

106th ANNUAL REPORT 2013-2014



A Tradition of Engineering Excellence

WALCHANDNAGAR INDUSTRIES LIMITED



SETH WALCHAND HIRACHAND

Seth Walchand Hirachand's life was truly a triumph of persistence over adversity.

Sardar Vallabhbhai Patel

Board of Directors



Chakor L. Doshi
Chairman



Dilip J. Thakkar
Director



Dr. Anil Kakodkar
Director



G. N. Bajpai
Director



A. R. Gandhi
Director



Bhavna Doshi
Director



G. K. Pillai
Managing Director & CEO



Chirag C. Doshi
Managing Director

Corporate Information

Registered Office

Walchandnagar Industries Ltd.
3, Walchand Terraces,
Tardeo Road,
Mumbai - 400 034
Tel. No. (022) 4028 7104 / 4028 7110 / 2369 2295

Pune Office

Walchand House
167A, 2/8+2/9,
Karve Road, Kothrud, Pune - 411 038
Tel. No. (020) 3025 2600

Factories

Walchandnagar, Dist. Pune, Maharashtra
Satara Road, Dist. Satara, Maharashtra
Attikola, Dharwad, Karnataka.

Compliance Officer

Mr. G. S. Agrawal
Vice President (Legal & Taxation) and Company Secretary

Registrar & Share Transfer Agents

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W),
Mumbai - 400 078.
Tel. No. (022) 2594 6970-80
Fax No. (022) 2594 6969
E-mail: rnt.helpdesk@linkintime.co.in

Auditors

K.S. Aiyar & Co.
Chartered Accountants

Principal Bankers

State Bank of India
Bank of India
ING Vysya Bank Ltd.

Contents

3	Letter from the Chairman
4	Notice to the Shareholders
18	Directors' Report
21	Management Discussion and Analysis
24	Report on Corporate Governance
36	Auditors' Report
40	Financials

Letter from the Chairman



Dear Members,

It is my pleasure to welcome you all to this 106th Annual General Meeting and present the Annual Report of your Company.

The year under consideration has been a challenging one for the economy in general and the Capital Goods sector in particular. While there has definitely been an improvement in the overall business sentiment in the domestic economy, there is bound to be a time lag for the same to translate into tangible investments and progress of stalled projects especially in the core sectors of the economy.

Your Company has ended the Financial Year 2013-14 with Revenue of ₹ 646.08 Crore and a Net Loss of ₹ 12.37 Crore. Though there has been a shrinking of revenue compared to the previous financial year, your company has fared better in terms of bottom line. Our focus on profitable growth will continue even in the new financial year, though order booking remains a challenge. While this points to a shrinkage vis-à-vis last year, your company continues to remain conscious about its order book quality and would not compromise on inherent profitability. While project execution challenges continued to spill over into Financial Year 2013-14 from the previous Financial Year, some of the long gestation projects are seeing definite signs of progress albeit in a phased manner.

Owing to definite signs of encouragement for private players, your Company looks at sectors like Aerospace and Defence as high potential areas for the future. There are efforts under way to chart out our growth strategy in these domains. Some of the critical components of the launch vehicle of the recently concluded Mars Orbiter Mission were manufactured and supplied by our Company. It is achievements like these that give us tremendous confidence about the Company's potential in such niche domains. As far as traditional businesses like Sugar, Co-Generation and Cement Machinery are concerned, the focus would be on significantly improving project execution and gaining scale. Focus on export markets viz. Africa, Latin America and South East Asia would continue and your Company is hopeful of gaining strong footholds in these regions. Skill-Development and strengthening Engineering capability are going to be high priority areas this year.

We are hopeful that macro-economic stability, conducive business environment coupled with emphasis on execution and organizational alignment would enable your Company to deliver improved and sustained results in the years going ahead.

I take this opportunity to place on record my sincere thanks for your continued support and expect similar confidence from the shareholding fraternity in the years to come.

Thank You,

A handwritten signature in black ink, appearing to read 'Chakor L. Doshi'.

Chakor L. Doshi
Chairman

NOTICE

Notice is hereby given that the 106th Annual General Meeting of the members of Walchandnagar Industries Limited will be held as scheduled below:

Day : Friday

Date : February 13, 2015

Time : 4.00 p.m.

Place : Walchand Hirachand Hall,
Indian Merchants' Chambers Building,
Churchgate, Mumbai - 400 020.

The Agenda for the meeting will be as under:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at September 30, 2014 and Statement of Profit & Loss for the year ended as on that date together with the Reports of Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the year ended September 30, 2014.
3. To appoint a Director in place of Mr. Chakor L. Doshi (DIN:00210949), who retires by rotation at 106th Annual General Meeting and, being eligible, offers himself for reappointment.
4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Company's (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) M/s. K. S. Aiyar & Co., Chartered Accountants, Mumbai (Registration No. FRN 100186W), the retiring Statutory Auditors of the Company be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on a remuneration to be fixed by the Board of Directors of the Company."

Special Business:

5. To appoint Mr. Dilip J. Thakkar (DIN:00007339), as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the provisions of Clause 49 of the Listing Agreement, including any modification or amendment thereof, Mr. Dilip J. Thakkar (DIN:00007339), an Independent Director of the Company, in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby

appointed as an Independent Director of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2017, not liable to retire by rotation."

6. To appoint Dr. Anil Kakodkar (DIN:03057596), as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the provisions of Clause 49 of the Listing Agreement, including any modification or amendment thereof, Dr. Anil Kakodkar (DIN: 03057596), an Independent Director of the Company, in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2019, not liable to retire by rotation."

7. To appoint Mr. G. N. Bajpai (DIN:00946138), as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the provisions of Clause 49 of the Listing Agreement, including any modification or amendment thereof, Mr. G. N. Bajpai (DIN:00946138), an Independent Director of the Company, in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2019, not liable to retire by rotation."

8. To appoint Mr. A. R. Gandhi (DIN:00007597), as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the provisions of Clause 49 of the Listing Agreement, including any modification or amendment thereof, Mr. A. R. Gandhi (DIN:00007597) an Independent Director of the Company, in respect of whom the Company has

received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2019, not liable to retire by rotation."

9. To appoint Mrs. Bhavna Doshi (DIN:00400508), as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the provisions of Clause 49 of the Listing Agreement, including any modification or amendment thereof, Mrs. Bhavna Doshi (DIN:00400508), an Independent Director of the Company, in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2019, not liable to retire by rotation."

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

"RESOLVED THAT subject to the approval of the Central Government, if required, pursuant to the provisions of Section 197 of the Companies Act, 2013 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (including any amendment, modification, variation or re-enactment thereof), the consent of the shareholders of the Company be and is hereby accorded for the payment of the same remuneration to Mr. Chirag C. Doshi, Managing Director of the Company as per the terms approved by the Members at 104th Annual General Meeting held on January 31, 2013 and then at 105th Annual General Meeting held on January 28, 2014 as appearing below for the period of three years from April 01, 2014 till March 31, 2017 in the event of the Company having no profit or inadequate profits / insufficiency of profits during this period.

REMUNERATION :

SALARY : ₹ 4,00,000/- per month.

(In the grade of ₹ 4,00,000/- to ₹ 8,00,000/- per month)

The Chairman of the Board has been authorised to sanction annual increment within above grade.

COMMISSION :

Mr. Chirag C. Doshi would be entitled to a Commission of 1% (One Percent) of the net profits of the Company computed in accordance with Section 198 of the Companies Act, 2013 (erstwhile Section 349 of the Companies Act, 1956).

SPECIAL ALLOWANCE:

Special Allowance of ₹ 1,65,000/- per month

PERQUISITES:

In addition to Salary and Commission, Mr. Chirag C. Doshi would be entitled to the following perquisites :

HOUSING / RENT FREE ACCOMMODATION:

House Rent Allowance / Rent Free Accommodation not exceeding ₹ 70,000/- per month.

LEAVE TRAVEL CONCESSION / ALLOWANCE:

Leave Travel Concession / Allowance for self and family once in a year subject to the ceiling of one month's salary per annum.

"Family" means 'spouse, dependent children and parents.'

LEAVE:

Leave, Leave accumulation and encashment as per Rules of the Company.

MEDICAL ALLOWANCE / REIMBURSEMENT:

Medical Allowance / Reimbursement of expenses incurred by the Managing Director for Self and his family (spouse, dependent children and parents) subject to the ceiling of one month's salary in a year or 3 months' salary over a period of 3 years.

CONTRIBUTION TO PROVIDENT FUND AND SUPERANNUATION BENEFIT:

Contribution to Provident Fund and the Superannuation benefit by purchase of Annuity or otherwise shall be as prescribed under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and Income-tax Act, 1961 to the extent that these either singly or put together are not taxable under the Income-tax Act, 1961.

GRATUITY:

Half month's salary for each completed year of service.

FREE USE OF CAR:

The Company shall provide one car with driver or reimburse the Driver's Salary, for the Company's business which will not be considered as a perquisite and use of car for private purposes shall be billed by the Company.

GAS, ELECTRICITY, PERSONAL ACCIDENT INSURANCE, ETC.

The Company shall reimburse expenses or pay allowance for utilization of Gas, Electricity, Water, Furnishing, Repairs, Personal Accident Insurance Premium, Club fees, Membership of Professional Bodies and such other perquisites and/or allowances with overall ceiling of one month's average salary per year. The said perquisites and allowances shall be calculated wherever applicable as per Income Tax Act, 1961 and any rules there under. In the absence of any Rules, such perquisites shall be considered at actual cost.

COMMUNICATION FACILITIES:

The Company shall provide free of charge communication facilities such as telephone, mobile, internet etc. the expenditure on which shall not be considered as a perquisite. However, long distance personal calls shall be billed by the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to alter and /or vary the terms and conditions of the appointment including remuneration payable to him from time to time, provided however that the remuneration payable shall not exceed the limits specified in Schedule V of the Companies Act, 2013 as existing or as amended, modified or re-enacted from time to time.

RESOLVED FURTHER THAT Mr. Chirag C. Doshi, Managing Director shall hereafter be liable to retire by rotation.

RESOLVED FURTHER THAT Mr. G. S. Agrawal, Vice President (Legal & Taxation) & Company Secretary be and is hereby authorised to do all such things as may be required to give effect to the above Resolution."

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution:**

"RESOLVED THAT subject to the approval of the Central Government, if required, pursuant to the provisions of Section 197 of the Companies Act, 2013 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (including any amendment, modification, variation or re-enactment thereof), the consent of the shareholders of the Company be and is hereby accorded for the payment of the same remuneration to Mr. G. K. Pillai, Managing Director & Chief Executive Officer of the Company, for a period of three years i.e. from April 01, 2014 to March 31, 2017 as per the terms already approved by the Shareholders at 104th Annual General Meeting as hereinafter appearing below and the same as specified in the Agreement entered between the Company and Mr. G. K. Pillai at the time of appointment in the event of the Company having no profit or inadequate Profits / insufficiency of profits during this period:

REMUNERATION :

SALARY : ₹ 4,00,000/- per month.

(In the grade of ₹ 4,00,000/- to ₹ 8,00,000/- per month.)

The Chairman of the Board has been authorised to sanction annual increment within above grade.

COMMISSION :

Mr. G. K. Pillai would be entitled to a Commission of 1% (One Percent) of the net profits of the Company computed in accordance with Section 198 of the Companies Act, 2013 (erstwhile Section 349 of the Companies Act, 1956).

SPECIAL ALLOWANCE :

Special Allowance of ₹ 2,92,000/- per month.

PERQUISITES :

In addition to Salary and Commission, Mr. G. K. Pillai would be entitled to the following perquisites :

HOUSING / RENT FREE ACCOMMODATION:

House Rent Allowance / Rent Free Accommodation (including Water and Electricity Charges) not exceeding ₹ 70,000/- per month.

LEAVE TRAVEL CONCESSION / ALLOWANCE:

Leave Travel Concession / Allowance for self and family once in a year subject to the ceiling of one month's salary per annum.

"Family" means 'spouse, dependent children and parents.'

LEAVE:

Leave, Leave accumulation and encashment as per Rules of the Company.

MEDICAL ALLOWANCE / REIMBURSEMENT:

Medical Allowance / Reimbursement of expenses incurred by the Managing Director and Chief Executive Officer for Self and his family (spouse, dependent children and parents) subject to the ceiling of one month's salary in a year or 3 months' salary over a period of 3 years.

FREE USE OF CAR:

The Company shall provide one car with driver or reimburse the Driver's Salary, for the Company's business which will not be considered as a perquisite and use of car for private purposes shall be billed by the Company.

GAS, PERSONAL ACCIDENT INSURANCE, FURNISHING, ETC.

The Company shall reimburse expenses or pay allowance for utilization of Gas, Furnishing, Repairs, Personal Accident Insurance Premium, Membership of Professional Bodies and such other perquisites and/or allowances with overall ceiling of one month's average salary per year. The said perquisites and allowances shall be calculated wherever applicable as per Income Tax Act, 1961 and any rules there under. In the absence of any Rules, such perquisites shall be considered at actual cost.

COMMUNICATION FACILITIES:

The Company shall provide free of charge communication facilities such as telephone, mobile, internet etc. the expenditure on which shall not be considered as a perquisite. However, long distance personal calls shall be billed by the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to alter and /or vary the terms and conditions of the appointment including remuneration payable to him from time to time, provided however that the remuneration payable shall not exceed the limits specified in Schedule V of the Companies Act, 2013 as existing or as amended, modified or re-enacted from time to time.

RESOLVED FURTHER THAT Mr. G. S. Agrawal, Vice President (Legal & Taxation) & Company Secretary be and is hereby authorised to do all such things as may be required to give effect to the above Resolution."

12. To amend Articles of Association (AoA) of the Company as per the provision of the Companies Act, 2013 and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies

Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and the same are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT Mr. G. S. Agrawal, Vice President (Legal & Taxation) & Company Secretary of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

13. To consider and if thought fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. S. R. Bhargave & Co., Cost Accountant, Pune (Regn. No.000218) the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the Financial Year ending March 2016, be paid remuneration of ₹ 3,00,000/-(Rupees Three Lakhs) plus service tax as applicable and reimbursement of actual travel and out-of-expenses.

RESOLVED FURTHER THAT Mr. G. S. Agrawal, Vice President (Legal & Taxation) & Company Secretary be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board

G. S. Agrawal

*Vice President (Legal & Taxation) &
Company Secretary*

Registered Office :

3, Walchand Terraces,
Tardeo Road,
Mumbai 400 034.

Date : November 29, 2014

Notes :

- a) An Explanatory Statement under Section 102 of the Companies Act, 2013 in respect of special business (item No. 5 to 13) mentioned above is annexed hereto.
- b) **A member, entitled to attend and vote at the annual general meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company. The instrument appointing a proxy should, however, be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.**

A person can act as proxy for only 50 members and holding in aggregate not more than 10 percent of the total share capital of the company carrying voting rights. Member holding more than 10 percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other member.

- c) Corporate members intending to send their authorised representative to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send a duly certified copy of the resolution authorizing their representatives to attend and vote on their behalf at the Meeting.
- d) The Register of Members and Share Transfer Books of the Company will remain closed from February 07, 2015 to February 13, 2015 (both days inclusive) for the purpose of payment of Dividend on Equity Shares, if declared at the Meeting.
- e) Members / Proxy holders are requested to bring duly filled attendance slips sent herewith to attend the Meeting.
- f) Members, who hold shares in De-materialized form, are requested to bring their Client ID and DP ID for easy identification of attendance at the meeting.
- g) The Dividend on Equity Shares, if declared at the meeting, will be paid on February 25, 2015 i.e. within the stipulated period, to those members who hold shares in Physical Form and whose names appear on the Company's Register of members as on February 13, 2015. In respect of the Shares held in Dematerialized Form, the dividend will be paid to the beneficial owners as per details to be furnished by the Depositories for this purpose at the end of business hours on February 06, 2015.
- h) Members who hold shares in physical form are requested to notify immediately change in their addresses, if any, to the Company's Registrar and Share Transfer Agents, M/s. Link Intime India Pvt. Ltd., specifying Registered Folio Number and other relevant details. Members, who hold shares in Electronic Form are requested to notify change in their addresses to Depository Participants with whom they are maintaining their Beneficial Owner Account.
- i) Members who have not encashed their dividend warrants for the financial years ended September 30, 2007 and thereafter, may immediately approach the Company for revalidation of unclaimed warrants as the amount of dividend remaining unpaid for a period of 7 years shall be transferred to Investors Education & Protection Fund as per provisions of Section 205A of the Companies Act, 1956. It may also be noted that once the unclaimed dividend is transferred to the Investors Education and Protection Fund (IEPF) as above, no claim shall lie against the Company or the IEPF in respect thereof.
- j) Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on January 28, 2014 (date of last Annual General Meeting) on the website of the Company (www.walchand.com).

- k) In terms of the amended Clause 5A of the Listing Agreement, the Company has already complied with by sending three Reminders to the respective shareholders and taking further steps to transfer the balance unclaimed shares to the Unclaimed Suspense Account. The Shareholders are requested to claim their Split and Bonus share certificates issued to them by the Company in physical form, who has not yet collected the same. Concerned shareholders are requested to contact the Company at the aforesaid address before January 31, 2015 and lodge their claim for the said shares. The said compliance has also been incorporated in Corporate Governance Report annexed to the Annual Report.
- l) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN to the Company / RTA.
- m) SEBI vide circular dated January 7, 2010 has made it mandatory for legal heir(s) to furnish a copy of their PAN, duly self attested in the following cases in respect of shares of listed companies held in physical form:
- Deletion of name of the deceased shareholder(s), where the shares are held in the names of two or more shareholders;
 - Transmission of shares in favour of legal heir(s), where deceased shareholder was the sole holder of shares; and
 - Transposition of shares, when there is a change in the order of names in which physical shares are held jointly in the names of two or more shareholders.
- n) Copies of the Annual Report 2013-2014 containing Notice of the 106th AGM and instructions for e-voting, along with the Attendance Slip and Proxy Form are being sent by electronic mode only to all the members whose email addresses are registered with the Company / Depository for communication purposes, unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2013-2014 are being sent by the permitted mode.

