

K. S. AIYAR & CO

CHARTERED ACCOUNTANTS

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To,
The Board of Directors,
Walchandnagar Industries Limited,
3, Walchand Terraces,
Tardeo Road, Mumbai - 400 034

RE: **Limited Review of the Unaudited Financial Results for the quarter ended June 30, 2015.**

1. INTRODUCTION

We have reviewed the accompanying statement of unaudited financial results of **Walchandnagar Industries Limited** for the quarter ended on June 30, 2015 except for the disclosures regarding 'public shareholding' and 'Promoter and Promoter Group shareholding' which have been traced from disclosures made by the management but have neither been reviewed nor been audited by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Management is responsible for the preparation and fair presentation of this Interim financial information in accordance with Indian Generally Accepted Accounting Principles. Our responsibility is to issue a report on this Statement based on our review.

2. SCOPE OF REVIEW

We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether this Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. CONCLUSION

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial

Offices also at
Chennai Kolkata Goa
Bangalore Coimbatore

results has not been prepared in all material respects in accordance with applicable accounting standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatements.

4. Emphasis of Matter

- a) Attention is invited to Note no. 3 to the published results regarding Non Current Trade receivables of Rs. 469.86 Lakhs which are currently under arbitration/ litigation. Pending the ultimate outcome of these cases, which is presently unascertained, no provision has been made in respect of these dues.
- b) Attention is invited to note no. 4 of the published results regarding deduction of liquidated damages by certain customers of the Company amounting to Rs. 1,686.61 Lakhs due to delays in supplies/ services. The Company contends that the delays are not attributable to it and has submitted the waiver applications to these parties. Based on past experience, the Company is confident of getting these Liquidated Damages waived.

Our report is not qualified in respect of the above matters.



For K. S. Aiyar & Co.
Chartered Accountants
FRN: 100186W

Satish Kelkar
Partner
Membership No.: 38934

Place: Mumbai
Date: August 14, 2015



WALCHANDNAGAR INDUSTRIES LTD.
 Regd. Office: 3, Walchand Terraces, Tardeo Road, Mumbai - 400 034 CN: L74999MH1908PL0000291
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PART I

Statement of Un-audited Results for the Quarter and Nine Months ended on June 30, 2015

(₹ in Lakhs)

Particulars	Quarter ended June 30, 2015	Quarter ended March 31, 2015	Quarter ended June 30, 2014	Nine months ended Oct'14 to June'15	Nine months ended Oct'13 to June'14	Year ended September 30, 2014
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)
1 Income from operations	11622	14,066	14,572	41,933	47,558	62,766
(a) Net sales/Income from operations (Net of excise duty)	91	39	240	339	584	1,057
(b) Other Operating Income	11,713	14,105	14,812	42,272	48,142	63,823
2 Expenses						
(a) Cost of materials consumed	7,079	7,005	4,988	23,383	22,886	31,548
(b) Sub contracting Expenses, Processing charges and Other Direct Costs	2,442	3,687	2,485	8,471	12,537	14,371
(c) Changes in inventories of finished goods & work-in-progress	(1,042)	(1,350)	2,040	(1,120)	61	(36)
(d) Employee benefits expense	2,137	2,269	2,184	6,775	7,060	9,243
(e) Depreciation and amortisation expense	521	546	440	1,779	1,268	1,725
(f) Other expenses	1,261	1,956	1,448	4,847	4,737	7,044
Total expenses	12,398	14,113	13,585	44,135	48,482	63,895
3 Profit / (Loss) from operations before other Income, finance costs and exceptional items (1-2)	(885)	(8)	1,227	(1,863)	(340)	(72)
4 Other Income	87	106	491	222	660	785
5 Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	(598)	98	1,718	(1,641)	320	713
6 Finance costs	1,511	1,407	1,262	4,301	3,472	4,799
7 Profit / (Loss) from ordinary activities after finance costs but before exceptional items & foreign exchange fluctuation (5+6)	(2,109)	(1,309)	456	(5,942)	(3,152)	(4,086)
8 Exchange Currency Fluctuation Gain/(Loss)	(20)	65	(3)	3	(60)	(218)
9 Exceptional items						
10 Profit / (Loss) from ordinary activities before tax (7+8+9)	(2,129)	(1,244)	453	(5,939)	(2,454)	(2,445)
11 Tax expense (Refer note 5)		311		311		(1,859)
12 Net Profit / (Loss) from ordinary activities after tax (10+11)	(2,129)	(1,555)	453	(6,250)	(2,454)	(4,304)
13 Extraordinary items (net of tax expense ₹ Nil Lakhs)						
14 Net Profit / (Loss) for the period (12+13)	(2,129)	(1,555)	453	(6,250)	(2,454)	(4,304)
15 Paid-up equity share capital	761	761	761	761	761	761
16 Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year						
17 Earnings Per Share (before & after extraordinary items) (of ₹ 2/- each) (not annualized) :						
(a) Basic	(5.59)	(4.08)	1.19	(16.42)	(1.99)	(3.25)
(b) Diluted	(5.59)	(4.08)	1.19	(16.42)	(1.99)	(3.25)

