

**WALCHANDNAGAR INDUSTRIES LTD.**

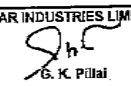
Regd. Office: 3, Walchand Terraces, Tardeo Road, Mumbai - 400 034.

.PART I

**Statement of Audited Results for the Quarter Ended 31/03/2013**

(Rupees in Lakhs)

Particulars	Quarter ended 31/03/2013 (Audited)	Quarter ended 31/12/2012 (Unaudited)	Quarter ended 31/03/2012 (Unaudited)	Half Year ended 31/03/2013 (Audited)	Half Year ended 31/03/2012 (Unaudited)	Year ended 30/09/2012 (Audited)
<b>1 Income from operations</b>						
a) Net sales/income from operations (Net of excise duty)	15,745	16,468	21,922	32,213	40,551	87,786
b) Other operating income	391	36	14	427	727	1,315
<b>Total income from operations (net)</b>	<b>16,136</b>	<b>16,504</b>	<b>21,936</b>	<b>32,640</b>	<b>41,278</b>	<b>89,111</b>
<b>2 Expenses</b>						
a) Cost of materials consumed	11,916	13,634	13,953	25,600	28,182	62,667
b) Purchases of stock-in-trade	-	-	-	-	-	-
c) Changes in inventories of finished goods, work-in-progress & stock-in-trade	(110)	(1,938)	939	(2,048)	513	(1,606)
d) Employee benefits expense	2,407	2,467	2,418	4,874	4,612	9,368
e) Depreciation and amortization expense	443	455	431	868	859	1,798
f) Other expenses	3,580	3,052	2,807	6,642	4,975	11,556
<b>Total Expenses</b>	<b>18,246</b>	<b>17,720</b>	<b>20,353</b>	<b>36,868</b>	<b>39,141</b>	<b>83,486</b>
<b>3 Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)</b>	<b>(2,110)</b>	<b>(1,216)</b>	<b>1,583</b>	<b>(3,328)</b>	<b>2,137</b>	<b>5,625</b>
4 Other income	15	49	29	64	42	135
<b>5 Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 +/- 4)</b>	<b>(2,095)</b>	<b>(1,167)</b>	<b>1,612</b>	<b>(3,262)</b>	<b>2,179</b>	<b>5,760</b>
6 Finance Costs	815	1,107	669	1,922	1,147	2,662
<b>7 Profit / (Loss) from ordinary activities after finance costs but before exceptional items &amp; foreign exchange fluctuation (5 + 6)</b>	<b>(2,910)</b>	<b>(2,274)</b>	<b>943</b>	<b>(5,184)</b>	<b>1,032</b>	<b>2,898</b>
8 Exchange Currency Fluctuation Gain / (Loss)	(21)	(242)	300	(263)	(657)	(578)
9 Exceptional Items (refer note no. 4)	2,447	-	(529)	2,447	(529)	(529)
<b>10 Profit / (Loss) from ordinary activities before tax (7 + 8 + 9)</b>	<b>(484)</b>	<b>(2,516)</b>	<b>714</b>	<b>(3,000)</b>	<b>(154)</b>	<b>1,691</b>
11 Tax Expense	(175)	(824)	220	(999)	(40)	478
<b>12 Net Profit / (Loss) from ordinary activities after tax (9 +/- 10)</b>	<b>(309)</b>	<b>(1,692)</b>	<b>494</b>	<b>(2,001)</b>	<b>(114)</b>	<b>1,213</b>
13 Extraordinary items (net of tax expense) Nil Lakhs	-	-	-	-	-	-
<b>14 Net Profit/(Loss) for the period (11 +/- 12)</b>	<b>(309)</b>	<b>(1,692)</b>	<b>494</b>	<b>(2,001)</b>	<b>(114)</b>	<b>1,213</b>
15 Paid-up equity share capital (Face Value of Rs.2/- each)	761	761	761	761	761	761
16 Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	NA	NA	NA	NA	NA	23,459.00