However, in case a Member wishes to receive a physical copy of the said documents, he is requested to send an e-mail to walchandnagargogreen@linkintime.co.in / investors@walchand.com duly quoting his DP ID and Client ID or the Folio number, as the case may be.

Members holding shares in physical form are requested to submit their e-mail address to the Registrar, Link Intime India Private Ltd. / the Company, duly quoting their Folio number and Members holding shares in electronic form who have not registered their e-mail address with their DP are requested to do so at the earliest, so as to enable the Company to send the said documents in electronic form, thereby supporting the green initiative of the

MCA. Please note that the E-communication Registration Form is available on the website of the Company viz. www.walchand.com.

- o) Members are requested to get the Shares transferred in joint names, if shares are held in a single name to avoid the inconvenience and also to send nomination form (available on website of the Company www.walchand.com under the section 'Investor Relations'), if not sent earlier.
- p) Members desiring any information relating to the annual accounts of the Company are requested to write to the Company at least 10 (Ten) days before the meeting to enable the Company to keep the information ready at the meeting.
- q) Members may also note that the Notice of the 106th Annual General Meeting and the Annual Report for 2013-2014 will be available on the Company's website www.walchand.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: investors@walchand.in
- r) Mr. Chakor L. Doshi (DIN : 00210949), Director of the Company retire by rotation at the 106th Annual General Meeting and being eligible offer himself for re-appointment.
- s) Mr. J. L. Deshmukh, Mr. A. U. Rijhsinghani and Dr. P. K. Basu, Directors of the Company, have resigned w.e.f. 21/11/2014, 30/11/2014 and 01/12/2014 respectively. The Board of Directors of the Company in the meeting held on November 29, 2014, have noted the resignations received from Mr. J. L. Deshmukh, Mr. A. U. Rijhsinghani and Dr. P. K. Basu, Directors of the Company.
- t) Documents relating to the items mentioned in the Notice and Explanatory Statement are available for inspection at the Registered Office of the Company on any working day (except Saturday and Sunday) during business hours from 10.30 a.m. to 12.30 p.m.
- u) Company will be disclosing to the Stock Exchanges, as per Clause 35A of the Listing Agreement, the details of results of voting on each of the Resolutions proposed in this Notice.
- v) Pursuant to Clause 35B of the Listing Agreement, we are providing facility of e-voting to all members as per the applicable Regulations relating to e-voting. Instructions for e-voting is given below explaining the process of e-voting. Such e-voting facility is in addition to voting through ballot/ poll, and voting that may take place at the meeting venue on February 13, 2015.
- w) Details of Directors seeking appointment / re-appointment at the Annual General Meeting of the Company to be held on February 13, 2015 are provided in Annexure-A of this Notice.

x) Voting through electronic means :

In compliance with Section 108 and other applicable provisions of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members a facility to exercise their right to vote at the 106th Annual General Meeting (AGM) by electronic means and the business may be transacted through E-Voting Services provided by Central Depository Services (India) Limited (CDSL).

I. **The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on February 04, 2015 (09:00 a.m.) and ends on February 06, 2015 (06:00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of January 02, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number specified on upper right corner of the Attendance sheet in the PAN field.

	<ul style="list-style-type: none"> In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
	<ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv)

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for Walchandnagar Industries Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Note for Non – Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- II. M/s. V. N. Deodhar & Co. , Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- III. The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- IV. In case of those Members, who do not have access to e-voting facility, they can use the assent / dissent form which can be downloaded from our website www.walchand.com and convey their assent / dissent to each one of the items of business to be transacted at the ensuing AGM and send the form to reach M/s. V. N. Deodhar & Co., Scrutinizer C/o. Link Intime India Private Limited (Unit: Walchandnagar Industires Limited) C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai - 400 078, on or before February 06, 2015 (06.00 p.m.)

- V. Members can choose only one of the two options, namely e-voting or voting through physically assent / dissent form. In case the votes are casted through both the formats, then votes casted through e-voting shall stand cancelled and those votes casted through physically assent / dissent form would be considered, subject to the assent / dissent form being found to be valid.
- VI. The results of e-voting, physical assent / dissent and poll, if any, shall be aggregated and declared on or after the AGM of the Company by the Chairman or by any other person duly authorised in this regard. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.walchand.com and on the website of CDSL within two (2) days of passing of the Resolutions at the AGM of the Company and communicated to the Stock Exchanges.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item No. 5 to 9

Pursuant to the provisions of Section 149 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, with respect to appointment and tenure of the Independent Directors which came into effect from April 01, 2014, the Independent Directors shall hold office for a term up to five consecutive years on the board of a Company but shall be eligible for re-appointment on passing of a special resolution by the Company for a further period of up to 5(Five) years and shall not be liable to retire by rotation.

In order to give effect to the aforesaid provisions of the Act, it is proposed that:

- 1) Mr. Dilip J. Thakkar be appointed as Independent Director of the Company from the conclusion of 106th Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2017, not liable to retire by rotation, and
- 2) Dr. Anil Kakodkar, Mr. G. N. Bajpai, Mr. A. R. Gandhi and Mrs. Bhavna Doshi be appointed as Independent Directors of the Company from the conclusion of 106th Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2019, not liable to retire by rotation.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Dilip J. Thakkar, Dr. Anil Kakodkar, Mr. G. N. Bajpai, Mr. A. R. Gandhi and Mrs. Bhavna Doshi being eligible, have offered themselves for appointment as the Independent Directors on the Board of the Company for a term as stated in the Resolutions.

The Nomination & Remuneration Committee and the Board of Directors have recommended appointment of Mr. Dilip J. Thakkar, Dr. Anil Kakodkar, Mr. G. N. Bajpai, Mr. A. R. Gandhi and Mrs. Bhavna Doshi as Independent Directors of the Company.

Mr. Dilip J. Thakkar, Dr. Anil Kakodkar, Mr. G. N. Bajpai, Mr. A. R. Gandhi and Mrs. Bhavna Doshi, Non-executive Independent Directors of the Company, have given a declaration to the Board that they meet the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013. In

the opinion of the Board of Directors each of the Independent Directors mentioned above fulfill the conditions specified in the Companies Act, 2013, and the Rules made there under and the Listing Agreement. All of them are Independent of the Management. These Directors are not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and they have given their consent to act as Director.

Notice have been received from member(s) signifying their intention to propose appointment of these Directors along with a deposit of ₹ 100,000 each.

In line with the requirements of the Companies Act 2013, it is therefore proposed to appoint Mr. Dilip J. Thakkar, Dr. Anil Kakodkar, Mr. G. N. Bajpai, Mr. A. R. Gandhi and Mrs. Bhavna Doshi, as Independent Directors on the Board of the Company.

A brief profile of Independent Directors to be appointed including nature of their expertise and other disclosure as required under Clause 49 of the Listing Agreement is set out in this Notice as

Annexure-A.

Except these Directors, being appointees or their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Resolutions set out at item Nos. 5 to 9.

The Board recommends the Resolution in relation to the appointment of these Directors as Independent Directors, for the approval by the Shareholders of the Company.

Item No. 10

Mr. Chirag C. Doshi was re-appointed as Managing Director of the Company for a period of five years commencing from November 25, 2012 to November 24, 2017 and the same has been approved by the shareholders in the 104th Annual General Meeting held on January 31, 2013 by passing Special Resolution.

At the time of re-appointment of Mr. Chirag C. Doshi as Managing Director, the Company had adequate profits. However, adverse impact of input cost, increase in Interest cost and Employee cost, accentuated by depreciating rupee resulted in loss of margins and this coupled with inflationary trends in other costs put significant pressure on margins for the year ended September 30, 2013 and the Company had incurred loss/inadequate profits/insufficiency of profits for the F. Y. 2012-2013. Thereafter, the Company had obtained approval from Members in 105th AGM and also applied to the Central Government for their approval for payment of same remuneration for the period from October 01, 2013 to November 24, 2017 pursuant to the provisions of Sections 198, 269, 309, 310, 311 of the Companies Act, 1956 read with Schedule XIII and all other applicable provisions. However, due to new Companies Act, 2013 coming into force, the Central Government have given the approval up to March 31, 2014 under the old provisions of the Companies Act, 1956.

The provisions of the Companies Act, 2013 have become effective from April 1, 2014 and the remuneration payable to Mr. Chirag C. Doshi is within the revised limit of schedule V of the Companies Act, 2013. However, it is considered necessary that the Company should obtain approval of the Members by way of Special Resolution for the period of 3 years i.e. from April 1, 2014 to March 31, 2017 pursuant to provisions of Section 197 of the Companies Act, 2013 read with schedule V of the Companies Act, 2013 for

payment of same remuneration as already approved of, by the members at 104th Annual General Meeting and 105th Annual General Meeting.

The Shareholders approved payment of same managerial remuneration at 105th Annual General Meeting held on January 28, 2014 and at 104th Annual General Meeting held on January 31, 2013 as minimum remuneration, in the event of loss or inadequacy of profits from the period of his appointment commencing from 1st October, 2013 up to the completion of his tenure of appointment.

As per the provisions of Section 152 (6) of the Companies Act, 2013, unless the Articles provides for the retirement of all Directors at every Annual General Meeting, not less than 2/3rd of the total no of Directors (excluding Independent Directors) shall be persons whose period of office shall be liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the Companies Act, 2013, be appointed by the company in General Meeting.

Considering the total no. of Directors and the no. of Independent Directors on the Board of the Company and in order to comply with the aforesaid provision, it is considered necessary to amend the terms of appointment of Mr. Chirag C. Doshi as the Managing Directors of the Company by making him liable to retire by rotation hereafter.

Except Mr. Chakor L. Doshi, Chairman and Mr. Chirag C. Doshi, Managing Director, no other Director, Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in the said Resolution.

The resolution set out in the accompanying Notice together with this Explanatory Statement is and should be treated as an abstract of the terms of contract between the Company and Mr. Chirag C. Doshi and the same is circulated to the members accordingly.

A statement Pursuant to the Provisions of Part II Section II (B) (iv) of Schedule V of the Companies Act, 2013 in respect of Mr. Chirag C. Doshi is attached as **Annexure - B** to the Notice.

Item No. 11

Mr. G. K. Pillai was appointed as Managing Director & Chief Executive Officer of the Company for a period of five years commencing from November 25, 2012 and the same has been approved by the shareholders in the 104th Annual General Meeting held on January 31, 2013 by passing Special Resolution.

At the time of appointment of Mr. G. K. Pillai, Managing Director & CEO, the Company had adequate profits. However, adverse impact of input cost, increase in Interest cost and Employee cost, accentuated by depreciating rupee resulted in loss of margins and this coupled with inflationary trends in other costs put significant pressure on margins for the year ended September 30, 2013/2014 and the Company had incurred loss / inadequate profits / insufficiency of profits for the Financial Years ended on September 30, 2013/2014.

Mr. G. K. Pillai has been drawing the same remuneration as approved by the shareholders in the 104th Annual General Meeting held on January 31, 2013 and remuneration drawn was in accordance with the notification no. GSR 534(E) dated 14.07.2011

issued by Ministry of Corporate Affairs which *inter alia* provided that Approval of Central Government is not required for payment of the same remuneration in case of a loss or inadequacy of profit

- (i) if a managerial personnel is not having any interest in the capital of the company or its holding company, directly or indirectly or through any other statutory structure and not having any direct or indirect interest or related to the directors or promoters of the company or its holding company at any time during last two years before or on the date of appointment and
- (ii) if a managerial personnel is having a graduate level qualification with expert and specialized knowledge in the field of his profession.

In view of the above notification, it was not required to take any further approval of Central Government or Shareholders under the provisions of the Companies Act, 1956 for payment of the same remunerations as already approved by Members at 104th Annual General Meeting.

The provisions of the Companies Act, 2013 have become effective from April 01, 2014 and the remuneration payable to Mr. G. K. Pillai is within the revised limit of Schedule V of the Companies Act, 2013. However, it is considered necessary that the Company should obtain approval of the Members by way of Special Resolution for the period of 3 years i.e. from April 1, 2014 to March 31, 2017 pursuant to provision of Section 197 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 for payment of same remuneration as already approved by the Members at 104th Annual General Meeting.

Except Mr. G. K. Pillai, Managing Director & C. E. O., no other Director, Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in the said Resolution.

The resolution set out in the accompanying Notice together with this Explanatory Statement is and should be treated as an abstract of the terms of contract between the Company and Mr. G. K. Pillai and the same is circulated to the members accordingly.

A statement Pursuant to the Provisions of Part II Section II (B) (iv) of Schedule V of the Companies Act, 2013 in respect of Mr. G. K. Pillai is attached as **Annexure - B** to the Notice.

Item No. 12

The existing AoA are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to the specific Sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Companies Act, 2013.

With coming into force of the Companies Act, 2013 several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Companies Act, 2013 which sets out the model Articles of Association for a Company limited by shares.

Shareholder's attention is invited to certain salient provisions in the new draft AoA of the Company viz:

- (a) Company's lien now extends also to bonuses declared from time to time in respect of shares over which lien exists;
- (b) the nominee(s) of a deceased sole member are recognized as having title to the deceased's interest in the shares;
- (c) new provisions regarding application of funds from reserve accounts when amounts in reserve accounts are to be capitalized;
- (d) new provisions relating to appointment of chief executive officer and chief financial officer, in addition to manager and company secretary;
- (e) existing articles have been streamlined and aligned with the Companies Act, 2013;
- (f) the statutory provisions of the Act which permit a company to do some acts "if so authorized by its articles" or provisions which require a company to do acts in a prescribed manner "unless the articles otherwise provide" have been specifically included; and
- (g) provisions of the existing AoA which are already part of statute in the Act have not been reproduced in the new draft AoA as they would only lead to duplication - their non-inclusion makes the new AoA crisp, concise and clear and aids ease of reading and understanding.

The proposed new draft AoA is being uploaded shortly on the Company's website for perusal by the shareholders of the Company.

None of the Directors / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item no. 12.

The Board recommends the Special Resolution set out at Item No. 12 of the Notice for your approval.

ITEM NO. 13

The Board, on the recommendations of the Audit Committee, has approved the appointment of M/s. S. R. Bhagave & Co., Cost Accountant, Pune (Regn. No. 000218), as Cost Auditors for conducting cost audit of the cost records of the Company for the financial year ending March 2016, at a remuneration of ₹ 3,00,000/- (Rupees Three Lakhs) plus service tax as applicable and reimbursement of actual travel and out of pocket expenses.

In accordance with Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration so payable to the Cost Auditors are required to be ratified by the shareholders of the Company.

None of the Directors and Key Managerial Personnel of the Company nor their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the Special Resolution set out at Item No. 13 of the Notice for your Approval.

**ANNEXURE - A TO THE NOTICE
DETAILS OF THE DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT IN THE ENSUING ANNUAL GENERAL MEETING**

Name of Director	Mr. Chakor L. Doshi	Mr. Dilip J. Thakkar	Dr. Anil Kakodkar	Mr. G. N. Bajpai	Mr. A. R. Gandhi	Mrs. Bhavna Doshi
Date of Birth	15.09.1948	01.10.1936	11.11.1943	06.07.1942	15.03.1943	26.06.1953
Date of Appointment	15.05.1979	10.03.2003	27.12.2010	27.12.2010	13.05.2013	27.11.2013
Expertise in specific functional areas	Operations and Management of Large Industries-Industrialist	Accounts, Finance, Taxation, FEMA	Research and Development related to Nuclear Development.	Finance, Accounts, Asset Management, Banking, Administration	Finance, Accounts, Taxation - Consultant	Taxation, Accounts, Corporate Matters-Consultant
Qualifications	B.Sc (Mathematics-Physics), Bombay University and MS in Operations Research & Industrial Engineering, from University of Michigan (USA)	Chartered Accountant	BE(Mechanical Engineering) – from Mumbai University and M.Sc. (Experimental Stress Analysis) - from Nottingham University	B. Com , M.Com (university of Agra) and L.L.B. (University of Indore)	FCA from Institute of Chartered Accountants of England and Wales & ICAI.	FCA from Institute of Chartered Accountants of India M.Com from Mumbai University
Shareholding in the Company (including HUF)	55930	NIL	NIL	NIL	NIL	NIL
Directorship held in other public companies (excluding foreign companies)	1. Bombay Cycle & Motor Agency Ltd., 2. Bharat Hotels Ltd.	1. Essar Oil Ltd., 2. Himatsingka Seide Ltd., 3. Indo Count Industries Ltd., 4. Essar Ports Ltd., 5. Premier Ltd., 6. Westlife Development Ltd.,	1. Maharashtra Knowledge Corporation Ltd.	1. Future Generali India Life Insurance Company Ltd., 2. Future Generali India Insurance Company Ltd., 3. Future Consumer Enterprise Ltd., 4. Mandhana Industries Ltd., 5. Nitesh Estate Ltd., 6. Usha Martin Ltd., 7. Micromax Informatics Limited, 8. Dalmia Cement (Bharat) Ltd.	1. Huhtamaki PPL Ltd., 2. ACC Limited	1. Peninsula Land Limited, 2. Peninsula Investment Management Company Limited, 3. SEAMEC Limited, 4. LIC Pension Fund Limited, 5. Everest Industries Limited

ANNEXURE - A TO THE NOTICE (CONTD.)
DETAILS OF THE DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT IN THE ENSUING ANNUAL GENERAL MEETING

Name of Director	Mr. Chakor L. Doshi	Mr. Dilip J. Thakkar	Dr. Anil Kakodkar	Mr. G. N. Bajpai	Mr. A. R. Gandhi	Mrs. Bhavna Doshi
Membership / Chairmanship of Committees of other public companies (includes only Audit Committee and Stakeholders Relationship / Shareholders' / Investors Grievance Committee)	NIL	<p>Audit Committee – Chairman</p> <ol style="list-style-type: none"> 1. Essar Oil Ltd. 2. Himatsingka Seide Ltd. <p>Audit Committee – Member</p> <ol style="list-style-type: none"> 1. Premier Ltd., 2. Westlife Development Ltd. <p>Stakeholders Relationship / Shareholders' / Investors Grievance Committee – Member</p> <ol style="list-style-type: none"> 1. Essar Oil Ltd. 	NIL	<p>Audit Committee – Chairman</p> <ol style="list-style-type: none"> 1. Future Generali India Life Insurance Company Ltd., 2. Future Generali India Insurance Company Ltd., 3. Future Consumer Enterprise Ltd., <p>Audit Committee – Member</p> <ol style="list-style-type: none"> 1. Mandhana Industries Ltd., 2. Nitesh Estate Ltd., 3. Dalmia Cement (Bharat Ltd. <p>Stakeholders Relationship / Shareholders' / Investors Grievance Committee – Chairman</p> <ol style="list-style-type: none"> 1. Future Generali India Life Insurance Company Ltd., 2. Future Generali India Insurance Company Ltd. 	<p>Audit Committee – Chairman</p> <ol style="list-style-type: none"> 1. ACC Limited <p>Audit Committee – Member</p> <ol style="list-style-type: none"> 1. Huhtamaki PPL Ltd. 	<p>Audit Committee – Chairperson</p> <ol style="list-style-type: none"> 1. SEAMEC Ltd., 2. Peninsula Land Ltd. <p>Audit Committee – Member</p> <ol style="list-style-type: none"> 1. Peninsula Investment Management Company Limited, 2. Everest Industries Ltd. <p>Stakeholders Relationship / Shareholders' / Investors Grievance Committee – Member</p> <ol style="list-style-type: none"> 1. SEAMEC Ltd.

