) (of ₹ 10/- each) not annualised					
a) Basic	10.31	(9.67)	(10.06)	(20.41)	(22.78)
b) Diluted	10.31	(9.67)	(10.06)	(20.41)	(22.78)

- The above results were reviewed by the Audit Committee, approved and taken on record by the Board at its meeting held on 30th May 2016
- The figures of the quarter ended 31st March 2016 are the balancing figures between the audited figures in respect of full financial year and the published year to date figures upto the third quarter of the financial year.
- Since the company is seeking relief from Banks / Financial Institutions as part of the revival scheme for consideration of Hon'ble BIFR, no Interest has been provided for the year and the consequential treatment is reflected in the quarter ending 31st March 2016 results.
- Since the revival scheme has not yet been taken up, the same is reflected in the turnover for the year.
- Figures have been regrouped wherever necessary, to conform to this year's classifications.

Chennai
30th May 2016

for W S INDUSTRIES (INDIA) LIMITED


CHAIRMAN

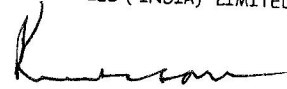
Segmentwise Revenue, Results and Capital employed under Regulation 33 of the SEBI (LODR) Regulations, 2015

PARTICULARS	QUARTER ENDED			12 Months ended 31st March 2016	6 Months ended 31st March 2015
	31st March 2016	31st Dec. 2015	31st March 2015		
	Audited	Unaudited	Audited	Audited	Audited
1 Segment Revenue					
a) Electro-porcelain products	(0.22)	8.85	524.96	112.12	733.42
b) Turnkey Projects	70.29	66.31	143.43	328.80	262.37
Total	70.07	75.16	668.38	440.92	995.79
Less: Inter Segment Revenue					
Net Sales/Income from Operations	70.07	75.16	668.38	440.92	995.79
2 Segment Results					
Profit(+)/Loss(-) before Tax and Interest from each segment					
a) Electro-porcelain products	(1295.98)	(859.02)	(983.92)	(3855.43)	(2278.94)
b) Turnkey Projects	(128.20)	(9.42)	(133.24)	(205.16)	(205.16)
d) Unallocated	-	-	-	-	-
Total	(1424.18)	(868.44)	(1117.16)	(4060.59)	(2484.10)
Less : Interest	(3634.04)	1145.70	1218.70	129.32	2360.64
Total Earnings before Tax	2209.86	(2014.14)	(2335.86)	(4189.91)	(4844.74)
3 Capital Employed					
a) Electro-porcelain products	17135.20	17730.57	17085.62	17135.20	17085.62
b) Turnkey Projects	824.83	1449.60	1579.84	824.83	1579.84
c) Unallocated	3000.30	166.47	1191.46	3000.30	1191.46
Total	20960.33	19346.64	19856.92	20960.33	19856.92

- 1 The above results were reviewed by the Audit Committee, approved and taken on record by the Board at its meeting held on 30th May 2016
- 2 The figures of the quarter ended 31st March 2016 are the balancing figures between the audited figures in respect of full financial year and the published year to date figures upto the third quarter of the financial year.

Chennai
30th May 2016

for W S INDUSTRIES (INDIA) LIMITED


CHAIRMAN


W S INDUSTRIES (INDIA) LIMITED
Registered Office: 108, Mount Poonamallee Road,
Porur, Chennai 600 116
Statement of Assets and Liabilities