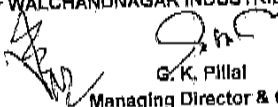
Particulars	Quarter ended	Quarter	Quarter ended	Half Year ended	Half Year ended	Year ended
	31/03/2013 (Audited)	ended 31/12/2012 (Unaudited)	31/03/2012 (Unaudited)	31/03/2013 (Audited)	31/03/2012 (Unaudited)	30/09/2012 (Audited)
17 Earnings per share (before & after extraordinary items) (of Rs.2/- each) (not annualized):						
a) Basic	(0.81)	(4.44)	1.30	(5.26)	(0.30)	3.19
b) Diluted	(0.81)	(4.44)	1.30	(5.26)	(0.30)	3.19
<b>PART II</b>						
<b>A PARTICULARS OF SHAREHOLDING</b>						
1 Public Shareholding						
Number of shares	17,131,592	17,131,592	17,131,592	17,131,592	17,131,582	17,131,592
Percentage of shareholding	45.00	45.00	45.00	45.00	45.00	45.00
2 Promoters and Promoter Group Shareholding						
a) Pledged / Encumbered						
Number of shares	-	-	-	-	-	-
Percentage of shares (as a % of the total shareholding of promoter group)	-	-	-	-	-	-
Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-	-
b) Non-encumbered						
Number of shares	20,938,613	20,938,613	20,938,613	20,938,613	20,938,613	20,938,613
Percentage of shares (as a % of the total shareholding of the Promoter & Promoter group)	100.00	100.00	100.00	100.00	100.00	100.00
Percentage of shares (as a % of the total share capital of the company)	55.00	55.00	55.00	55.00	55.00	55.00
Particulars	3 months ended (31/03/2013)					
<b>B INVESTOR COMPLAINTS</b>						
Pending at the beginning of the quarter			Nil			
Received during the Quarter			13			
Disposed of during the quarter			12			
Remaining unresolved at the end of the quarter			1			
<b>Notes :</b>						
1	The above results, as reviewed by Audit Committee and approved by Board of Directors at its meeting held on 13th May, 2013, have been taken on record.					
2	Consequent to the proceedings u/s 132 of the Income Tax Act initiated by the Income Tax Department during the last quarter, the Company is examining the issues raised and the liability, if any, is not specifically ascertainable at this juncture.					
3	The Company had issued 80,00,000 fully paid equity shares to the promoters on preferential basis, post conversion of 8,00,000 convertible warrants received a total amount of Rs. 5,072 lakhs. Out of these Rs.1,516 lakhs has been utilized for capital expenditure and Rs.3556 lakhs for working capital.					
4	Exceptional item for the quarter and half year ended 31st March, 2013 denotes gain arising on sale of investments in shares.					
5	Figures have been regrouped for the previous periods, wherever necessary.					
Place: Mumbai Date: 13th May, 2013				<b>For WALCHANDNAGAR INDUSTRIES LIMITED</b>  <b>G. K. Pillai</b> <b>Managing Director &amp; CEO</b>		
<b>A Tradition of Engineering Excellence</b>						

WALCHANDNAGAR INDUSTRIES LTD.						
SEGMENT-WISE REVENUE RESULTS & CAPITAL EMPLOYED						
Particulars	Rupees in Lacs					
	Quarter ended (31/03/2013)	Quarter ended (31/12/2012)	Quarter ended (31/03/2012)	Half Year ended (31/03/2013)	Half Year ended (31/03/2012)	Year ended (30/09/2012)
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>Segment Revenue</b>						
a) Heavy Engineering	18,082	19,127	20,340	30,179	38,340	83,801
b) Foundry and Machine Shop	884	1,192	1,285	2,876	2,322	4,535
c) Others	236	226	323	482	838	1,158
<b>Total</b>	<b>19,172</b>	<b>20,545</b>	<b>21,948</b>	<b>33,537</b>	<b>41,500</b>	<b>89,494</b>
Less: Inter segment Revenue	38	41	12	77	27	83
Net Sales/Income from Operations	19,134	20,504	21,936	33,460	41,473	89,411
<b>Segment Results</b>						
Profit/(Loss) before Interest and Tax	647	(1,098)	1,852	(411)	1,522	5,537
a) Heavy Engineering	(71)	(74)	(21)	(145)	(108)	(235)
b) Foundry and Machine Shop	7	18	65	23	121	200
c) Others	883	(1,110)	1,888	(533)	1,634	5,502
<b>Total</b>	<b>816</b>	<b>1,107</b>	<b>804</b>	<b>1,922</b>	<b>1,147</b>	<b>2,862</b>
Less: Interest	252	283	313	548	541	949
Less: Other unallocable						
Expenditure net of unallocable income	(404)	(2,510)	714	(3,000)	(154)	1,881
Profit/(Loss) Before Tax						
<b>Capital Employed</b>						
Segment Assets						
Less: Liabilities						
a) Heavy Engineering	29,402	34,531	31,000	29,402	31,900	37,828
b) Foundry and Machine Shop	2,858	3,009	3,123	2,856	3,123	3,048
c) Others	547	528	808	547	908	988
d) Unallocated (Excluding Investment)	4,274	1,418	1,488	4,274	1,488	1,388
<b>Total</b>	<b>37,079</b>	<b>39,486</b>	<b>37,419</b>	<b>37,079</b>	<b>37,419</b>	<b>43,252</b>