ANNEXURE - B TO THE NOTICE**STATEMENT PURSUANT TO THE PROVISIONS OF PART II SECTION II (B) (iv) OF SCHEDULE V OF THE COMPANIES ACT, 2013 IN RESPECT TO****ITEM NOS. 10 & 11 OF THE NOTICE****I. GENERAL INFORMATION:****(1) Nature of Industry:**

The Company is engaged in heavy engineering and undertakes projects and supply of machinery and equipments, in the fields of Nuclear Power, Aerospace, Defence, Oil & Gas, Steam generation plants, Independent power projects, Turnkey Cement plants, Turnkey Sugar plants, Mineral Processing and Bulk Material handling.

(2) Date or expected date of commencement of commercial production:

Not Applicable as the Company is already in production for last several decades.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable.

(4) Financial performance based on given indicators:

(₹ in Lakhs)

Particulars	For the Year ended September 30, 2014 (Audited)	For the Year ended September 30, 2013 (Audited)	For the Year ended September 30, 2012 (Audited)	For the Year ended September 30, 2011 (Audited)
Total Income	64608.07	73214.70	89246.23	96431.12
Profit before tax	(1858.63)	(3577.28)	1690.87	1695.42
Profit after tax	(1236.63)	(3828.17)	1212.64	1279.78

(5) Foreign Investments or Collaborations, if any:

Foreign Investment : NIL

Foreign Collaborations

(During last 5 years reckoned from the beginning of the F.Y.) :

- Kawasaki Heavy Industries Ltd., Tokyo, Japan for Belt Conveyers.
- Earthtechnica Co. Ltd., Tokyo, Japan for Superbreaker for Lime Stone Crushing.

II. INFORMATION ABOUT THE APPOINTEE(s):**A) Mr. Chirag C. Doshi****(1) Background details:**

Name of Director : Mr. Chirag C. Doshi
Age : 40 Years
Qualification : B. A. (Economics) from University of Michigan, USA; and
MBA from the world-renowned 'INSEAD INSTITUTE' Paris.

Expertise & Experience in specific functional areas:

Mr. Chirag C. Doshi has extensively worked on business strategies, various growth initiatives, market research, business development and exploring new business ventures for the Company and risen to the position of President and then Managing Director of the Company. He is also the Chairman of Bombay Cycle & Motor Agency Ltd.

(2) Past remuneration :

As a Managing Director, Mr. Chirag C. Doshi has been receiving remuneration as approved by the Members at the 104th Annual General Meeting held on January 31, 2013 for the period from November 25, 2012 to November 24, 2017 and same was approved by the members at the 105th Annual General Meeting held on January 28, 2014. The remuneration paid to him in the last two Years was as follows:

Amount paid / payable (₹ in Lakhs)

Details	For the financial year ended September 30, 2014	For the financial year ended September 30, 2013
Salary	70.60	64.37
Perquisites	10.17	19.26
Contribution to P.F. and Superannuation	12.96	12.47
Gratuity	2.31	2.31
Commission	-	-
Total	96.04	98.41

(3) Job profile and his suitability:

Mr. Chirag C. Doshi the Managing Director, jointly with Mr. G. K. Pillai the Managing Director & CEO is responsible for day to day management of the Company.

The Board is of the opinion that Mr. Chirag C. Doshi has the requisite qualifications, expertise and experience for the job he is holding.

(4) Remuneration proposed:

The remuneration paid/proposed to be paid during the period from April 01, 2014 to March 31, 2017 is detailed hereinabove under explanatory statement.

(5) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):

The proposed remuneration is comparable and competitive, considering the industry, size of the company, the managerial position and the credentials of the Managing Director.

(6) Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any:

Other than receiving remuneration, Mr. Chirag C. Doshi has no pecuniary relationship with the Company. He is son of Mr. Chakor L. Doshi, Chairman. He holds 14,000 Equity Shares in the Company in individual capacity. He has no other direct or indirect pecuniary relationship with the Company.

B) Mr. G. K. Pillai

(1) Background details:

Name of Director : Mr. G. K. Pillai
Age : 63 Years
Qualification : He is an alumnus of Birla Institute of Technology & Science (B.I.T.S.) Pilani.

Expertise & Experience in specific functional areas:

He started his career with Instrumentation Ltd., a Government of India Enterprise in Kerala. After a successful career there for 21 years, he moved on to join a private sector Company M/s. Fisher Sanmar Ltd. as Vice President and rose to become its Chief Executive. He was selected to head HEC Ltd., as Chairman cum Managing Director. He anchored the turnaround of a sick PSU to a profitable company during his 5 year term.

(2) Past remuneration :

As a Managing Director & C.E.O., Mr. G. K. Pillai has been receiving remuneration as approved by the Members at the 104th Annual General Meeting held on January 31, 2013 for the period from November 25, 2012 to November 24, 2017. The remuneration paid to him in the last two years was as follows:

Amount paid / payable (₹ in Lakhs)

Details	For the financial year ended September 30, 2014	For the period November 25, 2012 to September 30, 2013
Salary	87.04	78.18
Perquisites	12.40	7.25
Contribution to P.F. and Superannuation	—	—
Gratuity	—	—
Commission	—	—
Total	99.44	85.43

(3) Recognition or Awards:

Mr. G. K. Pillai, Managing Director & C.E.O. has been designated as the "Technocrat of the Month" (November 2014 issue) by the Bureaucracy Today magazine.

He also had an honour to deliver lecture at VSSC, Trivandrum.

Mr. G. K. Pillai received ENGINEER OF THE YEAR' Award from the Institution of Engineers (India) presented on "Engineer's Day" by Padma Vibhushan Dr. E. Shridharan at a glittering function held on September 15, 2013 at Palakkad, Kerala.

(4) Job profile and his suitability:

Mr. G. K. Pillai the Managing Director & CEO jointly with Mr. Chirag C. Doshi the Managing Director, is responsible for day to day management of the Company.

The Board is of the opinion that Mr. G. K. Pillai has the requisite qualifications, expertise and experience for the job he is holding.

(5) Remuneration proposed:

The remuneration paid/proposed to be paid during the period from April 01, 2014 to March 31, 2017 is detailed hereinabove under explanatory statement.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):

The proposed remuneration is comparable and competitive, considering the industry, size of the company, the managerial position and the credentials of the Managing Director & CEO.

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any:

Other than receiving remuneration, Mr. G. K. Pillai has no pecuniary relationship with the Company. He has no other direct or indirect pecuniary relationship with the Company.

III. OTHER INFORMATION

1. Reasons for loss or inadequate profits:

WIL is an Indian company with global presence and diversified business portfolio in Projects, Products and High-tech Manufacturing. Carrying more than 100 years of Engineering Excellence legacy, WIL has established its name as one of the best in its operational areas.

Despite its operations being on a very strong footing from a market perspective, adverse impact of input cost, increase in Interest cost and Employee cost, accentuated by depreciating rupee resulted in loss of margins and this coupled with inflationary trends in other costs put significant pressure on margins for the year ended September 30, 2013 and September 30, 2014 and the Company had incurred loss / inadequate profits / insufficiency of profits for the F.Y.2012-2013 and F.Y.2013-2014.

The revenue for the Year 2013-14 was down by 11.76% over the Previous Year mainly due to the stalled projects and various other delays attributed to the specific projects.

The profit margin on the project business remains to be tight and extremely competitive.

The above factors as well as the sluggishness in the general economy had an adverse impact on the profitability of the company in the year under review.

However, it has to be noted that there has not been any change in the basic fundamental of the business.

2. Steps taken or proposed to be taken for improvements

The following steps taken or proposed for improvements

- Cost reduction and productivity improvement measures;
- The focus will be for new orders in the field of Aerospace and Defence segments which will have better margins;
- Focus will be on overseas market and opportunities for better value addition;
- Improvement in the progress of long gestation EPC projects;
- Likely positive impact of general macro-economic conditions in the domestic economy and governments thrust on 'Make in India'.

3. Expected increase in productivity and profits in measurable terms:

It is difficult at this stage to quantify the effect of the measures taken / being taken by the Company to improve the overall performance in financial terms.

As mentioned above, the Company's margins are impacted by the depreciating rupee, increase in input costs and tight and extremely competitive margins.

It is hoped that with the above measures, there will be improvement in the overall performance of the Company.

IV. DISCLOSURES

The required disclosures, as applicable, have been included in the Corporate Governance Report annexed to the Directors Report.

Memorandum of Interest:

Except Mr. G. K. Pillai and Mr. Chirag C. Doshi, & Mr. Chakor L. Doshi to whom Mr. Chirag C. Doshi is related, no other Director or Key Managerial Personnel or their relatives are concerned or interested in the aforesaid resolutions.

By order of the Board

G. S. Agrawal

*Vice President (Legal & Taxation) &
Company Secretary*

Registered Office :

3, Walchand Terraces,
Tardeo Road,
Mumbai 400 034.

Date : November 29, 2014

Directors' Report

To:
The Members of

Walchandnagar Industries Limited

Your directors take pleasure in presenting the 106th Annual Report on the business and operations of your Company together with Audited Accounts for the year ended September 30, 2014.

1. Financial Results

The Company's financial performance, for the year ended September 30, 2014 is summarized below:

	Year ended 30.09.2014 ₹ in Lakhs	Year ended 30.09.2013 ₹ in Lakhs
Income:	64,608	73,215
Profit/(Loss) before Depreciation, Interest, Exceptional Item and Exchange currency fluctuations	2,438	(568)
Less: Interest	4,799	4,076
Depreciation	1,725	1,815
Exceptional Item	(2,445)	(4,175)
Profit before Exchange Currency fluctuations	(1,641)	(2,284)
Less: Exchange Currency Fluctuation Loss /(Gain)	218	1,293
Profit/(Loss) before Tax	(1,859)	(3,577)
Less: Tax (Net)	(622)	251
Profit/(Loss) after Tax	(1,237)	(3,828)

During the year under review, the revenue for the year 2013-14 declined by 11.76% to ₹ 64,608 Lakhs as compared to the previous year of ₹ 73,215 Lakhs. However, there is a reduction in losses during the year under review largely on account of the following:

- Higher contribution on account of change of sale mix & reduction in the material costs and better value additions
- Better realization on export sales
- Better Expense Control

2. Current Year:

The orders on hand as on September 30, 2014 were at ₹ 1,376 crores as compared to ₹ 1671 crores as on September 30, 2013.

3. Exports and Overseas Projects:

During the year under review, the Company achieved an export turnover of ₹ 87 Crores as against ₹ 256 Crores,

in the previous year. The export orders on hand as on September 30, 2014 are at ₹ 481 Crores. During the year, the Company executed orders for Sugar & Boiler projects in Ethiopia & Cement machinery in Tanzania and Niger.

4. Dividend:

During the year under review your Company has suffered a loss after tax of ₹ (1237) Lakhs. However, your Directors are recommending Dividend for the financial year 2013-2014 out of accumulated Profits of the earlier years on Equity Shares of ₹ 2/- each at ₹ 0.40 per share equivalent to 20% (20% in the previous year) aggregating to ₹ 152.28 Lakhs. The Dividend Distribution Tax thereon works out to ₹ 30.45 Lakhs.

5. Management Discussion & Analysis:

Detailed Management Discussion and Analysis is enclosed by way of **Annexure 'A'** to this report.

6. Finance & Accounts:

(i) Fixed Deposits:

Your Company did not invite or accept deposits from the public during the year under review.

(ii) Income Tax Assessments:

Consequent to the proceedings u/s 132 of the Income Tax Act, 1961 initiated by the Department in the month of December, 2012, the Company has filed an application before the Income Tax Settlement Commission, which has been admitted for further hearings and the proceedings are in progress. The Income Tax liability arising thereof, relating to the earlier years has been provided for in the books of accounts and included under tax for earlier years in the previous year.

7. Human Resources Development:

Your Company has been successful in implementing contemporary Human Resource practices and policies with a view to make Walchandnagar Industries Limited a preferred employer in the heavy engineering industry. Augmentation of critical skills and senior management talent has been a thrust area to address immediate business needs and succession planning.

In order to have a proper leadership pipeline, certain employees of M & S Cadre have been identified as high potential employees after a series of interviews and psychometric tests. Many of the identified high potential employees have been given larger responsibilities to meet their aspirations as well as to have more operational advantages.

Accordingly, though we are able to achieve a reduction in the manpower cost, it was possible to position aspirational leaders at critical leadership roles.

Internal communication has been strengthened with the help of newsletter and new internal website (Walchand Connect).

Formation of multi-disciplinary groups has been started to achieve specific business objectives.

8. Directors' Responsibility Statement:

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

- i. In preparation of the Annual Accounts for the Financial Year 2013-2014, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- ii. Appropriate accounting policies have been selected and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at September 30, 2014 and the loss of the Company for the Year ended on that date.
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The annual accounts have been prepared on a going concern basis.

9. Corporate Governance:

Your Company believes that Corporate Governance is the basis of stakeholder satisfaction. The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance Requirements as set out by SEBI. Your Company has obtained a certification from M/s. K. S. Aiyar & Company, Chartered Accountants, Statutory Auditors, on compliance with clause 49 of the listing agreement. The Report of Corporate Governance along with Certificate from the auditors of the Company regarding compliance of conditions of corporate governance is enclosed by way of **Annexure 'B'** to this Report.

10. Corporate Social Responsibility:

The new Companies Act, 2013 mandates that every Company, who meet certain eligibility criteria needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility activities. In view of losses, statutorily no amount is required to be spent by the Company. However, Corporate Social Responsibility is an integral part of the Company.

Over the years, the Company has taken and continues to take several initiatives to support Environment, Education, Health and sports related activities in order to fulfill its corporate social commitments.

Health:

To create health awareness in the township and nearby villages, the Company continued to organize various health schemes during the year. This year the Company organized a general health check up camp for hazardous workers, ECG check up camp for employees above 50 years of age, undertook health related sessions for women and senior citizens and organized a Blood Donation Camp. The Company is running Hospital at Walchandnagar which is open for nearby villagers as well as employees.

Education:

The schools established by the Company continued to impart education up to Higher Secondary grade to children staying in Walchandnagar and in nearby villages. The Company currently provides education to 4482 children of which, 20% are children of employees of the company and 80 % are other children who reside in Walchandnagar & nearby villages.

Environment:

To maintain a pollution free atmosphere and to spread awareness about environment protection, we have undertaken tree plantation and organized seminars on pollution control & on disposal of hazardous waste.

Encouraging young talents in the field of sports:

As a part of our commitment to the Society, your Company has been sponsoring All-India Ranking National Tennis Tournaments in Pune for boys and girls below 16 years of age for the past seven years.

This year the tournament was held in Pune from 17th to 22nd November, 2014 wherein prominent ranking tennis players participated from all over India.

11. Energy, Technology & Foreign Exchange:

Pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, information on conservation of energy, technology absorption, foreign exchange earnings and out-go is given in the **Annexure 'C'** to this Report.

12. Personnel:

Employee relations remained harmonious and satisfactory during the year and your Board would like to place on record their sincere appreciation for sustained efforts and valued contribution towards growth initiative made by all the employees of the Company.

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, forms part of this Report. As per the provisions of Section 219(1)(b)(iv) of the Act, the Directors' Report and accounts are being sent to the shareholders excluding the statement giving particulars of employees under Section 217(2A) of the Act.

The copy of the said statement is available at the Registered Office for inspection. Any shareholder interested in obtaining a copy of the statement, may write to the Company Secretary at the Registered Office of the Company.

