

MINUTE BOOK

PAGE NO.....

HELD AT..... ON..... TIME.....

WALCHANDNAGAR INDUSTRIES LIMITED

Minutes of 103rd Annual General Meeting of Walchandnagar Industries Ltd. held at Walchand Hirachand Hall, Indian Merchants' Chamber Building, Churchgate, Mumbai - 400 020 on Thursday, 9th February, 2012 at 4:00 p.m.

DIRECTORS PRESENT

Mr. Chakor L. Doshi	Chairman
Dr. P.K. Basu	Director
Mr. A.U. Rijhsinghani	Director
Dr. Anil Kakodkar	Director
Mr. G. N. Bajpal	Director
Mr. J. L. Deshmukh	Managing Director & CEO
Mr. Chirag C Doshi	Managing Director

In attendance :

Mr. G. S. Agrawal	Vice President (Legal & Taxation) & Company Secretary
Mr. V. T. Pawar	Sr. President
Mr. M. H. Purwat	Sr. Vice President (Finance)
Mr. B R Shalkh	Chief Manager (Accounts)

Members present in person : 144
Members present by proxy : 30

1. Mr. Chakor L. Doshi, Chairman took the chair and welcomed the Shareholders / Members to the 103rd Annual General Meeting.
2. The Chairman stated that the Annual Report and the Notice convening the meeting were already in the hands of the Shareholders and with the consent of members present, the Notice of 103rd Annual General Meeting was taken as read.
3. The Chairman then asked Mr. G. S. Agrawal, Vice President (Legal & Taxation) & Company Secretary to read the Auditors' Report for the year ended 30th September, 2011. Company Secretary read the Auditors' Report.
4. The Chairman informed the members that Register of Directors' shareholding and the Register of Proxies were placed on the table. The Chairman also informed the members that the Company had received 30 proxies representing 2,29,01,048 (60.15%) of votes, out of which 2,10,11,933 (55.19%) were in favour of the Management.
5. The Chairman introduced the Directors, Company Secretary and Senior Executives who were present at the meeting, to the members.
6. The Chairman informed the members that since his statement was already circulated with Annual Report, the same may be taken as read.
7. **RESOLUTION NO. 1 – Adoption of Audited Annual Accounts.**

The Chairman thereafter moved the following Resolution, which was seconded by Mr. G. N. Bajpal.

"RESOLVED THAT the Audited Balance Sheet as at 30th September, 2011 and the Profit & Loss Account for the year ended as on that date together with the Directors' and Auditors' Reports thereon be and are hereby received, considered and adopted."

CERTIFIED TRUE COPY

For WALCHANDNAGAR INDUSTRIES CHAIRMAN'S INITIALS

G S Agrawal

Vice-President (Legal & Taxation) & Company Secretary

HELD AT ON TIME

After the Resolution was duly proposed and seconded, the Chairman invited queries / comments from the shareholders on the Audited Annual Accounts of the Company for the year ended 30th September, 2011.

Thereafter, the following members expressed their views and offered comments on the Audited Annual Accounts and also put forward certain suggestions

- | | |
|------------------------------------|------------------------------------|
| (1) Mrs. Ashalata Maheshwari | (2) Mr. Zahur Ismail Maniyar |
| (3) Mr. Rohinton Framroze Batiwala | (4) Mr. Suresh Annappa Kamath |
| (5) Mr. Harkishandas V. Sanghavi | (6) Mr. Haniram Chaudhary |
| (7) Mr. Vinitkumar Parikh | (8) Joseph B. Martins |
| (9) Mr. Michael Martins | (10) Mrs. Celestine E. Mascarenhas |
| (11) Mr. Babulal Parekh | (12) Mr. Aspi Bamanshaw Bhesania |
| (13) Mr. Burjor Daruwala | (14) Mr. Hiren A. Vyas |
| (15) Mr. Prakash C Tamhane | (16) Mr. Yusuf Yunus Rangwala |
| (17) Mr. Beruz Frameroze Pourdehi | |

The following suggestions / observations / comments were offered by the members and certain information mentioned below was also sought for:-:

- i. Complimented for transparent and informative Balance Sheet for the year ended 30th September, 2011.
- ii. Appreciated for maintaining same rate of dividend of 50 % in spite of less profit during the Financial Year 2010-2011.
- iii. Complimented for achieving highest revenue of Rs. 964 crores for the financial year 2010-11.
- iv. Appreciated for MOU entered with Atomenergomash and Atomstroyexport, Russia and wanted to know about the present status of the said MOU.
- v. Complimented for receiving "Best Human Response" Award from MCCIA.
- vi. Appreciated for best arrangement made for Factory visit of shareholders at Walchandnagar.
- vii. Appreciated for company's contribution in the field of Defense, Aero-Space, Missile, Cement Machinery and for other nation building activities.
- viii. Complimented for Corporate Social Responsibility activities carried out by the Company.
- ix. Wanted to know about Company's immediate Competitors in Nuclear Power, Aero-Space, Defense field.
- x. Wanted to know about total no. of workers in the Company.
- xi. Wanted to know about future Export Growth and Foreign earnings.
- xii. Wanted to know about Internal Auditors of the Company.
- xiii. Wanted to know details of Order Book Position as on the date.
- xiv. Wanted to know Capital Expenditure programme for current year.
- xv. Wanted to know about the progress in Project in Mining sector
- xvi. Wanted to know whether any replacement has been made in place of Directors who has resigned during the year.
- xvii. Commented on performance of the company not increasing since last 3 years.
- xviii. Wanted to know about status and cost of Imported technologies from Foster Wheeler, USA and Kawasaki, Japan
- xix. Wanted reasons for increase in rent expenses, donations, employees cost, sub-contract and Processing charges, Royalty and Patent Fee, administrative and other expenses.
- xx. Wanted to know Cost of printing of Annual Report / number of copies printed.
- xxi. Commented on loss declared for the quarter ended 31.12.2011 and wanted to know about future growth prospects.
- xxii. Suggested to send soft copies of Quarterly Results to the shareholders.
- xxiii. Wanted to know about last Bonus Issue declared by the Company.
- xxiv. Appreciated the venue selected by the Company for holding their Annual Meeting.



MINUTE BOOK

PAGE NO. _____

HELD AT ON TIME

- xxv. Wanted to know margin available in different field of business activities of the Company.
- xxvi. Wanted to know the market value of Land at Walchandnagar and commented on development of the Land at Walchandnagar
- xxvii. Appreciated on Historical Data provided in the Annual Report.
- xxviii. Wanted to know about Orders on hand in the field of Nuclear Power and Aero-space in Indonesia.
- xxix. Wanted to know about enhancement in borrowing limits
- xxx. Wanted to know about settlement with PEC for Cement project
- xxxi. Suggested to get free issue of Raw material and minimize cost of Inventories
- xxxii. Commented on Reverse effect on share price in spite of negative quarterly results
- xxxiii. Wanted to know about increase in pledge of shares

The Chairman then made the following observations on the points raised by the Shareholders.

- i. The Chairman thanked the shareholders for their appreciation to the Management for contribution of the Company in the field of Aero-Space, Nuclear Power, Missile and Defense and for other nation building activities, key initiatives taken in the area of business development including MOU signed with ASE and AEM, Russia and achieving highest revenue of Rs. 964 cores for the year ended 30.09.2011.
- ii. The Chairman thanked the shareholders for their appreciation to the Management for excellent arrangement made for factory visit of shareholders at Walchandnagar.
- iii. The Chairman informed to the members that the Order book position as on 31.12.2011 is around Rs. 2000 crores. He further informed that Donation of Rs. 25 lakhs was given to The Deccan Sugar Technologists' Association' (DSTA) which was founded by Seth Lalchand Hirachand, our past Chairman, in 1936 and the same is dedicated for the upliftment of the sugar industry in the region and the same is eligible for deduction under section 80G of the Income Tax Act, 1961 and balance amount was given on judicial basis to various other organizations as our Corporate Social Responsibility.
- iv. The Chairman informed to the members that the Board will invite new directors at appropriate time who can add value and contribute in the growth of the Company.
- v. The Chairman informed to the members that the total no. of workers as on 31.12.2011 is 1300. He further informed that the Company has been utilizing the services of M/s. M. V. Lonkar & Co., Pune as Internal Auditors besides our in-house team of Internal Audit.
- vi. The Chairman informed to the members that the Company is exploring opportunity to increase export in various countries including Colombia, Africa and other South East Asian countries. In private sector, WIL and M/s. Larsen & Toubro are into the Nuclear Business since 1968-69. Hence, our immediate competitor is L&T in the field of Nuclear business.
- vii. The Chairman explained to the members that the existing co-operation agreement with Foster Wheeler, USA and Kawasaki Japan has been continuing and no new technology has been imported during the year.
- viii. The Chairman explained to the members that slow down in quarterly results was mainly due to increase in Employees cost, interest cost and other administrative cost and due to foreign currency loss although the turnover remained at the same level. He further explained that the Company is making continuous efforts to improve the Turnover and Profitability of the Company.