17
13
0
at

₹ in Lakhs

S. No.	Particulars	STANDALONE	
		31.03.2016	31.03.2015
		Audited	Audited
A	EQUITY AND LIABILITIES		
1	Shareholders' Funds		
	a) Share Capital	3388.98	3388.98
	b) Reserves and Surplus	(13364.67)	(9174.76)
	c) Money received against share warrants	-	-
	Sub-total - Shareholders' Funds	(9975.69)	(5785.78)
2	Share application money pending allotment	-	-
3	Minority Interest		
4	Non-current liabilities		
	a) Long Term Borrowings	-	8973.08
	b) Deferred Tax Liabilities (net)	-	-
	c) Other Long-term Liabilities	-	-
	d) Long-term provisions	-	-
	Sub-total - Non-current liabilities	-	8973.08
5	Current Liabilities		
	a) Short Term borrowings	836.04	4197.13
	b) Trade payables	5104.53	5335.73
	c) Other Current Liabilities	40081.65	24270.33
	d) Short Term provisions	480.40	590.59
	Sub-total - Current liabilities	46502.62	34393.77
	TOTAL - EQUITY AND LIABILITIES	36526.93	37581.07
B	ASSETS		
1	Non-current assets		
	a) Fixed Assets	17080.70	18662.01
	b) Goodwill on consolidation		
	c) Non-current investments	5.01	5.01
	d) Deferred Tax assets (Net)	-	-
	e) Long Term Loans and advances	51.14	97.41
	f) Other non-current assets	105.01	130.29
	Sub-total - Non-current assets	17241.86	18894.72
2	Current Assets		
	a) Current Investments	-	-
	b) Inventories	2536.16	2597.94
	c) Trade receivables	3608.35	4442.95
	d) Cash and cash equivalents	88.38	119.32
	e) Short term loans and advances	13002.43	11437.65
	f) Other Current Assets	49.75	88.50
	Sub-total - Current Assets	19285.07	18686.34
	TOTAL - ASSETS	36526.93	37581.07

for W S INDUSTRIES (INDIA) LIMITED


CHAIRMAN

C.N. RAMACHANDRAN
B.Com., F.C.A., A.T.I.I. (Lond)
V.C. KRISHNAN
M.A., (Eco), F.C.A., M.B.A., (U.S.A)
C.N. SRINIVASAN
B.Com., F.C.A.,
CHELLA K. SRINIVASAN
B.Com., F.C.A.
R.M. NARARYANAN
M.Com., F.C.A., P.G.D.M.
CHELLA K. RAGHAVENDRAN
B.Com., F.C.A., D.I.S.A. (I.C.A.)

MESSRS. S. VISWANATHAN LLP

CHARTERED ACCOUNTANTS
Regd. Off : 17, Bishop Wallers Avenue (West)
Mylapore, Chennai.- 600 004.

Tel. : 91-44-24991147
91-44-24994423
91-44-24994510
E-mail : sviswa@eth.net

BRANCHES :

27/34, 2nd Floor, Nandidurg Road, Jayamahall Extension,
Bangalore - 560 046. Tel. : 91-080-23530535
50, Fifty Feet Road, Krishnaswamy Nagar,
Ramanathapuram, Coimbatore - 641 045. Tel. : 0422-4367065

Auditor's Report On Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To Board of Directors of W.S.Industries (India) Limited,

We have audited the annual standalone financial results of W.S.Industries (India) Limited for the period 01/04/2015 to 31/03/2016 attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

These annual financial results have been prepared on the basis of the annual financial statements, which are the responsibility of the company's management.

Our responsibility is to express an opinion on these financial results based on our audit of such annual financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25 / Ind AS 34), prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder; or by the Institute of Chartered Accountants of India, as applicable and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

Basis of disclaimer

1. 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.
2. Confirmation of Balances as at 31st March 2016, were not available for our verification in respect of most of the banks and financial institutions
3. Physical stock of inventory could not be carried out by us, as at 31st March 2016 and hence we are unable to give any opinion on the same.



Emphasis matter

1. 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.
2. There was no production in Chennai unit during the year and hence, the unit cannot be considered as going concern.
3. 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
4. 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 only 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.
5. 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.

In our opinion and to the best of our information and according to the explanations given to us these annual financial results:

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- (ii) give a true and fair view of the net profit/ loss and other financial information for the period ended 31st March 2016 except for the possible effects of disclaimer as described in the previous paragraphs.