13. Subsidiaries:

The Company does not have any subsidiary.

14. Directors:

Pursuant to Article 149 of the Articles of Association of the Company and Section 152 of the Companies Act, 2013, Mr. Chakor L. Doshi is due to retire by rotation at the 106th Annual General Meeting and being eligible, have offered himself for re-appointment.

Pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the provisions of Clause 49 of the Listing Agreement, Mr. Dilip J. Thakkar is proposed to be appointed as Independent Director from the conclusion of 106th Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2017, and Dr. Anil Kakodkar, Mr. G. N. Bajpai, Mr. A. R. Gandhi and Mrs. Bhavna Doshi are proposed to be appointed as Independent Directors of the Company from the conclusion of 106th Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2019, not liable to retire by rotation.

Your Board has reviewed the declarations made by the said Independent Directors and is of the view that they meet the criteria of Independence as provided in Section 149 of the Companies Act, 2013 and Rules made there under, as also those prescribed under the Listing Agreement.

Mr. J. L. Deshmukh resigned as a Director of the Company with effect from November 21, 2014 due to various other responsibilities and commitments towards family, Mr. A. U. Rijhsinghani resigned as a Director of the Company with effect from November 30, 2014 due to the proposed age policy for Directors of the Company which mentions the age limit of 80 Years for appointment / continuing as a Director and Dr. P. K. Basu, Independent Director resigned with effect from December 01, 2014 due to personal and health reasons. The Board wishes to place on record its sincere

appreciation and gratitude for the invaluable contribution made by Mr. J. L. Deshmukh, Mr. A. U. Rijhsinghani and Dr. P. K. Basu during their tenure with the Company.

Brief profiles of the proposed appointees together with other disclosures in terms of Clause 49 of the Listing Agreement are mentioned in the Notice which is part of this Annual Report.

15. Auditors:

M/s. K. S. Aiyar & Co., Chartered Accountants, Auditors of the Company will hold office till the conclusion of the 106th Annual General Meeting and are eligible for re-appointment. The Company has received letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment. The members are requested to appoint the Auditors and authorise the Board to fix their remuneration.

16. Cost Auditors and Cost Audit Report

M/s. S. R. Bhargave & Co., Cost Accountants have been duly appointed as Cost Auditors for conducting Cost Audit in respect of products manufactured by the Company which are covered under the Cost Audit Rules for current financial year ending March 2016. They were also the cost auditors for the previous year ended September 2014. As required by Section 148 of the Companies Act, 2013, necessary resolution has been included in the Notice convening the Annual General Meeting, seeking ratification by the Members to the remuneration proposed to be paid to the Cost Auditors for the financial year ending March 2016.

The Cost Audit Reports for the financial year ended September 2014, will be filed within the stipulated time i.e. on or before March 31, 2015.

17. Acknowledgement:

Your Directors wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

Your Directors also place on record their sincere appreciation for the assistance and co-operation received from the banks, financial institutions, customers, suppliers and the shareholders from time to time.

For & on behalf of the Board of Directors



Chakor L. Doshi
Chairman

Registered Office :

3, Walchand Terraces,
Tardeo Road,
Mumbai - 400 034.

Date : November 29, 2014

ANNEXURE “A” TO THE DIRECTORS’ REPORT MANAGEMENT DISCUSSION AND ANALYSIS

Economic Overview

After achieving unprecedented growth of over 9% for three successive years between 2005-06 and 2007-08 and recovering swiftly from the economic crisis of 2008-09, the Indian economy has been going through challenging times that culminated in sub 5% growth in two consecutive years 2012-13 and 2013-14. Persistent slowdown in the global economy especially in the Euro area compounded by structural constraints in the domestic economy and inflationary pressures resulted in a protracted slowdown. Though the slowdown was broadbased, what is particularly worrisome is the slowdown in manufacturing growth that has averaged 0.2% per annum in 2012-13 and 2013-14. In 2014-15, the Indian economy is poised to come out of the sub 5% growth rate. Key factors that would aid in this recovery would be political stability after the General Elections which concluded in May 14 and the resultant uptick in business sentiment, thrust of the new government on reviving the manufacturing sector, significant improvement in the Current Account Deficit (CAD) seen over 2013-14 as well as decline in the fiscal deficit as a % of GDP which is in line with the stated medium term policy. Also moderation of inflation seen in the recent quarters would help ease the monetary policy stance and revive confidence of investors.

Financial Overview

Sales & Profitability

Following is the summary of sales & profitability for the fiscal 2013-14 compared with previous year.

Particulars	FY 2013-14	FY 2012-13
Total Income	64,608	73,215
EBIDTA (Before Exceptional Items & Exchange Currency fluctuations)	2,438	(568)
EBIDTA (After Exceptional Items & Exchange Currency fluctuations)	4,666	2,314
Profit / (Loss) Before Tax (PBT)	(1,859)	(3,577)
Profit / (Loss) After Tax (PAT)	(1,237)	(3,828)
Cash Profit / (Loss)	489	(2,013)
Fully diluted EPS	(3.25)	(10.06)

All figures ₹ in Lakhs except EPS, which is an absolute number

Although, the revenue for the year 2013-14 has shown a decline of 11.76% over the previous year, there is a rise in the EBIDTA and PBT margin on account of the following:

- Higher contribution on account of better sales mix, reduction in the material costs and better value addition

Order Book

The outstanding order book as on September 30, 2014 is at ₹ 1376 Crores. Almost 55% of the order book is comprised of orders

in the traditional EPC businesses of Sugar, Co-Generation and Cement Plant Equipment. The remaining 45% comprises of orders in the strategic and niche sectors like Defence, Aerospace, Missiles and Nuclear and products business i.e. Gear. It is therefore a balanced order book with EPC and Manufacturing being equally represented. 2013-14 has been a year where market conditions stayed subdued and it is only in the last quarter i.e. July-September that sentiments have improved owing to the formation of a new and stable government. Going ahead the thrust is going to be on exploring and converting new opportunities especially in the Defence and Aerospace sectors into firm orders. Opening up of the Defence Sector to private players participation by the new government, clear emphasis on indigenization as well as the recent success of the Mars Orbiter Mission in September 2014 are expected to positively impact order booking. As far as the EPC businesses are concerned, focus would be on profitable growth in the domestic market and your company would be selective in booking orders so as not to compromise on quality and inherent profitability. Your company has successfully executed projects in the recent past in Africa, Latin America as well as New Zealand and therefore we are confident that the share of Exports in the overall EPC order book will definitely increase. All probable opportunities are being expeditiously pursued. The recent uptick in market sentiment in the Indian economy would also lead to a lot of allied opportunities in the areas of General Fabrication, EPC work in Defence and Nuclear, Renewable Energy, etc. Your Company is fully geared up to accept these new challenges and further expand its footprint.

Key Events

- Supply of critical equipment for India’s Defence Program.
- On track as far as Integration work for India’s Nuclear Submarine Program is concerned.
- Supply of critical equipment for India’s Nuclear Program.
- On track to achieve Project completion for Sodium Piping work in the India’s Fast Breeder Reactor project.
- Supply of critical equipment for the launch vehicle of India’s Mars Orbiter Mission.
- On track to enhance capacity for Aerospace components for ISRO.
- On track to enhance output for India’s Missile Program.
- Significant progress seen in the long gestation EPC projects in the Sugar & Co-Generation domain including overseas projects.
- Successful entry in new markets like New-Zealand and Latin America through supply of Boiler.

Segment Review

Heavy Engineering Division

For the year under consideration, the Sales of the Heavy Engineering Division decreased as compared to the previous year. The profitability in the manufacturing sector is encouraging and is expected to continue but the profit margins on the project

business remains to be tight and extremely competitive. However your company has done better as compared with previous year due to higher contribution on account of better sales mix, reduction in the material costs and better value addition.

Foundry Division

Because of heavy competition from smaller players & lower productivity Foundry division has made losses in current year. However company is taking conscious efforts to make the foundry profitable in current year.

Precision Instrument Division

Sales of division have grown however the profitability margin have gone down in current year. However the company is taking efforts and initiatives to improve the productivity to effectively use the available infrastructure and capital and in house design & engineering effort to improve the margins.

Risk Management

Your Company follows a conservative Risk Management policy. Whilst the broad framework of the Risk remains more or less same, the priorities do change in line with the changing business profile, economic scenario etc. The business profile of your company is evolving in line with the current market trends and conditions wherein going ahead there would be a fine balance between project execution in the EPC domain as well as niche manufacturing. Established presence in the Sugar & Co-Generation business, Cement Equipment manufacturing as well as supply of critical manufactured components for Aerospace, Defence and Nuclear sectors enables us to understand the dynamics and cyclicity of such businesses and largely mitigate all associated risks. With a function dedicated to Contract Performance and a constituted body in the form of a Risk Management Committee, your company assures all its shareholders of a conservative and prudent Risk Mitigation framework.

Project Management and Contract Performance

Execution excellence is the key to profitable growth and your Company's management clearly realizes this golden rule. Your Company has made the necessary changes in its organization structure so as to ensure faster and more decisive project execution. One of the key steps taken in this direction is to de-centralize its procurement function and give more autonomy to each individual division. Upgradation of skills through specialized project management training programs, creation of a second line of young project managers as well as a systematic review mechanism are some initiatives which we feel would bring about far reaching improvement in Project Management and execution.

Exposure to Retention Monies and Guarantees is an inherent part of the business of your Company which is especially pronounced in the case of long gestation projects. In order to systematically protect your Company's interests and ensure sustainability, the following processes have been adequately strengthened:

- Estimation Process – This has been made more robust with a combination of technical and commercial assessment.
- Effective Project and Contract Management – Exhaustive monitoring of customers and vendors contractual obligations vis-à-vis our respective contracts with them concomitant to project progress.

Liquidity & Financial Prudence

Management of liquidity assumes even more importance when the size of the projects being handled goes up. This is to ensure adequate supply of funds for execution of the projects and entails the complete management of net working capital. Your Company is giving significant emphasis on this aspect with specific efforts to track receivables, inventories and payment to supply base. Further, your Company firmly believes that financial prudence is the key to survival in difficult times as well as sustained growth.

Foreign Exchange Risk Management

Your Company's fundamental policy on the exchange risk management still continues to be conservative where the Company does not enter into any exotic, leveraged or embedded, long term structures of hedging. The only instrument, if used for hedging, is a Forward contract strictly against the underlying asset or liability. Further, your Company has created significant natural hedge between the exports outstanding and import and loan liability in foreign exchange terms.

Technology Upgradation

The key to sustained competitiveness is the availability of contemporary technologies. Your Company, over the years, has entered into collaboration arrangements with some of the world's renowned technology providers in its core field of activities. In domains like Co-generation, Cement Equipment Manufacturing and Gear Design, your company has benefitted from such technical collaborations. Increased thrust on strategic sectors like Defence would definitely increase the need to have the right technology collaborations and references. In its quest to grow in this domain, your company would ensure the necessary technology Upgradation at appropriate stages.

Demand Cyclicity

Demand cyclicity is a generic risk applicable almost across the market spectrum especially in the capital Goods Industry. In case of your Company, this risk assumes significance since most of the end users of your Company follow an economic cycle of their own. This results in variation in the revenue drawn from different end user segments from year to year. Your Company's approach to mitigate this risk continues to be:

- Technology up-gradation and moving up the value chain.
- Diverse yet synergistic revenue model – fine balance between EPC and Manufacturing.
- Focus on core & less cyclical industries such as Missiles and Aerospace.
- More focus on product business like Gears and Centrifugal Machines.

- More focus going ahead on Spares, Refurbishment & Repairs and O&M activities.
- Growing focus on overseas business in order to hedge against domestic cyclicalities.

Internal Control & Audit

The internal audit function of the Company can be broadly divided into the following:

- Risk Based Internal Audit (RBIA) wherein the focus is given on End to End processes and control points from the point of view of Systems, Processes and awareness of people.
- Transaction audit covering all individual transactions on a granular basis to check the accuracy, accounting, propriety and controls.
- Audit of various sub processes in SAP. This entails identification of process gaps in SAP and correcting them from time to time.
- The findings of the audit are discussed in each audit committee meeting as well as in the internal meetings at a regular interval.

Outlook & Conclusion

Revenue

While the revenues of the company declined by 11.76 % in the year 2013-14 over the previous year, the Company looks to be poised for profitable growth in the next year because of the following:

- Balanced order book as on September 30, 2014, which stands at ₹ 1376 Crores.
- Strong business outlook in strategic sectors like Defence & Aerospace.
- Marked improvement in the progress of long gestation EPC projects.

- Presence in overseas markets and further capitalizing upcoming opportunities.
- Likely favourable impact of exchange rate vis-à-vis Exports.
- Likely positive impact of general macro-economic conditions in the domestic economy and government's thrust on "Make in India".

Further, your Company has strong fundamentals for a sustainable growth:

- Well diversified yet synergistic business model.
- Strong manufacturing capability.
- In house design engineering capability.
- Project management capability.
- Technology tie-ups in critical areas.

This would augur well for your Company's long term sustainable growth.

Long term competitiveness

Your Company believes that it has taken steps to attain long term growth and competitiveness and has significant resilience to sustain through the periods of economic cyclicalities and adversities. The key to this lies in the conservative, synergistic and technology focussed strategies adopted by your Company.

Cautionary Statement

This management discussion and analysis may contain Forward looking statements within the meaning of the applicable laws, rules and judicial pronouncements, relating to the business strategies, prospects, financial performance etc. The actual results may vary significantly or materially than those contemplated / implied in the analysis for various reasons including but not limited to the Government policy, macro economic situation, Business cycles, Financial & liquidity situation, demand slowdown, performance risk, material costs, interest costs, exchange rates etc. The Company does not undertake to make any declarations / pronouncements of any such eventuality.

ANNEXURE "B" TO DIRECTORS' REPORT REPORT ON CORPORATE GOVERNANCE:

(1) A brief statement on Company's philosophy on Code of Governance :

Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the organisation.

The Company's commitment for effective Corporate Governance continues and the Company has always been at the forefront of benchmarking its internal systems and policies within accepted standards so as to facilitate the creation of long term value for its shareholders. The Company has Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee, Finance Committee, Allotment Committee, Committee of Directors for Capital Issue, Corporate Strategic Planning Committee and these Committees report to Board of Directors about the tasks assigned to them.

The Board of Directors fully supports and endorses Corporate Governance practices as enunciated in Clause 49 of the Listing Agreement as applicable from time to time.

(2) Board of Directors:

As on September 30, 2014, the Board of Directors comprised of a Non-Executive Chairman, a Managing Director & CEO, a Managing Director and 8 other Non-Executive Directors. The Listing Agreement requirement of at least one-half of the Board to be of independent Directors, where the Non-Executive Chairman is a promoter of the Company is met by the Company in view of 6 directors being Independent Directors out of total 11 Directors as on September 30, 2014. The Non-Executive Directors are professionals and have vast experience in the field of industry operations, accounts, finance, taxation, law, banking, administration, management and Research & Development, bringing a wide range of expertise and experience to the Board.

As required under the Listing Agreement, the Directors' Report includes the Report on "Management Discussion and Analysis" as Annexure 'A' to Directors' Report. The Board Members are presented with proper notes along with the Agenda papers well in advance before the meeting. Information covering the matters listed as per Annexure-1 to Clause 49 is provided to the Board as a part of Agenda papers.

The details of composition of the Board, the attendance at the Board Meetings during the financial year and at the last Annual General Meeting, number of Directorships, remuneration paid to/provided for Directors during 2013-2014 are given in the following table:

Information on Board of Directors

Name of Director	Director Identification Number (DIN)	Status	No. of Board Meetings held	No. of Board Meetings attended	Attendance at last AGM	No. of other Directorship in other Public Ltd Cos #	Chairmanship / Membership of Committees in other Public Ltd Cos. \$		Remuneration paid / payable to Directors ₹ (In Lakhs)			
							Chairmanship	Membership	Sitting Fees	Salaries & Perquisites	Commission	Total
Mr. Chakor L. Doshi \$	00210949	C-NED	4	4	YES	2	None	None	3.40	--	--	3.40
Dr. P.K. Basu*	01293663	NED-I	4	4	YES	--	None	None	2.20	--	--	2.20
Mr. Dilip J. Thakkar	00007339	NED-I	4	4	YES	6	2	3	3.40	--	--	3.40
Dr. Anil Kakodkar	03057596	NED-I	4	3	NO	1	None	None	1.40	--	--	1.40
Mr. G. N. Bajpai	00946138	NED-I	4	4	YES	8	5	3	2.40	--	--	2.40
Mr. A. R. Gandhi	00007597	NED-I	4	3	YES	2	1	1	0.60	--	--	0.60
Mrs. Bhavna Doshi	00400508	NED-I	4	3	YES	5	3	2	0.80	--	--	0.80
Mr. A. U. Rijhsinghani*	00177091	NED	4	4	YES	--	None	None	0.80	--	--	0.80
Mr. J. L. Deshmukh*	00267467	NED	4	3	YES	1	None	1	0.60	--	--	0.60
Mr. G. K. Pillai	01537184	MD & CEO	4	3	NO	--	None	None	--	99.44	--	99.44
Mr. Chirag C. Doshi \$	00181291	MD	4	4	YES	1	None	None	--	96.04	--	96.04

Notes: 1. "C-NED" Chairman - Non Executive Director "MD" Managing Director
"NED-I" Non Executive Director -Independent "MD&CEO" Managing Director & Chief Executive Officer
"NED" Non Executive Director

- The Board meets at least once in a quarter to review the financial results and other items on the agenda, which are distributed to all the Directors in advance. During the Financial Year 2013-2014, four Board Meetings were held on 27.11.2013, 28.01.2014, 30.04.2014 & 11.08.2014 and the maximum gap between the two Board meetings did not exceed four months.
- Sitting fees paid to Directors include fees paid for attending the Board Meetings and all Sub-Committees thereof during the Financial Year.
- During the year, the professional fees amounting to ₹ 131.47 Lakhs & ₹ 38.80 Lakhs were paid to Mr. Chakor L. Doshi, Chairman and Mr. A.U. Rijhsinghani, Director respectively, in accordance with the approvals granted by the Shareholders. There were no other pecuniary relationships or transactions of Non-Executive Directors vis-a-vis the Company.
- # Excludes Directorship in Private Limited Companies which are not subsidiaries of Public Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 (erstwhile Section 25 of the Companies Act, 1956).
- \$ Figures includes Committee positions in Audit and Shareholders Grievance / Stakeholders Relationship Committee only.
- \$ Except Mr. Chirag C. Doshi, Managing Director, son of Mr. Chakor L. Doshi, Chairman, no other directors have any inter-se relationship with the other Directors of the Company.
- * Mr. J. L. Deshmukh, Mr. A. U. Rijhsinghani and Dr. P. K. Basu, resigned w.e.f. November 21, 2014, November 30, 2014 and December 01, 2014 respectively.