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PART II

PART IIA
PARTICULARS OF SHAREHOLDING

Select Information for the Quarter and Nine Months Ended on June 30, 2015

Particulars	Quarter ended June 30, 2015	Quarter ended March 31, 2015	Quarter ended June 30, 2014	Nine months ended Oct 14 to June 15	Nine months ended Oct 13 to June 14	Year ended September 30, 2014
1 Public Shareholding						
- Number of shares	17,131,592	17,131,592	17,131,592	17,131,592	17,131,592	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	NIL	NIL	NIL	NIL	NIL	NIL
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
- Percentage of shares (as a % of the total share capital of the company)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
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 Promoter and Promoter group)	100	100	100	100	100	100
- Percentage of shares (as a % of the total share capital of the company)	55	55	55	55	55	55
B INVESTOR COMPLAINTS						
Particulars						
Pending at the beginning of the quarter						
Received during the quarter						12
Disposed off during the quarter						12
Remaining unresolved at the end of the quarter						12

Notes :

- The above results, as reviewed by Audit Committee and approved by Board of Directors at its meeting held on August 14, 2015 has been taken on record.
- The Statutory Auditors have carried out a Limited Review of the results for the Quarter ended on 30th June 2015.
- At the end of current quarter, the trade receivables includes non current dues of ₹ 469.86 lakhs from parties against whom the company has initiated legal / arbitration proceedings. Pending the ultimate outcome of these cases, which is presently unascertained, no provision has been made in respect of these dues.
- Certain customers of the Company have deducted Liquidated Damages amounting to ₹ 1,686.61 lakhs due to delays in supplies/ services. The Company contends that the delays are not attributable to it and has submitted the waiver applications to these parties. Based on past experience, the Company is confident of getting these Liquidated Damages waived.
- Provision for Deferred Tax asset, if any, on current losses will be ascertained and accounted for at the end of the year.
- Figures for the previous periods have been regrouped / rearranged wherever considered necessary to make them comparable.

For WALCHANDNAGAR INDUSTRIES LTD.

G.K. PILLAI

MANAGING DIRECTOR & CEO

Place: Mumbai

Date: August 14, 2015

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SEGMENT-WISE REVENUE, RESULTS & CAPITAL EMPLOYED

Particulars	Quarter ended June 30, 2015	Quarter ended March 31, 2015	Quarter ended June 30, 2014	Nine months ended Oct'14 to June'15	Nine months ended Oct'13 to June'14	Year ended September 30, 2014
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)
1 Segment Revenue						
(a) Heavy Engineering	10,376	12,808	13,385	38,224	43,546	57,703
(b) Foundry and Machine Shop	1,029	1,013	1,127	3,202	3,768	5,003
(c) Others	324	325	307	932	877	1,194
Total	11,729	14,146	14,819	42,358	48,191	63,900
Less: Inter segment Revenue	16	41	7	86	49	77
Net Sales/Income from Operations	11,713	14,105	14,812	42,272	48,142	63,823
2 Segment Results						
Profit/(Loss) before Interest and Tax						
(a) Heavy Engineering						
(b) Foundry and Machine Shop	(214)	676	1,776	(251)	1,208	2,051
(c) Others	(269)	(291)	(217)	(804)	(488)	(794)
Total	58	53	20	110	36	16
Add: Exceptional Item	(425)	438	1,579	(945)	756	1,273
Less: Finance Cost						2,445
Less: Other unallocable expenditure net of unallocable income	1,511	1,407	1,262	4,301	3,472	4,799
Profit/(Loss) Before Tax	(2,129)	(1,244)	453	(5,939)	(758)	(1,859)
3 Capital Employed						
Segment Assets						
Less: Liabilities						
(a) Heavy Engineering	46,461	47,520	56,457	45,461	56,457	51,878
(b) Foundry and Machine Shop	4,125	4,453	6,355	4,125	6,355	5,348
(c) Others	4,142	4,116	4,148	4,142	4,148	4,118
Total	4,794	5,432	2,624	4,794	2,624	5,691
	59,522	61,521	59,584	59,522	59,584	67,035

For WALCHANDNAGAR INDUSTRIES LTD.

Place: Mumbai
 Date: August 14, 2015

G.K. Pillai
 G.K. PILLAI
 MANAGING DIRECTOR & CEO

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