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

Chella K Srinivasan 4

Chella K Srinivasan
Partner
Membership number: 023305

Place: Chennai
Date:



W S INDUSTRIES (INDIA) LIMITED
Registered Office: 108, Mount Poonamallee Road
Porur, Chennai 600 116

₹ in Lakhs

STATEMENT OF CONSOLIDATED AUDITED RESULTS FOR THE YEAR ENDED 31/03/2016

PART I

PARTICULARS	12 Months ended 31st March 2016	6 Months ended 31st March 2015
	Consolidated	
1 Income from operations		
a) Net Sales/Income from Operations (Net of excise duty)	707.40	1346.50
b) Other operating Income	71.44	207.99
Total income from operations (net)	778.84	1554.49
2 Expenses		
a) Cost of materials consumed	124.83	768.93
b) Purchase of Stock-in-trade	-	-
c) Change in Inventories of Finished Goods and work in progress and stock-in-trade	0.34	258.96
d) Employee benefits expense	1646.59	1369.26
e) Depreciation and amortisation expense	1162.73	634.87
f) Other Expenses		
i) Bad Debts written off	518.97	-
ii) Others	1217.21	703.32
Total expenses	4670.67	3735.34
3 Profit / (Loss) from Operations before other income, finance costs and exceptional items	(3891.83)	(2180.85)
4 Other Income	-	-
5 Profit / (Loss) from ordinary activities before finance costs and exceptional items(3+4)	(3891.83)	(2180.85)
6 Finance Costs	530.22	2530.37
7 Profit / (Loss) from ordinary activities after Finance costs but before exceptional items (5) - (6)	(4422.05)	(4711.22)
8 Exceptional items	-	-
9 Profit / (Loss) from ordinary activities before Tax (7) +(8)	(4422.05)	(4711.22)
10 Tax Expense		
- Current Tax	59.00	78.00
- Deferred Tax	-	(150.00)
11 Net Profit / (Loss) from ordinary activities after Tax (9) - (10)	(4481.05)	(4639.22)
12 Extraordinary items (Net of Tax expense)	-	-
13 Net Profit / (Loss) for the period (11 - 12)	(4481.05)	(4639.22)
14 Share of Profit / (loss) of Associates	-	-
15 Minority Interest	(122.15)	33.06
16 Net Profit / (Loss) after taxes, minority interest and share of profit / (loss) of associates (13+14+15)	(4358.90)	(4672.28)
17 Paid up Equity Share Capital (Face Value - Rs. 10/- per Share)	2113.98	2113.98
18 Reserves excluding revaluation reserves as per Balance Sheet of the previous accounting year		(20599.69)
19 i Earnings per Share (before extraordinary items) (of ₹ 10/- each) not annualised		
a) Basic	(21.79)	(22.52)
b) Diluted	(21.79)	(22.52)
ii Earnings per Share (after extraordinary items) (of ₹ 10/- each) not annualised		
a) Basic	(21.79)	(22.52)
b) Diluted	(21.79)	(22.52)

- The above results were reviewed by the Audit Committee, approved and taken on record by the Board at its meeting held on 30th May 2016
- The Consolidated Financial Results which have been prepared in accordance with generally accepted accounting principles and comply Accounting Standard 21 on Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.

Chennai
30th May 2016

for W S INDUSTRIES (INDIA) LIMITED

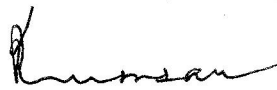
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CHAIRMAN

W S INDUSTRIES (INDIA) LIMITED
Registered Office: 108, Mount Poonamallee Road,
Porur, Chennai 600 116
Statement of Assets and Liabilities