Code of Conduct :

The Board adopted Revised Code of Conduct for all Board Members and Senior Management of the Company in the Board Meeting held on August 11, 2014. The said Code of Conduct is posted on the Website of the Company (www.walchand.com).

All Board members and Senior Management personnel have affirmed compliance with the Code on an annual basis and a declaration to this effect by Mr. G. K. Pillai, Managing Director and CEO is attached to this report.

CEO/CFO Certification:

As required under Clause 49(V) of the Listing Agreement with the Stock Exchanges, the Managing Director & CEO and the Chief Financial Officer of the Company have certified to the Board on the financial statements for the Year ended September 30, 2014 and the same is attached to the Report.

The information pursuant to Clause 49(IV)(G) of the Listing Agreement, regarding details of Directors being appointed / re-appointed is provided in the Annexure 'A' to the Notice of the Annual General Meeting.

(3) Audit Committee:

The Audit Committee of the Board comprises of 3 Non-Executive Directors as on September 30, 2014 namely Mr. Dilip J. Thakkar, Dr. P. K. Basu, and Mr. Chakor L. Doshi, out of which two are independent Directors including Mr. Dilip J. Thakkar, the Chairman of the Committee and the requirement of Section 177 of the Companies Act, 2013 and Clause 49(II)(A) of the Listing Agreement have been complied with. The Committee is authorised by the Board in the manner as envisaged under Clause 49 (II)(C) of the Listing Agreement.

The Committee has been assigned task as listed under Clause 49(II)(D) of the Listing Agreement. The Committee reviews the information as listed under Clause 49(II)(E) of the Listing Agreement.

Attendance of Directors at the Audit Committee Meeting held during the Financial Year :

Name of Director	No. of Meetings held	No. of Meetings attended
Mr. Dilip J. Thakkar	4	4
Dr. P. K. Basu	4	4
Mr. Chakor L. Doshi	4	4

Four Audit Committee Meetings were held during the year 2013-2014 on 27.11.2013, 28.01.2014, 30.04.2014, and 11.08.2014.

The necessary quorum was present for all the meetings.

Mr. Dilip J. Thakkar, Chairman of the Audit Committee was present at the Annual General Meeting held on 28.01.2014.

Managing Director & CEO, Managing Director, Chief Financial Officer, Statutory Auditors and Chief Internal Auditor are the permanent invitee of the Audit Committee. Internal Independent Auditor and other members of the Senior Management have attended when invited to

the meetings. Mr. G. S. Agrawal, Vice President (Legal & Taxation) & Company Secretary attended the meetings as Secretary of the Committee. All the members of the Audit Committee are financially literate and possess the requisite accounting and related financial management expertise.

(4) Nomination & Remuneration Committee :

Nomination & Remuneration Committee has been re-constituted w.e.f. 18.04.2014 as per the provisions of the Companies Act, 2013 and as on September 30, 2014 comprises of Mr. Chakor L. Doshi and four Independent Directors viz., Dr. P. K. Basu, Mr. Dilip J. Thakkar, Mr. G. N. Bajpai and Dr. Anil Kakodkar. Dr. P. K. Basu is the Chairman of the Committee. Mr. G. S. Agrawal, Vice President (Legal & Taxation) & Company Secretary acts as Secretary to the Nomination & Remuneration Committee.

Nomination and Remuneration Committee is responsible, inter alia, to do the following things as required under Section 178 of the Companies Act, 2013:

- 1) To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every director's performance.
- 2) To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- 3) The Nomination and Remuneration Committee shall, while formulating the policy under sub-section (3), ensure that -
 - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
 - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals;

Nomination & Remuneration Policy: As per the provisions of Section 178 of the Companies Act, 2013, and Securities and Exchange Board of India Circular CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014, the Nomination and Remuneration Committee in its meeting held on August 11, 2014, recommended the Nomination and Remuneration policy of the Company to the Board and the same was approved by the Board in its meeting held on August 11, 2014.

The Non-Executive Directors do not draw any remuneration from the Company except as mentioned in Item No.2 above. The total amount of sitting fees paid to Non-Executive Directors during the year was ₹ 15.60 Lakhs.

Three Nomination & Remuneration Committee Meetings were held during the year 2013-2014 on 27.11.2013, 30.04.2014 and 11.08.2014.

Shareholding of Non-Executive Directors:

Mr. Chakor L. Doshi holds 55,930 equity shares of the Company including 6,680 equity shares held by his HUF. No other Non Executive Director holds any shares in the Company.

The details of remuneration paid / provided for Mr. G. K. Pillai for the financial year ended September 30, 2014 is as follows:

Amount paid / payable (₹ in Lakhs)

Details	Mr. G. K. Pillai Managing Director & CEO
Salary	87.04
Perquisites	12.40
Contribution to P.F. and Superannuation	—
Gratuity	—
Commission	—
Total	99.44

The additional information in respect of Mr. G. K. Pillai, Managing Director & CEO is as under:

Service Contract : Five years.
Notice Period : Six Months.
Severance fees : Not Applicable.
Stock options : Not Applicable.

The details of remuneration paid/provided for Mr. Chirag C. Doshi for the financial year ended September 30, 2014 is as follows:

Amount paid / payable (₹ in Lakhs)

Details	Mr. Chirag C. Doshi Managing Director
Salary	70.60
Perquisites	10.17
Contribution to P.F. and Superannuation	12.96
Gratuity	2.31
Commission	--
Total	96.04

The additional information in respect of Mr. Chirag C. Doshi, Managing Director is as under:

Service Contract : Five years.
Notice Period : Six Months.
Severance fees : Not Applicable.
Stock options : Not Applicable.

(5) Stakeholders Relationship Committee:

Stakeholders Relationship Committee has been re-constituted as per the provision of the Companies Act, 2013 w.e.f. 18.04.2014 and Dr. Anil Kakodkar is the Chairman of the Committee. It comprises of 3 Non-Executive Directors namely Mr. Chakor L. Doshi, Dr. Anil Kakodkar and Mr. Dilip J Thakkar. The composition of the Committee meets the requirement of the Clause 49 of the Listing Agreement. Mr. G. S. Agrawal, Vice President (Legal & Taxation) & Company Secretary acts as a Secretary of the Committee. The Committee is authorised to redress the Shareholder's and Investor's Complaints.

During the financial year 2013-2014, 37 complaints were received from shareholders and were resolved as per details given hereunder :

Sr. No	Nature of query / Complaint	Pending as on 01.10.13	Received during the year	Redressed during the year	Pending as on 30.09.14
1	Non Receipt of Dividend / Interest/ Redemption Warrant	-	32	32	-
2	Non Receipt of Annual Report	-	4	4	-
3	Non Receipt of Bonus Certificate(s)	-	1	1	-
	TOTAL	-	37	37	-

Attendance of Directors at the Stakeholders Relationship Committee Meeting held during the financial year are as under :-

Name of Director	No. of Meeting held	No. of Meeting attended
Dr. Anil Kakodkar	1	1
Mr. Dilip J. Thakkar	1	1
Mr. Chakor L. Doshi	1	1

During the year under review, one Stakeholders Relationship Committee Meeting was held on 27.11.2013. The necessary quorum was present at the meeting. Mr. G. S. Agrawal, Vice President (Legal & Taxation) & Company Secretary attended the meeting as Secretary of the Committee.

(6) Share Transfer Matters:

In order to ensure prompt service to Shareholders, the Board of Directors has given authority to Managing Director & CEO and Managing Director of the Company together with Link Intime India Pvt. Ltd., the Registrar & Share Transfer Agent of the Company to approve matters concerning share transfer / transmission, consolidation of shares etc. and all other functions as delegated to Stakeholders Relationship Committee except replacement of lost / stolen / mutilated share certificates which is only approved by the Board of Directors of the Company.

In addition to above committees, the Board has constituted five more committees namely; Finance Committee, Corporate Social Responsibility Committee, Allotment Committee, Committee of Directors for Capital Issue and Corporate Strategic Planning Committee. The composition, functions and attendance of members of the Committees are listed below:

(7) Finance Committee:

The Board of Directors formed Finance Committee to consider and approve borrowing proposals referred / delegated to it by the Board. During the financial year 2010-2011, the powers and responsibilities of Finance Committee were extended in respect of (i) Opening of new Bank Accounts and/or Closure of the Bank Accounts; (ii) Authorizing executives of the company to operate the bank accounts; (iii) Revision in Authorized Signatories to operate existing Bank Accounts of the company; (iv) Availing Internet Banking facilities including e-commerce and/or closure of Internet banking facilities, authorizing executives of the company to operate the said facilities and revision in authorized signatories for operating the said facilities; (v) Authorizing executives of the Company for dealing in Forward Contracts on behalf of the Company and authorize the executives for executing the documents under Common Seal of the Company for availing the said facilities, from time to time. The Committee comprises of three Directors viz. Mr. Chakor L. Doshi, Mr. Dilip J. Thakkar and Mr. G. N. Bajpai. Mr. Dilip J. Thakkar is the Chairman of the Committee. During the financial year 2013-14 under review, five meetings of Finance Committee were held on 19.11.2013, 28.01.2014, 30.04.2014, 11.08.2014 and 25.09.2014.

Attendance of Directors at the Finance Committee Meeting held during the financial year are as under:

Name of Director	No. of Meetings held	No. of Meetings attended
Mr. Dilip J. Thakkar	5	5
Mr. G. N. Bajpai	5	5
Mr. Chakor L. Doshi	5	5

Mr. G. S. Agrawal, Vice President (Legal & Taxation) & Company Secretary attended the meetings as Secretary of the Committee.

(8) Corporate Social Responsibility Committee:

During the Year 2013-2014, the Board has constituted a CSR Committee with the following terms of reference:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
- To recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- To monitor the Corporate Social Responsibility Policy of the company from time to time.

The members of the CSR Committee are Mrs. Bhavna Doshi, Mr. G. K. Pillai and Mr. Chirag C. Doshi. Mrs. Bhavna Doshi is the Chairperson of the Committee.

During the year under review, one CSR Committee Meeting was held on 09.08.2014.

Attendance of Directors at the Corporate Social Responsibility Committee Meeting held during the financial year are as under:

Name of Director	No. of Meetings held	No. of Meetings attended
Mrs. Bhavna Doshi	1	1
Mr. G. K. Pillai	1	1
Mr. Chirag C. Doshi	1	1

(9) Allotment Committee:

The Board of Directors constituted Allotment Committee for the purpose of allotment of equity shares on conversion of warrants to specified allottees as approved by the shareholders by passing Special Resolution.

The Committee comprises of three Directors viz. Mr. Dilip J. Thakkar, Mr. G. N. Bajpai and Mr. Chakor L. Doshi. Mr. Dilip J. Thakkar is Chairman of the Committee. During the financial year 2013-14 under review, no meeting of the Allotment Committee was held.

(10) Committee of Directors for Capital Issue:

The Board of Directors had constituted 'Committee of Directors for Capital Issue' ('Committee') with regard to create, offer, issue and allot in one or more tranche(s), in one or more foreign markets or domestic markets, to persons and entities whether such persons and/or entities are shareholders of the Company or not, including to Qualified Institutional Buyers, as defined in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as may be amended from time to time, ("SEBI Regulations"), (collectively "Investors").

It comprises of three Directors viz. Mr. Chakor L. Doshi, Mr. Dilip J. Thakkar and Mr. G. N. Bajpai. Mr. G. N. Bajpai is the Chairman of the Committee. During the financial year 2013-14 under review, no meeting of the Committee of Directors for Capital Issue was held.

(11) Corporate Strategic Planning Committee:

The Board of Directors had constituted 'Corporate Strategic Planning Committee' for overseeing and facilitating the development and implementation of the Company's corporate strategy including Long and Short term plans.

It comprises of Four Directors viz. Dr. Anil Kakodkar, Mr. G. N. Bajpai, Mr. Chakor L. Doshi and Mr. Chirag C. Doshi. Dr. Anil Kakodkar is Chairman of the Committee. During the financial year 2013-14 under review, no meeting of the Corporate Strategic Planning Committee was held.

(12) General Body meetings:

i. Location and time, where last three AGMs held.

Year	Venue	Date	Time
2010-2011	Walchand Hirachand Hall, IMC Building, Churchgate, Mumbai – 400 020	09.02.2012	04.00 p.m.
2011-2012	Walchand Hirachand Hall, IMC Building, Churchgate, Mumbai – 400 020	31.01.2013	04.00 p.m.
2012-2013	Walchand Hirachand Hall, IMC Building, Churchgate, Mumbai – 400 020	28.01.2014	03.30 p.m.

ii. Location and time, where Extra Ordinary General Meetings were held in last three years - No extra ordinary General Meeting was held during the last 3 Years period.

iii. (A) Special resolutions passed in the previous three AGMs:

- 2011-2012
 - a) Resolution Number 7, Resolution under Section 198,269,309,310,311 read with Schedule XIII to accord consent of the Shareholders of the Company for the appointment of Mr. G. K. Pillai as Managing Director & Chief Executive Officer of the Company.
 - b) Resolution Number 8, Resolution under Section 314(1B) of the Companies Act, 1956 to accord consent of the shareholders of the Company to Mrs. Tanaz C. Doshi to hold and continue to hold an office or place of Profit in the Company with the designation as Special Executive.
 - c) Resolution Number 9, Resolution under Section 314(1B) of the Companies Act, 1956 to accord consent of the shareholders of the Company to Mrs. Champa C. Doshi to hold and continue to hold an office or place of Profit in the Company with the designation as Special Executive (Corporate Affairs).
 - d) Resolution Number 10, Resolution under Section 198,269,309,310,311 read with Schedule XIII to accord consent of the Shareholders of the Company for the re-appointment of Mr. Chirag C. Doshi as Managing Director of the Company.
- 2012-2013
 - a) Resolution Number 9, Resolution to accord consent of the Shareholders of the Company for waiver of excess remuneration paid to Mr. Chirag C. Doshi, Managing Director of the Company for F.Y. 2012-13 in case of loss or inadequate profit during the year.
 - b) Resolution Number 10, Resolution to accord consent of the Shareholders of the Company for the payment of Minimum Remuneration to Mr. Chirag C. Doshi, Managing Director of the Company in case of loss or inadequate profit during the term of his appointment commencing from 1st October, 2013 till 24th November, 2017.

All resolutions including special resolutions were passed by the members of the Company. No postal Ballots were used for voting at these meetings.

(B) Special resolutions passed through Postal Ballot:

The Company sent Postal Ballot notice dated May 08, 2014 to the members seeking their approval through postal ballot for passing the following resolutions:

Resolution No 1 : To authorise the Board of Directors to borrow up to Rs 800 Crores (Rupees Eight Hundred Crores Only) over and above the paid-up share capital and free reserves.

Resolution No 2 : To authorise the Company to renew the Consultancy Contract with Mr. Chakor L. Doshi.

M/s. V. N. Deodhar & Co., Company Secretaries were appointed as the Scrutinizer for conducting the postal ballot process. Accordingly, the postal ballot was conducted by the Scrutinizer and a report was submitted to the Chairman.

Mr. Chakor L. Doshi, Chairman announced the postal ballot result on June 24, 2014 at the Registered Office of the Company that both the Special Resolutions No. 1 and 2 were duly approved by the Shareholders with requisite majority.

(13) Disclosures:

- i) *Disclosure on materially significant related party transactions i.e. transactions of the Company of material nature with its Promoters, Directors or the Management, their Subsidiaries or Relatives, etc. that may have potential conflict with the interests of the Company at large:*

The Audit Committee and the Board consider periodically the statement of related party transactions with details together with the basis at their meetings and grant their approval. However, these transactions are not likely to have any conflict with the interest of the Company.

As required by the Accounting Standards AS-18, the details of related party transactions are given in Note No. 30 to the notes on financial statements for the year ended September 30, 2014, forming part of Accounts.

ii) *Management Disclosures :*

The Senior Management personnel have made disclosures to the Board relating to all material financial and commercial transactions, if any, where they may have personal interest that may have a potential conflict with the interest of the Company at large. Based on the disclosures received, none of the Senior Management personnel has entered into any such transactions during the year.

iii) *Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchanges or SEBI, or any Statutory Authorities, on any matter related to Capital markets during last three years:*

None.

iv) *Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause.*

The Company has complied with all the mandatory requirements on the Corporate Governance as specified in Annexure ID to the Clause 49 of the Listing Agreement with the Stock Exchanges and the Company has also fulfilled the following non-mandatory requirements as prescribed in Annexure ID to the Clause 49 of the Listing Agreement with the Stock Exchanges:

1. **Chairman of the Board:**

The Chairman's Office with required facilities is provided and maintained at Company's expense for use by its Non-Executive Chairman.