 CHAIRMAN'S INITIALS


MINUTE BOOK

PAGE NO.....

HELD AT..... ON..... TIME.....

- ix. The Chairman informed to the members that the cost of printing Annual Report per copy is Rs. 11.25 and 65,000 copies were printed.
- x. The Chairman explained to the members that for expansion of export business, executives need to travel more. However, tight policy is followed for an employee who flies for business purpose. Similarly, for employing and retaining good talents, companies have to incur cost. Moreover, during the year company has entered into fresh Wage Agreement with union which has further enhanced employees cost. He further explained that whether to manufacture or to sub-contract is decided based on various factors such as existing capacity available, cost benefit analysis and time.
- xi. The Chairman informed to the members that the last Bonus was declared in the year 2008
- xii. The Chairman informed the shareholders that the Company is continuously upgrading its Plant and Machineries and the capital budget for the year 2011-2012 is Rs. 58 crores.
- xiii. The Chairman explained to the members that the company has amicably settled disputes with PEC Ltd.
- xiv. The Chairman informed to the members that the Company has land Bank at Walchandnagar. This is an industrial land and the same can be utilized for any industrial diversification/new plant set up by the Company in future.
- xv. The Chairman explained to the members that the Margin on business activities varies from project to project and product to products.
- xvi. The Chairman explained to the members that proposed enhancement in borrowing limits is just an enabling resolution for future requirement. He further explained that promoter companies have not increased its borrowing by pledge of shares and pledge of shares has increased due to drop in value of the shares.
- xvii. The Chairman informed to the members that promoters of the Company do not deal in shares, hence will not be able to comment on fluctuation in share values of the Company.

The Chairman then put the Resolution No 1 for adoption of Audited Accounts to vote by show of hands and declared that the same was carried unanimously.

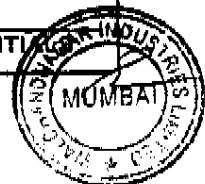
8. RESOLUTION NO. 2 - Payment of Dividend

The Chairman thereafter moved the Resolution No.2 for declaration of dividend on Equity Shares, which was seconded by Mr. J. L. Deshmukh.

"RESOLVED THAT a dividend for the financial year 2010-2011 @ 50% (i.e. at Re. 1/- per share) on 3,80,70,205 equity shares of RS. 2/- each equivalent to Rs. 380.70 Lakhs be and is hereby declared and the same be paid to those members whose names appear on the Register of Members of the Company as on 9th February, 2012. In respect of shares held in electronic form, the dividend will be paid to the beneficial owners as per the details furnished by the Depositories for this purpose as at the end of business hours on 2nd February, 2012."

The Chairman then put the Resolution to vote by show of hands and declared that the same was carried unanimously.

CHAIRMAN'S INITIALS



MINUTE BOOK

PAGE NO.....

HELD AT..... ON..... TIME.....

9. RESOLUTION NO. 3 – Re-appointment of Mr. A. U. Rijhsinghani

Mrs. Ashalata Maheshwari proposed the following Resolution regarding appointment of Mr. A. U. Rijhsinghani as a Director of the Company which was seconded by Mrs. Celestine E. Mascarenhas.

"RESOLVED THAT Mr. A. U. Rijhsinghani, who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company."

The Chairman then put the Resolution to vote by show of hands and declared that the same was carried unanimously.