For WALCHANDNAGAR INDUSTRIES LTD

G. K. Pillai  
Managing Director & CEOPlace: Mumbai  
Date: 18th May, 2013

A Tradition of Engineering Excellence

WALCHANDNAGAR INDUSTRIES LTD.		Rupees in lakhs	
Regd. Office: 3, Walchand Terraces, Tardoo Road, Mumbai - 400 034.			
Statement of Assets and Liabilities			
Particulars		As at 31/03/2013 (Audited)	As at 30/09/2012 (Audited)
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
1	Shareholders' funds	761	761
	a) Share capital	22,114	23,302
	b) Reserves and surplus	-	-
	c) Money received against share warrants	-	-
	<b>Sub-total - Shareholders' funds</b>	<b>22,875</b>	<b>24,063</b>
2	Share application money pending allotment	-	-
3	Minority Interest *	-	-
4	<b>Non-current Liabilities</b>	438	2,127
	a) Long-term borrowings	-	337
	b) Deferred tax liabilities (net)	14,280	26,500
	c) Other long-term liabilities	265	206
	d) Long-term provisions	-	-
	<b>Sub-total - Non-current liabilities</b>	<b>14,993</b>	<b>29,170</b>
5	<b>Current liabilities</b>	17,196	16,542
	a) Short-term borrowings	21,607	22,336
	b) Trade payables	25,539	16,426
	c) Other current liabilities	279	771
	d) Short term provisions	-	-
	<b>Sub-total - Current liabilities</b>	<b>64,621</b>	<b>56,075</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>102,489</b>	<b>109,308</b>
<b>B</b>	<b>ASSETS</b>		
1	<b>Non-current assets</b>	15,775	16,372
	a) Fixed Assets	128	136
	b) Non-current investments	661	-
	c) Deferred tax assets (net)	899	349
	d) Long-term loans and advances	2,392	137
	e) Other non-current assets	-	-
	<b>Sub-total - Non-Current Assets</b>	<b>19,855</b>	<b>16,994</b>
2	<b>Current Assets</b>	-	1,854
	a) Current investments	30,078	31,439
	b) Inventories	33,403	43,909
	c) Trade receivables	3,856	1,854
	d) Cash and cash equivalents	13,425	13,229
	e) Short-term loans and advances	2,072	29
	f) Other current assets	-	-
	<b>Sub-total - Current Assets</b>	<b>82,634</b>	<b>92,314</b>
	<b>TOTAL ASSETS</b>	<b>102,489</b>	<b>109,308</b>
For WALCHANDNAGAR INDUSTRIES LIMITED			
Place: Mumbai		 G. K. Pillai	
Date: 13th May, 2013		Managing Director & CEO	
<b>A Tradition of Engineering Excellence</b>			

**K. S. AIYAR & CO**  
CHARTERED ACCOUNTANTS

# P-7 Laxmi Mills  
Shakti Mills Lane (Off Dr E Moses Rd)  
Mabalaxmi Mumbai 400 011 India  
Tel : 91 22 2493 2502 / 6655 1770  
Fax : 91 22 6655 1774  
Grams : VERIFY  
www.KSAiyar.com  
Mail@KSAiyar.com

**Independent Auditors' Report**

To,  
**The Board of Directors,  
Walchandnagar Industries Limited.**

**Report on the Financial Statements for the six months ended March 31, 2013**

We have audited the accompanying financial statements of **Walchandnagar Industries Limited** ('the Company') prepared for the purpose of Clause 41 of Listing Agreement comprising of the Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss for the six months then ended.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Offices also at  
Chennai Kolkata Goa  
Bangalore Coimbatore

**K. S. AIYAR & CO**  
CHARTERED ACCOUNTANTS

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Emphasis of Matter**

We draw attention to Note No. 35 in the Financial Statements for the six months ended March 31, 2013 which describe the uncertainty related to provision of income tax liability arising out of proceedings under section 132 of the Income Tax Act, 1961. Our opinion is not qualified in respect of this matter.

**Opinion**

- 1) In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013; and
  - (ii) in the case of the Statement of Profit and Loss, of the loss for the six months ended on that date.

**Report on Other Legal and Regulatory Requirements**

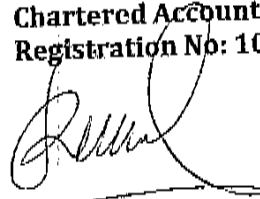
- 2) As the financial statements have been prepared for the purpose of Clause 41 of Listing Agreement, the additional information required by the Companies (Auditor's Report) Order, 2003 (as amended) ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, is not considered necessary.
- 3) Further to above, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet and the Statement of Profit and Loss dealt with by this report are in agreement with the books of account;

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**K. S. AIYAR & CO**  
CHARTERED ACCOUNTANTS

d) In our opinion, the Balance Sheet and the Statement of Profit and Loss comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956.

For K. S. Aiyar & Co,  
Chartered Accountants  
Registration No: 100186W



**Satish K. Kelkar**  
Partner  
Membership No.: 38934

Place: Mumbai  
Date : May 13, 2013