2. **Other Committees:**

The Company has constituted 6 more committees viz. Nomination & Remuneration Committee, Finance Committee, Corporate Social Responsibility Committee, Allotment Committee, Committee of Directors for Capital Issue and Corporate Strategic Planning Committee of the Board of Directors of the Company.

v) *Corporate Identity Number (CIN)*

The Corporate Identity Number of the Company allotted by the Ministry of Corporate Affairs, Government of India is L74999MH1908PLC000291.

vi) *Compliance Certificate from Auditors on Corporate Governance*

Certificate from Statutory auditors M/s. K. S. Aiyar & Co, Chartered Accountants confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed to this Report.

vii) *Reconciliation of Share Capital Audit report (formerly known as Secretarial Audit Report) and Certificate of Compliance with Clause 47(c) of the Listing Agreement*

The SEBI vide Circular No. CIR/MRD/DP/30/2010 dated 6th September, 2010 has modified the terminology of 'Secretarial Audit', as '**Reconciliation of Share Capital Audit**'. A qualified Practicing Company Secretary has carried out secretarial audit to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and total issued and listed capital. The 'Reconciliation of Share Capital Audit' (formerly known as Secretarial Audit Report) confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of Dematerialized shares held with NSDL and CDSL. The audit is carried out by M/s. V. N. Deodhar & Co., Practicing Company Secretaries every quarter and report thereon is submitted to the Stock Exchanges along with half yearly Compliance Certificate as per Clause 47(c) of the Listing Agreement and placed before the Board of Directors.

viii) *Risk Management Framework:*

The Company has laid down procedures to apprise the Board of Directors regarding key risk assessment and risk mitigation mechanisms and the same has been reviewed periodically to ensure that executive management control risk through means of a properly defined framework.

ix) *Proceeds from Public Issues, rights issues, preferential issues etc.:*

During the financial year 2007-08, the Company had converted 8,00,000 convertible warrants issued on preferential basis. The Company has received entire amount of ₹ 5,072 Lakhs on conversion of the warrants into equity shares. The Company has utilized ₹ 1,516 Lakhs for capital expenditure and the balance amount ₹ 3,556 Lakhs for Working Capital.

(14) Means of Communication:

The Company recognizes the importance of two way communication with shareholders and of giving a balanced reporting of results and progress and responds to questions and issues raised in timely and consistent manner. Shareholders seeking information may contact the Company directly throughout the year.

- i) Quarterly, Half Yearly and Annual Results are published in All India Edition of Financial Express in English & Mumbai Lakshadeep in Marathi News papers from Mumbai.
- ii) The quarterly, half yearly and annual results and shareholding pattern are also posted on the website of the Company (www.walchand.com). The Shareholding Pattern, Corporate Governance Report, Quarterly, Half Yearly and Annual Results and such other compliances are also filed electronically on NSE Electronic Application Processing System (NEAPS), web based application designed for corporate at <https://www.connect2nse.com/LISTING/> and on BSE Online Portal - BSE Corporate Compliance & Listing Centre (the "Listing Centre") at <http://listing.bseindia.com/>.
- iii) Green Initiative:

In support of the "Green Initiative" undertaken by Ministry of Corporate Affairs, the Company had during the year 2013-14 sent various communications including the Annual Report for F.Y. 2012-13, intimation of dividend for the year ending 30th September, 2013, postal Ballot by email to those shareholders whose email addresses were made available to the depositories or the Registrar and Transfer Agents. Physical copies were sent to only those shareholders whose email addresses were not available and for the bounced email cases and who have specifically requested for the same.

As a responsible citizen, your Company strongly urges you to support the Green Initiative by registering/updating your email addresses with the Depositories Participants or the Registrar and Transfer Agents for receiving soft copies of various communications including the Annual Reports.

- iv) The Company has designated investors@walchand.com as an email id for the purpose of registering complaints by investors and displayed the same on the Company's website.
- v) "Management Discussion and Analysis" is given as Annexure 'A' to the Directors' Report.
- vi) No presentations were made to institutional investors or to the analysts during the year.
- vii) SCORES is a system implemented by SEBI which enables investors to lodge their complaints electronically on the SEBI website. The investor complaints are processed in a centralized web based complaints redressal system. The salient features of this system are Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

(15) General Shareholder information:

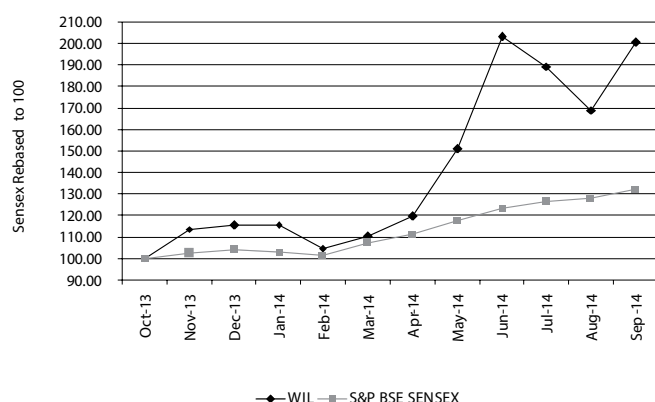
- i) AGM : Date, Time & Venue : February 13, 2015 at 04:00 p.m. Walchand Hirachand Hall, Indian Merchants' Chambers Building, Churchgate, Mumbai – 400 020
- ii) Financial Calendar : The Company follows October to September as its Financial Year. The results for every quarter beginning from October are declared within 45 days from the end of the quarter except for the last quarter, for which Annual Audited Results are declared within the period of 60 days from the end of the quarter as per Clause 41 under the Listing Agreement.
- iii) Date of Book Closure : February 07, 2015 to February 13, 2015 (Both days inclusive)
- iv) Dividend payment date : February 25, 2015
- v) Listing on Stock Exchanges : BSE Ltd. & National Stock Exchange of India Ltd. The Listing fees for the year 2014-2015 have been paid to both the Stock Exchanges.
- vi) Stock Code : 507410 (BSE) and WALCHANNAG (NSE)
- vii) Market Price Data : High, Low : BSE/NSE
during each month in last financial year

(Amount in ₹)

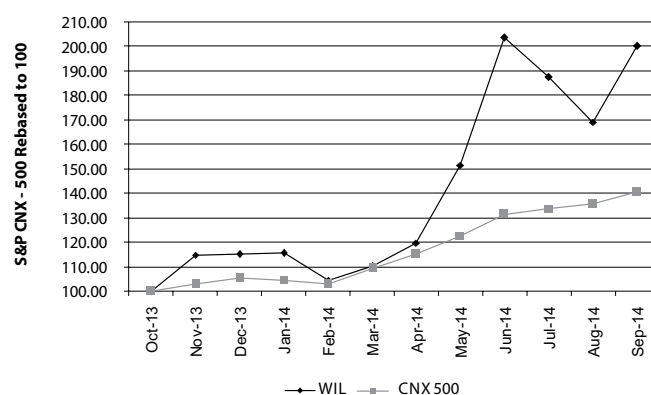
Month	BSE		S&P BSE SENSEX	NSE		CNX-500
	High	Low	Closing	High	Low	Closing
Oct-13	62.55	47.00	21164.52	62.75	46.70	4,804.85
Nov-13	67.35	57.00	20791.93	67.50	58.20	4,770.10
Dec-13	68.90	57.50	21170.68	69.10	57.10	4,914.85
Jan-14	71.25	55.00	20513.85	71.50	55.15	4,709.15
Feb-14	60.90	53.60	21120.12	60.90	53.65	4,849.50
Mar-14	63.75	57.00	22386.27	63.65	57.00	5,224.85
Apr-14	70.55	60.60	22417.80	70.50	60.55	5,255.65
May-14	104.90	60.55	24217.34	104.85	61.15	5,802.85
Jun-14	122.50	100.00	25413.78	123.00	100.00	6,174.20
Jul-14	117.00	90.30	25894.97	115.50	89.85	6,194.45
Aug-14	102.00	83.00	26638.11	102.25	83.00	6,360.75
Sep-14	124.45	95.00	26630.51	124.20	95.10	6,415.70

- viii) Performance in comparison to BSE : The Chart shows the performance of the Company's Shares at BSE and NSE as compared to S & P BSE SENSEX and CNX - 500 during the year 2013-2014 :

WIL VS S&P BSE SENSEX (OCT.01, 2013 TO SEP.30, 2014)



WIL Vs CNX - 500 (OCT. 01, 2013 TO SEP. 30, 2014)



- ix) Registrar and Transfer Agents

: M/s. Link Intime India Pvt. Ltd.
Unit: Walchandnagar Industries Ltd.
C-13, Pannalal Silk Mills Compound, L.B.S. Marg,
Bhandup (W), Mumbai 400 078
Ph. No. (022) 25946970-80
Fax No. (022) 25946969
e-mail id: rnt.helpdesk@linkintime.co.in

- x) Share Transfer System

: Shareholders are permitted to hold shares in Physical form or in Demat Form. In case of shares held in Physical form, shareholders are informed to lodge the shares for transfer purpose to the Registrars and Share Transfer Agents and the Company is taking care to ensure that share transfer work gets completed as early as possible and not later than 15 days period. The transfers are being approved once in a week. In case the shares are transferred through Demat mode, the procedure is adopted as stated in Depositories Act, 1996.

- xi) (a) Shareholding Pattern as on :
September 30, 2014

Category	No. of Shares	%
Promoters & Directors, Directors Relatives/HUF & Group Companies/ Group Trusts	20,938,613	55.00
Mutual Funds & Unit Trust of India	543,765	1.43
Banks, Financial Institutions, State Government	230,898	0.61
Insurance Companies	1,379,988	3.62
Bodies Corporate & Clearing Members	1,958,741	5.15
NRI/OCB/FII/FN	328,223	0.86
Public (Resident Indians / Trusts)	12,689,977	33.33
Total	38,070,205	100.00

- (b) Distribution of shareholding as :
on September 30, 2014

Shareholding of nominal value of ₹	Number of Shareholders	% to Total	Amount in ₹	% to Total
1 to 5000	73,001	98.9992	18,929,532	24.8613
5001 to 10000	442	0.5994	3,244,514	4.2612
10001 to 20000	163	0.2210	2,410,804	3.1663
20001 to 30000	54	0.0732	1,358,884	1.7847
30001 to 40000	21	0.0285	745,746	0.9794
40001 to 50000	13	0.0176	592,276	0.7779
50001 to 100000	28	0.0380	1,936,036	2.5427
100001 onwards	17	0.0231	46,922,618	61.6264
TOTAL	73,739	100.00	76,140,410	100.00

- xii) Dematerialization of Shares and Liquidity

: As stated earlier, the Company's shares are listed on the Stock Exchanges. As per the SEBI notifications, trading in Company's shares has been made compulsorily in Dematerialised form w.e.f. 26th December, 2000 and Company's Registrar & Transfer Agents have connectivity with NSDL & CDSL. The ISIN No. is INE711A01022. As on September 30, 2014, 36,867,819 equity shares representing 96.84% of the total shares have been Dematerialised. The members holding shares in physical form are requested to get the shares converted into demat form as per the prescribed procedure. The shares of the Company are traded in the "B" group.

- xiii) National ECS Facility

: As per RBI notification, with effect from October 1, 2009 the remittance of money through ECS is replaced by National Electronic Clearing Services (NECS) and banks have been instructed to move to the NECS platform.

NECS essentially operates on the new and unique bank account number, allotted by banks post implementation of Core Banking Solution (CBS) for centralized processing of inward instructions and efficiency in handling bulk transaction.

In this regard, shareholders holding shares in electronic form are requested to furnish the new 10-digit Bank Account Number allotted to you by your bank along with photocopy of a cheque pertaining to the concerned account, to your Depository Participant (DP). Please send these details to the Company/ Registrars, if the shares are held in physical form, immediately.

If your bank particulars have changed for any reason, please arrange to register the NECS with the revised bank particulars.

The Company will use the NECS mandate for remittance of dividend either through NECS or other electronic modes failing which the bank details available with Depository Participant will be printed on the dividend warrant. All the arrangements are subject to RBI guidelines, issued from time to time.

- xiv) Unclaimed Dividends : Under the Companies Act, 1956, Dividends that are unclaimed for a period of seven years is required to be transferred to the Investor Education and Protection Fund administered by the Central Government. After completion of seven years, no claims shall lie against the said Fund or the Company for the amounts of Dividend so transferred nor shall any payment be made in respect of such claims.
- Separate intimation has been given in the notice convening 106th Annual General Meeting, a part of this 106th Annual Report. Members are requested to utilize this opportunity and get in touch with Company's Registrar and Share Transfer Agent, M/s. Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai – 400 078 for encashing the unclaimed Dividend for the financial year 2006-2007 and for subsequent years standing to the credit of their account.
- The details of Unclaimed amount of Dividend/matured Fixed Deposit/matured Interest on Fixed Deposit are now available on the website of the Company.
- xv) Unclaimed Equity Shares : SEBI has amended Clause 5A of the Listing Agreement to provide that shares held physically which may have remained unclaimed by shareholders due to insufficient/incorrect information or for any other reason should be transferred in demat mode to one folio in the name of "Unclaimed Suspense Account" with one of the Depository Participants. The Company has sent three reminders as required in the Clause 5A to the concerned shareholders and separate bank Account opened and is taking steps to transfer the unclaimed shares into Unclaimed Suspense Account.
- xvi) Outstanding GDRs / ADRs / Warrants or any other Convertible Instruments, Conversion date and likely impact on equity : No instrument is outstanding for allotment or conversion.
- xvii) Plant Locations : The Company currently has 3 plants located as follows
1. Walchandnagar, Dist. Pune, Maharashtra
 2. Satara Road, Dist. Satara, Maharashtra
 3. Attikola Dharwad, Karnataka
- xviii) Address for correspondence
- a) For Correspondence relating to shares : Link Intime India Pvt.Ltd.
Unit: Walchandnagar Industries Ltd.,
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W), Mumbai 400 078
Ph.No. (022) 25946970-80
Fax No.(022) 25946969
Email : rnt.helpdesk@linkintime.co.in
- b) For other matters (At Company's registered Office) : Walchandnagar Industries Ltd.
3, Walchand Terraces
Tardeo Road, Mumbai 400 034
Tel: 022 40287104 / 110
Fax: 022 23634527
Email: investors@walchand.com; gsagrawal@walchand.com
- xix) Company Website : The Company has its website namely www.walchand.com. The website provides detailed information about the Company, its products and services offered, locations of its corporate offices and various sales offices etc. The Quarterly Results, Annual Reports and Shareholding patterns are updated on the website of the Company.
- xx) Prevention of Insider Trading : In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations 1992, the Company has instituted a comprehensive Code of Conduct for Prohibition of Insider Trading in the Company's Shares.

DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

Compliance of Code of Conduct for Directors and Senior Management Personnel pursuant to amended provision of Clause 49 of the Listing Agreement.

The Board laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company on 1st March, 2005 and the same has been revised in the Board Meeting held on August 11, 2014. The Code of Conduct was also posted on the Website of the Company.

All the Board Members and Senior Management Personnel affirmed that they have complied with the said Code of Conduct on an annual basis in respect of the Financial Year ended September 30, 2014.

Date: November 29, 2014

G. K. Pillai
Managing Director & CEO

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of

Walchandnagar Industries Limited

We have examined the compliance of conditions of Corporate Governance by Walchandnagar Industries Limited, for the year ended September 30, 2014 as stipulated in Clause 49 of Listing Agreement with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For K. S. Aiyar & Co.
Chartered Accountants
FRN 100186W
Satish K. Kelkar
Partner
Membership No. 38934

Place : Mumbai
Dated : November 29, 2014

CERTIFICATE BY CHIEF EXECUTIVE OFFICER / CHIEF FINANCIAL OFFICER IN TERMS OF CLAUSES 49 OF THE LISTING AGREEMENT

In terms of Clause 49 of the Listing Agreement, it is certified as under that:

- (a) We have reviewed financial statements and cash flow statements for the Year ended 30th September, 2014 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
 - (i) significant changes in internal control during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

This Certificate is given by the undersigned with full knowledge that on its faith and strength, full reliance is placed by the Board of Directors of the Company.

G. K. Pillai
Managing Director & C.E.O.

Hiren Buch
Chief Financial Officer

Place: Mumbai
Date : 29th November, 2014

ANNEXURE "C" TO THE DIRECTORS' REPORT (ADDITIONAL INFORMATION GIVEN IN TERMS OF NOTIFICATION NO. 1029 OF 31-12-1988 ISSUED BY THE DEPARTMENT OF COMPANY AFFAIRS)(DISCLOSURES)

(A) CONSERVATION OF ENERGY

- (a) Energy Conservation measures taken:
- (1) Replacement of 400W HPVV lamps with 250W induction lamps and 150W LED lamps.
 - (2) Arresting Air Leakages.
 - (3) Energy audit carried out by external auditing agency.
 - (4) Providing timers for conventional machines is in progress, to save power during idling.
 - (5) Providing VFDs for blower motors is in progress to save energy.
- (b) Energy Conservation Measures Proposed:
- (1) Implementation of energy audit recommendations.
 - (2) Further continue with Replacement of Metal Halide/LED/induction lamps in place of Mercury Vapour lamps.
 - (3) Replacement of capacitor panels with Detuned capacitor panels to reduce harmonics & improve power factor.
 - (4) Further continue with providing timers for other conventional machines & VFD for blower motors.