10. RESOLUTION NO. 4 – Re-appointment of Mr. Chakor L. Doshi

As the said Resolution was regarding appointment of Chairman as a Director of the Company, the Chairman was considered interested in the Resolution. Therefore, the Chairman requested Dr. P. K. Basu to take the Chair and conduct the proceedings in respect of this item.

Thereafter, Dr. P. K. Basu took the Chair and he proposed the following Resolution regarding appointment of Mr. Chakor L. Doshi, Chairman, as a Director of the Company which was seconded by Joseph B. Martins.

"RESOLVED THAT Mr. Chakor L. Doshi, who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company"

Dr. P. K. Basu then put the Resolution to vote by show of hands and declared that the same was carried unanimously.

(Mr. Chakor L. Doshi, considered interested, did not participate in the item)

Thereafter, Mr. Chakor L Doshi took the Chair.

11. RESOLUTION NO. 5 – Appointment of Auditors.

The following Resolution was proposed by Mr. Babulal Parekh and seconded by Mr. Bharat Pratapsingh Negandhi.

"RESOLVED THAT M/s. K. S. Aliyar & Co., Chartered Accountants, Mumbai, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting on a remuneration to be fixed by the Board of Directors of the Company."

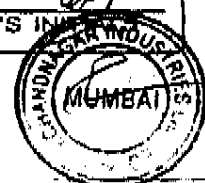
The Chairman then put the Resolution to vote by show of hands and declared that the same was carried unanimously.

12. RESOLUTION NO. 6 – SPECIAL BUSINESS

The following Ordinary Resolution regarding for enhancement in borrowing limit and to mortgage and/or to charge assets of the Company was proposed by Mr. Pratap Manjrekar and seconded by Mr. Bharat Shah.

"RESOLVED THAT In supersession of the earlier Resolution passed at the Ninety Seventh Annual General Meeting held on 16th January, 2006, the Consent of the Company under Section 293(1)(d) of the Companies Act, 1956, be and is hereby given to the Board of Directors of the Company to borrow from time to time from any one or more Company's bankers and/or from any one or more other banks, persons, firms, bodies corporate or Indian or Foreign financial institutions, whether

CHAIRMAN'S IN



MINUTE BOOK

PAGE NO.....

HELD AT..... ON..... TIME

by way of term loans, advances or deposits, loans or bill discounting, issue of debentures, furnishing of guarantees or otherwise whether unsecured or secured by mortgage, charge, hypothecation, lien or pledge of the Company's assets and properties, whether immovable or movable and all or any of the undertaking (s) of the Company any sum or sums of monies together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business) which may exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose, provided that the maximum amount of monies so borrowed by the Board shall not at any time exceed the limit of Rs. 800 Crores (Rupees Eight Hundred Crores), notwithstanding that the monies to be borrowed together with already borrowed by the Company (apart from such temporary loans obtained or to be obtained from Company's bankers) will or may exceed the aggregate of the paid up capital and free reserves, that is to say, reserves not set apart for any specific purpose.

RESOLVED FURTHER THAT the Company hereby accords its consent under Section 293(1)(a) of the Companies Act, 1956, to mortgage and/or to charge in any manner all or any of the immovable and/or movable properties including outstanding monies, receivables, claims, bills, documents, contracts, engagements, securities, investments and rights of the Company, both present and future, or the whole or substantially the whole of the undertaking or undertakings of the Company for securing any loan obtained or as may be obtained from such Bank or Consortium of Banks or Financial Institutions, or Fund or any other bodies together with interest, costs, charges, expenses and any other money payable by the Company on such terms and conditions as the Board of Directors deem fit in the interest of the Company."

The Chairman then put the Resolution to vote by show of hands and declared that the same was carried unanimously.

13. Thereafter, the Chairman thanked the Members for the constructive and useful suggestions / observations.

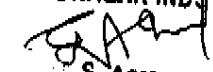
The Chairman then declared the Meeting to have concluded. Mrs. Ashalata Maheshwari expressed a vote of thanks to the Chair.


5/3/2012

CHAIRMAN

5/3/2012

CERTIFIED TRUE COPY
For WALCHANDNAGAR INDUSTRIES LTD.,


S. S. Agre
Vice-President (Legal & Taxation) & Company Secretary

CHAIRMAN'S INITIALS