		₹ in Lakhs	
S. No.	Particulars	CONSOLIDATED	
		31.03.2016	31.03.2015
		Audited	Audited
A	EQUITY AND LIABILITIES		
1	Shareholders' Funds		
	a) Share Capital	3388.98	3388.98
	b) Reserves and Surplus	(18317.47)	(13958.56)
	c) Money received against share warrants	-	-
	Sub-total - Shareholders' Funds	(14928.49)	(10569.58)
2	Share application money pending allotment	-	-
3	Minority Interest	2046.67	2168.82
4	Non-current liabilities		
	a) Long Term Borrowings	2209.84	11,461.15
	b) Deferred Tax Liabilities (net)	-	-
	c) Other Long-term Liabilities	-	411.70
	d) Long-term provisions	-	-
	Sub-total - Non-current liabilities	2,209.84	11872.85
5	Current Liabilities		
	a) Short Term borrowings	836.04	4197.13
	b) Trade payables	5104.53	5335.73
	c) Other Current Liabilities	39604.38	25633.18
	d) Short Term provisions	618.10	665.39
	Sub-total - Current liabilities	46163.05	35831.43
	TOTAL - EQUITY AND LIABILITIES	35491.07	39303.52
B	ASSETS		
1	Non-current assets		
	a) Fixed Assets	17116.85	18690.63
	b) Goodwill on consolidation	-	-
	c) Non-current investments	-	-
	d) Deferred Tax assets (Net)	-	-
	e) Long Term Loans and advances	51.14	97.41
	f) Other non-current assets	105.01	130.29
	Sub-total - Non-current assets	17273.00	18918.33
2	Current Assets		
	a) Current Investments	-	-
	b) Inventories	4352.17	4413.95
	c) Trade receivables	3608.35	4442.95
	d) Cash and cash equivalents	113.03	1127.64
	e) Short term loans and advances	10094.77	10312.15
	f) Other Current Assets	49.75	88.50
	Sub-total - Current Assets	18218.07	20385.19
	TOTAL - ASSETS	35491.07	39303.52

for W S INDUSTRIES (INDIA) LIMITED


CHAIRMAN

C.N. RAMACHANDRAN
B.Com., F.C.A., A.T.I.I. (Lond)
V.C. KRISHNAN
M.A., (Eco), F.C.A., M.B.A., (U.S.A)
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B.Com., F.C.A.
R.M. NARARYANAN
M.Com., F.C.A., P.G.D.M.
CHELLA K. RAGHAVENDRAN
B.Com., F.C.A., D.I.S.A. (I.C.A.)

MESSRS. S. VISWANATHAN LLP

CHARTERED ACCOUNTANTS
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Bangalore - 560 046. Tel. : 91-080-23530535
50, Fifty Feet Road, Krishnaswamy Nagar,
Ramanathapuram, Coimbatore - 641 045. Tel. : 0422-4367065

Auditor's Report On Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To Board of Directors of W.S. Industries (India) Limited,

We have audited the annual consolidated financial results 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**") for the period 01/04/2015 to 31/03/2016 attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

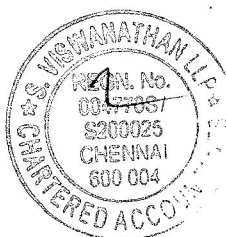
These annual consolidated financial results have been prepared on the basis of the annual consolidated financial statements, which are the responsibility of the company's management.

Our responsibility is to express an opinion on these annual consolidated financial results based on our audit of such annual consolidated financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25 / Ind AS 34), prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder; or by the Institute of Chartered Accountants of India, as applicable and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

Basis of disclaimer

- (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 Dec. 2015 and hence we were able to audit the books only for the remaining period.
- (ii) Confirmation of Balances as at 31st 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 31st March 2016 and hence we are unable to give any opinion on the same.

Emphasis 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 Sept 2015 (in case of Chennai unit) and from July 2015 (in the case of Vizag unit) till Dec 2015 only, towards employee settlement. In view of the above, no provision has been made for PF and ESI for the Sept 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 Apr 2015 to August 2015 and from April 2015 to June 2015 with respect to Holding company.

In our opinion and to the best of our information and according to the explanations given to us these consolidated annual financial results:

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- (ii) give a true and fair view of the consolidated net profit/ loss and other financial information for the period ended 31st March 2016 except for the possible effects of disclaimer as described in the previous paragraphs.