(B) TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT

(1) Specific areas in which R&D has been carried out by the Company:

- New Product Development
- Import Substitution
- Process/Equipment Developments
- Value Engineering and Value Analysis (VEVA)

(2) Benefits derived as a result of R&D:

- Development of Drum and Bank Tube assembly for Boiler.
- Development of Economizer assembly for Boiler .
- Development of Gear Boxes for VRM.

(3) Future Plan of Action

Develop the processes for critical equipments for Defense and Nuclear jobs, for improving productivity.

Expenditure on R&D

	₹ in Lakhs
Capital (Development Expenditure)	16.85
Recurring	11.99
Total	28.84
Total R&D Expenditure	
Percentage to turnover	0.045

(4) Imported technology (imported during last 5 years reckoned from the beginning of the financial year):

- (i) (a) Kawasaki Heavy Industries Ltd. Tokyo, Japan
- (b) Year of collaboration : 2010-11
- (c) We have already started getting enquiries for air supported Belt Conveyors and Parts thereof.
- (ii) (a) Earthtechnica Co.Ltd. Tokyo, Japan.
- (b) Year of Collaboration : 2011-12
- (c) We have already started getting enquires for super breaker for lime stone crushing and parts thereof.

(5) Technology absorption, adaptation and innovations:

- (1) Efforts in brief made towards technology absorptions:
 - Continuous monitoring of technology trends.
 - Continuous interaction & exchange of information.
 - Deputing engineers abroad for interaction & exchange of information.
 - Development efforts for technology adaptations in new Areas.
- (2) Benefits derived as a result of above efforts:
 - Improvement in manufacturing methods and quality standards.
 - Enhancing engineering skills.
 - Development of energy efficient, cost effective & high performance engineering products.

(C) FOREIGN EXCHANGE EARNING AND OUTGO

Foreign exchange used and earned:

Earning in Foreign Exchange	₹ 8708.97 Lakhs
Foreign Exchange Outgo	₹ 1099.66 Lakhs

INDEPENDENT AUDITORS' REPORT

To the Members of Walchandnagar Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Walchandnagar Industries Limited** ("the Company"), which comprise the Balance Sheet as at September 30, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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") which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud and 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at September 30, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 and proper returns adequate for the purpose of our audit have been received from divisions at Zambia and Ethiopia not visited by us. The divisions' overseas Auditors' Reports have been forwarded to us and appropriately dealt with;
 - (c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the audited returns from the divisions at Zambia and Ethiopia;
 - (d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
 - (e) on the basis of written representations received from the directors as on September 30, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on September 30, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **K. S. Aiyar & Co.,**
Chartered Accountants
Firm's Registration No.: 100186W

Satish K. Kelkar
Partner

Place: Mumbai
Date: November 29, 2014

Membership No.: 38934

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Report of even date on the financial statements for the year ended September 30, 2014 of Walchandnagar Industries Limited)

- (i) In respect of its fixed assets :
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The Company has a programme for physical verification of the fixed assets, which in our opinion is reasonable having regard to the nature of the business. Accordingly, the fixed assets have been physically verified by the Management at the end of the year and no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year were not substantial. According to the information and explanations given to us, we are of the opinion that the disposal of the Fixed Assets has not affected the going concern status of the Company.
- (ii) In respect of its inventories :
 - (a) The Management has conducted physical verification of the inventory at reasonable intervals other than material lying with sub-contractors, which have been confirmed by majority of them.
 - (b) The procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company has maintained proper records of inventory and no material discrepancies were noticed on physical verification as compared to the book records.
- (iii) The Company has not granted/ taken any secured or unsecured loans to/ from companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956. Therefore, sub-clauses (b), (c), (d), (e), (f) and (g) of clause (iii) of the said Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to the purchase of inventories and fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under section 301 of the Companies Act, 1956 and exceeding the value of ₹ 5 Lakhs in respect of any party during the year have been made at price which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 58A and 58AA and any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. As informed to us, no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any other court or any other tribunal.
- (vii) In our opinion, Company has an internal audit system commensurate with size and nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(1) (d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess and other material statutory dues applicable to it.

According to the information and explanations given to us, there are no undisputed outstanding dues in respect of the above items in arrears as at September 30, 2014 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the disputed statutory dues on accounts

ANNEXURE TO THE AUDITORS' REPORT

of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty, Municipal Tax and Cess that have not been deposited on account of matters pending before appropriate authority are as follows:

Name of the Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Denial of exemption availed under notification No. 6/2002, for supply of biomass based boilers.	266.19 (Net of CENVAT reversal and payment)	March, 2000 to March, 2004	CESTAT, Mumbai
Central Excise Act, 1944	Excise duty demand on bought out items supplied for centrifugals, which have already suffered duty at manufacturers end.	82.73 (Net of CENVAT reversal and payments)	June, 1983 to April, 2005	Supreme Court
Maharashtra Land Revenue Code	NA Tax (₹ 20 Lakhs paid under protest)	86.61	1982 to 2003	Collector of Pune
	NA Tax	16.18	1982 to 2003	SDO, Baramati
	NA Tax	58.58	1994 to 2003	SDO, Baramati
Pune Municipal Corporation	Municipal Taxes – Determination of Annual Rateable Value	325.07	2008-09 to 2011-12	Court of Small Causes, Pune
Central Sales Tax Act, 1956	The exemption from tax for transit sale under section 6(2) (b) is denied. (₹ 30 Lakhs paid under protest).	159.83	2005-06	Joint Commissioner of Sales Tax (Appeal), Pune

Name of the Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Service Tax	Demand on value addition of bought out items. (₹ 28.76 Lakhs paid under protest).	362.65	2006-10	CESTAT, Kolkata
Employees Provident Fund	EPF – Demand from EPF authorities	50.68	2006-07	Mumbai High Court
Central Excise Act, 1944	Excise Duty on bought out components supplied for Centrifugals	2.47	Sept-09 to Jan-11	CESTAT, Mumbai

- (x) The Company does not have any accumulated losses as at the end of the financial year. The Company has incurred cash losses in the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to the financial institutions or banks or debenture holders during the year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

ANNEXURE TO THE AUDITORS' REPORT

- (xvi) In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purposes for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that funds raised on short-term basis have not been used for long-term investment.
- (xviii) According to the information and explanations given to us, during the period covered by our audit report, the Company has not made any preferential allotment of shares to the parties and companies covered under the register maintained under section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the Company has not issued any debentures.
- (xx) According to the information and explanations given to us, during the period covered by our audit report, the Company has not raised any money by public issue.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **K. S. Aiyar & Co.,**
Chartered Accountants
Firm's Registration No.: 100186W

Place: Mumbai
Date: November 29, 2014

Satish K. Kelkar
Partner
Membership No.: 38934

BALANCE SHEET AS AT SEPTEMBER 30, 2014

	Note No.	As at September 30, 2014	₹ in Lakhs As at September 30, 2013
I EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
(a) Share Capital	2	761.40	761.40
(b) Reserves and Surplus	3	66,273.50	69,881.57
		67,034.90	70,642.97
NON-CURRENT LIABILITIES			
(a) Long-Term Borrowings	4	7,506.61	10.79
(b) Other Long Term Liabilities	6	8,549.42	8,518.91
(c) Long Term Provisions	7	556.16	409.75
		16,612.19	8,939.45
CURRENT LIABILITIES			
(a) Short-Term Borrowings	8	27,519.28	23,573.67
(b) Trade Payables	9	20,562.14	27,199.16
(c) Other Current Liabilities	10	29,391.29	26,754.44
(d) Short Term Provisions	7	385.99	1,485.85
		77,858.70	79,013.12
TOTAL		161,505.79	158,595.54
II ASSETS			
NON-CURRENT ASSETS			
(a) Fixed Assets:			
(I) Tangible Assets	11	61,409.81	63,384.76
(II) Intangible Assets	11	293.95	440.87
(III) Capital Work-in-Progress	11	438.96	2,041.29
(IV) Intangible Assets under Development	11	—	—
		62,142.72	65,866.92
(b) Non-Current Investments	12	519.87	1,022.38
(c) Deferred Tax Assets (Net)	5	1,901.01	1,901.01
(d) Non-Current Trade Receivables	14.1	1,154.07	2,378.37
(e) Long-Term Loans and Advances	13	2,304.15	343.65
(f) Other Non-Current Assets	14.2	137.00	137.00
		6,016.10	5,782.41
CURRENT ASSETS			
(a) Current Investments	15	1,933.69	2,069.20
(b) Inventories	16	27,475.74	26,267.33
(c) Contracts-in-Progress	18.1	4,317.01	—
(d) Trade Receivables	14.1	40,469.84	41,721.58
(e) Cash and Bank Balances	17	4,685.57	1,226.52
(f) Short-Term Loans and Advances	13	12,909.09	13,890.78
(g) Other Current Assets	14.2	1,556.03	1,770.80
		93,346.97	86,946.21
TOTAL		161,505.79	158,595.54
Significant Accounting Policies	1		
Other Notes to Accounts	2 - 35		

As per our report attached

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

Satish K. Kelkar
Partner
Membership No: 38934

Date : November 29, 2014
Place : Mumbai

Hiren Buch
Chief Financial Officer

G. S. Agrawal
Vice President (Legal & Taxation) &
Company Secretary

G. K. Pillai
Managing Director & C.E.O.

Chirag C. Doshi
Managing Director

Chakor L. Doshi
Chairman

Dilip J. Thakkar
Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED SEPTEMBER 30, 2014

		₹ in Lakhs	
	Note No.	Year ended September 30, 2014	Year ended September 30, 2013
I			
Revenue from Operations	18	65,763.74	74,650.32
Less: Excise Duty		1,940.64	1,998.97
		63,823.10	72,651.35
II	19	784.97	563.35
Other Income			
III TOTAL REVENUE (I +II)		64,608.07	73,214.70
IV			
Expenditure :			
Cost of Materials Consumed	20	31,548.05	42,185.81
Sub-contracting Expenses, Processing Charges and Other Direct Costs	21	14,370.58	14,757.32
Changes in inventories of finished goods and work-in-progress	22	(35.72)	(234.83)
Employees Benefits Expenses	23	9,243.19	9,647.03
Finance Costs	24	4,798.89	4,075.98
Depreciation and Amortisation Expenses	25	1,725.49	1,815.38
Other Expenses	26	7,044.04	7,426.87
Exchange Currency Fluctuation (Gain)/ Loss		217.54	1,292.96
TOTAL EXPENSES		68,912.06	80,966.52
V PROFIT/ (LOSS) BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (III - IV)		(4,303.99)	(7,751.82)
VI	27	2,445.36	4,174.54
Exceptional Items			
VII PROFIT/ (LOSS) BEFORE EXTRAORDINARY ITEMS AND TAX (V - VI)		(1,858.63)	(3,577.28)
VIII		—	—
Extraordinary Items			
IX PROFIT/ (LOSS) BEFORE TAX (VII - VIII)		(1,858.63)	(3,577.28)
X			
Tax expense:			
(1) Current tax		—	—
(2) Tax for earlier years	28	(622.00)	2,489.00
(3) Deferred tax (asset)/ liability		—	(2,238.11)
		(622.00)	250.89
XI PROFIT/ (LOSS) FOR THE YEAR (IX -X)		(1,236.63)	(3,828.17)
XII EARNINGS PER EQUITY SHARE OF FACE VALUE OF ₹ 2 EACH			
(1) Basic	29	(3.25)	(10.06)
(2) Diluted	29	(3.25)	(10.06)

As per our report attached

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

Satish K. Kelkar
Partner
Membership No: 38934

Date : November 29, 2014
Place : Mumbai

Hiren Buch
Chief Financial Officer

G. S. Agrawal
Vice President (Legal & Taxation) &
Company Secretary

G. K. Pillai
Managing Director & C.E.O.

Chirag C. Doshi
Managing Director

Chakor L. Doshi
Chairman

Dilip J. Thakkar
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED SEPTEMBER 30, 2014

		For the Year ended September 30, 2014	₹ in Lakhs For the Year ended September 30, 2013
A CASH FLOW FROM OPERATING ACTIVITIES			
PROFIT/ (LOSS) BEFORE TAX		(1,858.63)	(3,577.28)
Add:			
Finance Costs		4,798.89	4,075.98
Depreciation and Amortisation Expenses		1,725.49	1,815.38
Amortisation of Foreign Currency Monetary Items Translation			
Difference account		226.74	—
Provision for Diminution in value of Non-current Investments		—	101.62
		<u>6,751.12</u>	<u>5,992.98</u>
		<u>4,892.49</u>	<u>2,415.70</u>
Less:			
Profit / (Loss) on Non-current Investments		2,445.36	4,134.53
Profit / (Loss) on Sale of Current Investments		88.53	—
Profit / (Loss) on Sale of Asset		324.28	(2.60)
Interest/ Dividend		66.89	239.62
		<u>2,925.06</u>	<u>4,371.55</u>
		<u>1,967.43</u>	<u>(1,955.85)</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	I		
Adjustments for changes in Working Capital:			
(Increase) / Decrease in Trade and Other Receivables		(805.87)	(3,138.48)
(Increase) / Decrease in Inventories		(1,208.41)	5,172.11
Increase / (Decrease) in Trade and Other Payables		(1,486.77)	(2,584.90)
		<u>(3,501.05)</u>	<u>(551.27)</u>
CASH GENERATED FROM OPERATING ACTIVITIES	II		
Direct Taxes paid / refund received (Net)	I+II	(1,533.62)	(2,507.12)
NET CASH FLOW FROM OPERATING ACTIVITIES	A	(2,289.55)	1,269.17
		<u>(3,823.17)</u>	<u>(3,776.29)</u>
B CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Investment		(1,123.64)	(1,216.62)
Purchase of Fixed Assets		(450.01)	(539.23)
Proceeds from sale of Non-current Investments		4,071.52	4,145.10
Proceeds from sale of Current Investments (Net)		224.04	—
Proceeds from sale of Fixed Assets		347.69	41.29
Interest Received		37.18	65.37
Dividend Received		29.72	174.25
NET CASH FLOW FROM INVESTING ACTIVITIES	B	<u>3,136.50</u>	<u>2,670.16</u>
C CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from long term borrowings		7,500.00	—
Repayment of long term borrowings		(4.18)	(2,216.58)
Repayment of public deposits		(0.70)	—
Proceeds/ (Repayments) of other borrowings (Net)		1,438.18	7,131.69
Interest Paid		(4,610.32)	(4,000.28)
Dividend Paid		(177.26)	(435.97)
NET CASH FLOW FROM FINANCING ACTIVITIES	C	<u>4,145.72</u>	<u>478.86</u>
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	(A+B+C)	<u>3,459.05</u>	<u>(627.27)</u>
OPENING BALANCE OF CASH AND CASH EQUIVALENTS		<u>1,226.52</u>	<u>1,853.79</u>
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS		<u>4,685.57</u>	<u>1,226.52</u>

As per our report attached

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

Satish K. Kelkar
Partner
Membership No: 38934

Date : November 29, 2014
Place : Mumbai

Hiren Buch
Chief Financial Officer

G. S. Agrawal
Vice President (Legal & Taxation) &
Company Secretary

G. K. Pillai
Managing Director & C.E.O.

Chirag C. Doshi
Managing Director

Chakor L. Doshi
Chairman

Dilip J. Thakkar
Director

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2014

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 METHOD OF ACCOUNTING

The Company maintains its accounts under the historical cost convention, except for certain fixed assets which are revalued, on an accrual basis and complies in all material respects with Generally Accepted Accounting Principles in India. The Company has prepared these financial statements to comply in all material respects with Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and relevant provisions of the Companies Act, 1956.

1.2 USE OF ESTIMATES

The presentation of the financial statements, in conformity with the Generally Accepted Accounting Principles, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of the financial statements. The actual outcome may diverge from these estimates.

1.3 REVENUE RECOGNITION

A – Product Sales

- (a) Domestic sales of manufactured items are recognized on dispatch and are stated net of returns, discounts and rebates. Sales are recorded exclusive of sales tax.
- (b) Export sales are recognized on date of bill of lading/ airway bill and/ or passing of rights to the customer, whichever is earlier and initially recorded at the relevant exchange rates prevailing on the date of transaction;
- (c) Income on items delivered directly by suppliers/sub-contractors to the client is recognized on dispatch and receipt of suppliers'/sub-contractors' invoices;
- (d) Income on account of price variation is recognized on the acceptance of the claim by the client and on certainty of its realization.

B - Contract Revenue

- (a) In case of certain long term contracts, revenue is recognized on 'Percentage of Completion Method.' Percentage of completion is determined as a proportion of costs incurred to date to the total estimated contract costs. Contract costs include costs that relate directly to the specific contract and costs that are attributable to contract activity and allocable to the contract. Costs that cannot be attributed or allocable to contract activity are expensed as and when incurred.
- (b) When the final outcome of a contract cannot be reliably estimated, contract revenue is recognized only to the extent of costs incurred that are expected to be recoverable. Expected loss is recognized immediately when it is probable that the total estimated contract costs will exceed total contract revenue.
- (c) Variations and claims for escalation are recognized as a part of contract revenue to the extent it is probable that they will result in revenue and are capable of being reliably measured.
- (d) Difference between costs incurred plus recognized profit/less recognized losses and the amount of invoiced sales is disclosed as Contracts-in-progress.

C - Service Revenue

Revenue from services are recognized as and when the services are performed.

D – Interest and Dividend Income

- (a) Interest Income on deployment of surplus funds is recognized using the time proportion method, based on the underlying interest rates.
- (b) Dividend is accrued in the year in which it is declared whereby the right to receive is established.

E – Export Benefits

Export benefits in the form of Duty Drawback (All Industry Rate) and DEPB are recognized on accrual basis.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2014 (CONTD.)