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

Chella K Srinivasan
Chella K Srinivasan
Partner
Membership number: 023305

Place: Chennai
Date:

FORM B (for audit report with modified opinion) along-with Stand alone/Consolidated Financial Results under Regulation 33 and 52 of the SEBI (LODR) Regulations 2015

1.	Name of the Company	W.S.Industries (India) Limited
2.	Annual financial statements for the year ended	31st March 2016
3.	Type of Audit qualification	Emphasis of Matter/Disclaimer of Opinion
4.	Frequency of Qualification	<p>Except Emphasis of Matter No.1 in the Independent Auditors' Report dated 30th May 2016 on the stand alone financial statements, the rest of the observations appears for the first time in the Auditors' Report.</p> <p>Emphasis of Matter No.1 in the Independent Auditors' Report dated 30th May 2016 on the stand alone financial statements appears for the second consecutive time.</p> <p>Emphasis of Matter in the Independent Auditors' Report dated 30th May 2016 on the consolidated financial statements appears for the first time in the Auditors' Report.</p>
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<p><u>A.The report of Statutory Auditors contains the following disclaimer on the Stand alone financial statement:</u></p> <p><u>Auditors' disclaimer No.1</u></p> <p>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.</p> <p><u>Company's reply</u></p> <p>The heavy rains and floods in Chennai in Nov'15 and Dec'15 causedflooding 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.</p> <p>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 inspite of lodging several police complaints, as well</p>

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.

Auditors' disclaimer No.2

Confirmation of Balances as at 31st March 2016, were not available for our verification in respect of most of the banks and financial institutions

Company's reply

Both Punjab National Bank & the Indian Overseas Bank, have assigned their facilities to Edelweiss Asset Reconstruction Company Ltd, as on 10th December 2015 and 29th March 2016 respectively. 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

Auditors disclaimer No.3

Physical stock of inventory could not be carried out by us, as at 31st March 2016 and hence we are unable to give any opinion on the same.

Company's reply

Please refer Companies response to Point No.1

Emphasis of matter No.1

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

Company's reply

The Company is in the process of preparing a revival scheme and seeking necessary reliefs for consideration and sanction of the Hon'ble BIFR

Emphasis of matter No.2

There was no production in Chennai unit during the year and hence, the Chennai unit cannot be considered as going concern.

Company's reply

The Company's revival scheme will take into consideration the revival of the plant in Vizag.

Emphasis of matter No.3

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

Company's reply

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

Emphasis of matter No.4

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.

Company's reply

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 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.

Emphasis of matter No.5

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.

Company's reply

Please refer Companies response to Point No.4

B.The report of Statutory Auditors contains the following disclaimer on the Consolidated financial statement:

Auditors' disclaimer No.1

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.

Holding Company's reply

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.

		<p><u>Auditors' disclaimer No.2</u></p> <p>Confirmation of Balances as at 31st March 2016 for the Holding Company, were not available for our verification in respect of most of the banks and financial institutions.</p> <p><u>Holding Company's reply</u></p> <p>Both Punjab National Bank & the Indian Overseas Bank, have assigned their facilities to Edelweiss Asset Reconstruction Company Ltd, as on 10th December 2015 and 29th March 2016 respectively. 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.</p> <p><u>Auditors disclaimer No.3</u></p> <p>Physical stock of inventory could not be carried out by us for the Holding Company, as at 31st March 2016 and hence we are unable to give any opinion on the same.</p> <p><u>Holding Company's reply</u></p> <p>Please refer Holding Companies response to Point No.1</p> <p><u>Emphasis of matter No.1</u></p> <p>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</p> <p><u>Holding Company's reply</u></p> <p>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.</p> <p><u>Emphasis of matter No.2</u></p> <p>There was no production in Chennai unit of the Holding Company during the year and hence, the unit cannot be considered as going concern.</p>
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		<p><u>Holding Company's reply</u></p> <p>The Holding Company's revival scheme will take into consideration the revival of the plant in Vizag.</p> <p><u>Emphasis of matter No.3</u></p> <p>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.</p> <p><u>Holding Company's reply</u></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><u>Emphasis of matter No.4</u></p> <p>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> <p><u>Holding Company's reply</u></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>
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		<p><u>Emphasis of matter No.5</u></p> <p>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.</p> <p><u>Holding Company's reply</u></p> <p>Please refer Holding Companies response to Point No.4</p>
	<p>Signed by-</p> <ul style="list-style-type: none"> • Chairman • CFO • Auditor of the company • Audit Committee Chairman 	