1.4 TANGIBLE FIXED ASSETS

Fixed Assets are stated at cost, net of tax/duty credits availed less depreciation/amortization to date and impairment, if any, except in the case of certain items of land, buildings, plant and machinery and roads, water works and drainage, which are stated on the basis of the revalued cost less depreciation/ amortization to date and impairment, if any.

1.5 INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

1.6 DEPRECIATION/AMORTIZATION

- (a) Depreciation is computed on Straight Line Method on certain Buildings and Plant and Machinery, of Heavy Engineering Division and Foundry Division and all the fixed assets of Instrumentation Division, in the manner prescribed in Schedule XIV to the Companies Act, 1956.

Depreciation on the value written-up on revaluation, is calculated on straight line method over the residual technical life assessed by the valuer. Premium on leasehold land is amortized over the period of lease. Depreciation on all other fixed assets is computed on Written Down Value method in the manner prescribed in Schedule XIV to the Companies Act, 1956.

In respect of sites, which are integral foreign operations, depreciation is provided in the manner prescribed by local laws so as to write off the assets over their useful life.

- (b) Intangible assets are amortized on a Straight Line Method over the estimated useful economic life and in particular:
- i) Patents are amortized on the basis of life of Patents as specified in the Patent Documents;
 - ii) Technical Know-how is amortized in over a period of six years; and
 - iii) Computer Software, included in intangible assets, is amortized over a period of three years.
- (c) Depreciation on additions to/ deletions from the fixed assets during the year is calculated on pro-rata basis from/ to the date of addition/ deletion.

1.7 CAPITAL WORK-IN-PROGRESS (INCLUDING INTANGIBLE ASSETS UNDER DEVELOPMENT)

Projects under commissioning and other Capital Work-in-Progress (Including Intangible Assets under Development) are carried at cost, comprising direct costs and related incidental expenses.

1.8 IMPAIRMENT OF ASSETS

Impairment is ascertained at each balance sheet date in respect of Cash Generating Units. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discounting factor.

1.9 INVESTMENTS

Investments of long term nature are stated at cost less provision for diminution in value, if such decline is other than temporary. Current investments are stated at lower of cost or fair value.

1.10 EMPLOYEE BENEFITS

- (a) Short term employee benefits are those which are payable within twelve months of rendering service and are recognized as expense in the period in which the employee renders the related service.
- (b) Contributions to Provident Fund and Superannuation Fund, ESIC and Labour Welfare Fund which are defined contribution schemes are recognized as an expense in the Statement of Profit and Loss in the period in which the contribution is due.
- (c) Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial valuation using the projected unit credit method at the end of each financial year. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2014 (CONTD.)

- (d) Long term compensated absences including leave encashment are provided for on the basis of actuarial valuation. Accumulated leave, which is expected to be utilized within next twelve months, is treated as short term employee benefits. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

1.11 TAXES ON INCOME

Tax expenses comprise of current and deferred tax.

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted.

Deferred tax is recognized on timing differences between the accounting income and taxable income that originate in one period and are capable of reversal in one or more subsequent periods and is quantified using the tax rates and tax laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets (representing unabsorbed depreciation or carried forward losses) are recognized to the extent that there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

1.12 BORROWING COSTS

Borrowing costs attributable to the acquisition, construction or production of qualifying assets are capitalized as part of such asset till the time the asset is ready for its intended use or sale. All other borrowing costs are recognized as an expense in the Statement of Profit and Loss in the period in which they are incurred.

1.13 INVENTORIES

Inventories are valued after providing for obsolescence, if any, as under:

- (a) Raw materials, Components, Stores and Spares are valued at lower of cost or net realizable value. The cost includes freight inward, direct expenses, duties and taxes, other than those subsequently recoverable. In case of Heavy Engineering Division, it is arrived at on "FIFO Method" and other divisions on "Weighted Average Method".
- (b) Costs of Dies, Jigs, Tools and Patterns purchased/ manufactured are charged off in relevant year, at lower of cost or net realizable value, arrived at after providing for suitable diminution/ amortization.
- (c) Goods-in-transit are valued at costs incurred till the Balance Sheet date.
- (d) Work-in-progress is valued at lower of cost or net realizable value. The cost includes direct material, direct labour, and appropriate overheads booked on normal level of activity. The expenditure on uncompleted contracts is amortized over the period of the contract on the basis of sales booked.
- (e) Finished goods are valued at lower of cost or net realizable value. Cost includes related overheads and wherever applicable, excise duty.

1.14 FOREIGN CURRENCY TRANSLATION

- (a) Initial recognition

Foreign currency transactions are reported in the reporting currency by applying to the foreign currency amount, the exchange rate between reporting currency and the foreign currency at the date of the transaction.

- (b) Conversion

Foreign currency monetary items are re-instated using the exchange rate prevailing at the reporting date. Non-monetary items which are measured in terms of historical costs denominated in a foreign currency are reported using the exchange rate at the date of transaction. Non-monetary items which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

The financial statements of overseas sites of the company which are integral foreign operations are translated as if the transactions of the foreign operations have been those of the company itself.

- (c) Exchange differences

The Company has opted to avail the option provided under Paragraph 46A of Accounting Standard 11 – The Effects of Changes in Foreign Exchange Rates, inserted vide Notification dated December 29, 2011. Accordingly, exchange differences on long term foreign currency monetary items are being dealt with in the following manner:

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2014 (CONTD.)

Foreign exchange difference on account of a depreciable asset is adjusted in the cost of the depreciable asset, which would be depreciated over the balance life of the asset. In other cases, the foreign exchange difference is accumulated in Foreign Currency Monetary Item Translation Difference Account and amortized over the balance period of such long term asset/liability.

All other exchange differences are recognized as income or as expense in the period to which they relate.

- (d) Premium or discount on forward exchange contracts for hedging an underlying asset/ liability, is recognized in the Statement of Profit and Loss over the period of the contract.

1.15 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognized for liabilities that can be measured by using a substantial degree of estimation, if:

- (a) the Company has a present obligation as a result of past event;
- (b) a probable outflow of resources is expected to settle the obligation; and
- (c) the amount of the obligation can be reliably estimated

Contingent Assets are neither recognized nor disclosed. Contingent Liabilities are not recognized, but are disclosed in Notes to Accounts. Provisions, Contingent Liabilities and Contingent Assets are reviewed at each balance sheet date.

1.16 LEASES

Assets acquired under leases where the significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases and lease rentals are charged to the Statement of Profit and Loss on accrual basis.

1.17 SEGMENT REPORTING

The accounting policies adopted for segment reporting are in line with the accounting policies of the company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue expenses, assets and liabilities which relate to the company as a whole and are not allocable to segments on reasonable basis have been included under unallocated revenue/expenses/assets/liabilities.

Information given, is in accordance with the requirements of Accounting Standard 17 on Segment Reporting, notified under the Companies (Accounting Standards) Rules, 2006 (as amended). The Company has identified business segments as the primary segment and geographical segment as secondary segment. Segments have been identified after taking into account the nature of the products, differential risk and returns, organizational structure and internal reporting system.

The Company's Primary business segments are organized on product lines as follows:

- (i) Heavy Engineering (also known as Industrial Machinery Division) - engaged in engineering, fabrication and manufacturing of Machinery for Sugar Plants, Cement Plants, Boilers and Power Plants, Industrial and Marine Gears, Mineral Processing and EPC, Petro-chemicals and Space, Defense and Nuclear Power Business;
- (ii) Foundry and Machine Shop - Manufacturing of Grey and Ductile Iron Castings required by various industries and machining of components; and
- (iii) Others - Non Reportable Segment includes units manufacturing Precision Instruments such as pressure and temperature gauges.

1.18 EARNINGS PER SHARE

The company reports basic and diluted earnings per share in accordance with Accounting Standard 20 - Earnings Per Share notified under the Companies (Accounting Standards) Rules, 2006 (as amended). Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating Diluted Earnings per share, the net profit or loss for the period attributable to equity share holders and weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2014

2. SHARE CAPITAL

	As at September 30, 2014	₹ in Lakhs As at September 30, 2013
AUTHORIZED:		
50,000 (Previous year 50,000) 10% Cumulative Preference Shares of ₹ 100 each	50.00	50.00
50,000 (Previous year 50,000) Preference Shares of ₹ 100 each	50.00	50.00
120,000,000 (Previous Year 120,000,000) Equity Shares of ₹ 2 each	2,400.00	2,400.00
	2,500.00	2,500.00
ISSUED:		
3,80,70,205 (Previous year 3,80,70,205) Equity Shares of ₹ 2 each	761.40	761.40
SUBSCRIBED AND PAID-UP:		
3,80,70,205 (Previous year 3,80,70,205) Equity Shares of ₹ 2 each fully paid-up	761.40	761.40
TOTAL	761.40	761.40

ADDITIONAL INFORMATION:

(a) RECONCILIATION OF NUMBER OF SHARES OUTSTANDING:

	As at September 30, 2014		As at September 30, 2013	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Equity Shares of ₹ 2 each				
At the beginning of the year	38,070,205	761.40	38,070,205	761.40
Movement(s) during the year	—	—	—	—
At the end of the year	38,070,205	761.40	38,070,205	761.40

(b) TERMS AND RIGHTS ATTACHED TO EQUITY SHARES:

The Company has only one class of equity shares having par value of ₹ 2 per share. Each shareholder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% OF SHARES IN THE COMPANY:

	As at September 30, 2014		As at September 30, 2013	
	Number	% holding	Number	% holding
(Equity shares of ₹ 2 each fully paid-up)				
Walchand Kamdhenu Commercials Pvt Ltd.	9,869,673	25.92	9,869,673	25.92
Walchand Great Achievers Pvt Ltd.	5,260,160	13.82	5,260,160	13.82
Rodin Holdings Inc	3,000,000	7.88	3,000,000	7.88
Olsson Holdings Inc	2,000,000	5.25	2,000,000	5.25

3. RESERVES AND SURPLUS

	As at September 30, 2014	₹ in Lakhs As at September 30, 2013
CAPITAL REDEMPTION RESERVE	50.00	50.00
SECURITIES PREMIUM RESERVE	4,994.46	4,994.46
REVALUATION RESERVE		
Balance as per last Financial Statement	50,655.61	16,043.88
Add: Additions during the year (Refer Note No. 31)	—	35,653.48

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2014 (CONTD.)

3. RESERVES AND SURPLUS (Contd.)

	As at September 30, 2014	As at September 30, 2013
Less: Adjustment on account of sale	145.61	—
Less: Amount transferred to the Statement of Profit and Loss as reduction from Depreciation	2,269.84	1,041.75
CLOSING BALANCE	48,240.16	50,655.61
FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT		
Opening Balance	(226.74)	(156.74)
Add: Additions during the year	—	(312.69)
Less: Amortization of exchange fluctuation during the year	226.74	242.69
CLOSING BALANCE	—	(226.74)
GENERAL RESERVE		
Balance as per last financial statement	5,606.05	5,606.05
Add: Amount transferred from Statement of Profit and Loss	—	—
CLOSING BALANCE	5,606.05	5,606.05
SURPLUS/ (DEFICIT) IN THE STATEMENT OF PROFIT AND LOSS		
Balance as per last Financial Statement	8,802.19	12,808.52
Add: Profit / (Loss) for the year	(1,236.63)	(3,828.17)
Less: Appropriations:		
Proposed Final Dividend	152.28	152.28
Tax on Proposed Dividend	30.45	25.88
CLOSING BALANCE	7,382.83	8,802.19
TOTAL RESERVES AND SURPLUS	66,273.50	69,881.57

4. LONG-TERM BORROWINGS

	Non-Current Portion		Current Maturities	
	As at September 30, 2014	As at September 30, 2013	As at September 30, 2014	As at September 30, 2013
TERM LOANS				
(a) From Banks (Secured)				
Indian Rupee loan				
Vehicle Loan - Refer Note No. 4 (i)	6.61	10.79	4.19	15.15
Other Term Loan	—	—	—	7.83
Corporate Loan - Refer Note No. 4 (ii)	7,500.00	—	—	—
Foreign currency loan				
Corporate Term Loan - FCNR(B)	—	—	—	1,549.64
External Commercial Borrowings	—	—	—	939.00
	7,506.61	10.79	4.19	2,511.62
(b) From Others (Unsecured)				
Deposits	—	—	—	0.70
	—	—	—	0.70
Amount disclosed under the head 'Other Current Liabilities' (Refer Note No. 10)	—	—	4.19	2,512.32
NET AMOUNT	7,506.61	10.79	—	—

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2014 (CONTD.)**4 (i) Vehicle Loan from ICICI Bank**

Particulars	Amount of Loan ₹ in Lakhs	Rate of Interest	Installment amount ₹ in Lakhs	No. of Outstanding Installments	Period of Maturity from Balance Sheet date
Vehicle Loan - Secured by vehicle bought under loan and repayable in 60 Equated monthly installments of ₹ 0.43 Lakhs and interest @ 10.82% p.a	20.00	10.82 %	0.43	29	29 Months

4 (ii) Corporate Loan of ₹ 7500 Lakhs (₹ 4000 Lakhs from State Bank of India and ₹ 3500 Lakhs from Bank of India) at an interest rate of 12.50 % is secured by:

- First pari passu charge on specified demarcated fixed assets of the company's Heavy Engineering Division.
- Mortgage of two specified immovable properties at Pune city.
- 2nd pari passu charge on current assets of the Company.

Particulars	No. of months	No. of installments	Amount (₹ in Lakhs)
Oct 2014 - Sept 2015	12	Moratorium Period	—
Oct 2015 - Mar 2016	6	₹ 375 Lakhs * 2 Qtrs	750.00
April 2016 - Mar 2017	12	₹ 375 Lakhs * 4 Qtrs	1,500.00
April 2017 - Mar 2018	12	₹ 375 Lakhs * 4 Qtrs	1,500.00
April 2018 - Mar 2019	12	₹ 375 Lakhs * 4 Qtrs	1,500.00
April 2019 - Mar 2020	12	₹ 375 Lakhs * 4 Qtrs	1,500.00
April 2020 - Sept 2021	6	₹ 375 Lakhs * 2 Qtrs	750.00
TOTAL	72		7,500.00

5. DEFERRED TAX ASSET / (LIABILITY) (NET)

	As at September 30, 2014	As at September 30, 2013
Deferred Tax Liability:		
Fixed Assets: Impact of difference between tax depreciation and book depreciation/ amortisation	706.59	706.59
Gross Deferred Tax Liability	706.59	706.59
Deferred Tax Asset:		
Unabsorbed business loss	2,013.21	2,013.21
Gratuity	146.85	146.85
Others	447.54	447.54
Gross Deferred Tax Asset	2,607.60	2,607.60
Net Deferred Tax Asset / (Liability)[*]	1,901.01	1,901.01

[*]The Company has recognised Deferred Tax Asset of ₹ 1901.01 lakhs consisting of unabsorbed losses/ unabsorbed depreciation of ₹ 2013.21 lakhs upto September 30, 2013 which will be realised based on future taxable income on the basis of confirmed work orders.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2014 (CONTD.)

6. OTHER LONG TERM LIABILITIES

	As at September 30, 2014	As at September 30, 2013
Advance from Customers	8,137.33	8,137.04
Others	412.09	381.87
TOTAL	8,549.42	8,518.91

7. PROVISIONS

	Long Term		Short Term	
	As at September 30, 2014	As at September 30, 2013	As at September 30, 2014	As at September 30, 2013
Provision for Tax	—	—	—	1,111.83
Provision for Employee Benefits:				
(a) Provision for Leave Encashment (Refer Note No. 32)	125.98	100.10	41.70	30.26
(b) Provision for Gratuity (Refer Note No. 32)	430.18	309.65	161.56	165.60
Provision for Equity Dividend	—	—	152.28	152.28
Provision for Tax on proposed Equity Dividend	—	—	30.45	25.88
TOTAL	556.16	409.75	385.99	1,485.85

8. SHORT-TERM BORROWINGS

	As at September 30, 2014	As at September 30, 2013
A) FROM BANKS - SECURED:		
HEAVY ENGINEERING DIVISION, WALCHANDNAGAR		
(1) Buyers' Credit Loan (Under Line of Credit facility)	895.34	314.25
(2) Working Capital Loans (The facilities mentioned at (1) & (2) above are secured by mortgage of residential flat in Mumbai, land and building and by way of charge on all movable plant and machinery, fixtures, implements, fittings, furniture, current assets (both present & future) including stock-in-trade, raw material, semi-finished and finished products, stores and spares, book debts, tools and accessories and other movables of and pertaining to Heavy Engineering Division at Walchandnagar.)	19,499.89	12,037.20
(3) Working Capital Loans (Secured by the mortgage of immovable property in Mahim, Mumbai.)	4,499.67	4,500.00
FOUNDRY DIVISION, SATARA ROAD		
Working Capital Loans (Secured by hypothecation of all those tangible movable properties and assets, including all stocks of Raw Material, Components, Tools, Stores Materials, Work-in-Progress, Finished Goods and Book Debts and equitable mortgage on fixed assets of Foundry Division at Satara Road.)	866.37	356.10
	25,761.27	17,207.55

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2014 (CONTD.)**8. SHORT-TERM BORROWINGS (Contd.)**

	As at September 30, 2014	₹ in Lakhs As at September 30, 2013
B) FROM BANKS - UNSECURED:		
Working Capital Loans - INR	1,758.01	—
Working Capital Loans - Foreign Currency & INR	—	6,366.12
TOTAL	27,519.28	23,573.67

9. TRADE PAYABLES

	As at September 30, 2014	₹ in Lakhs As at September 30, 2013
Due to Micro, Small and Medium Enterprises[*]	1,073.70	1,242.93
Others	19,488.44	25,956.23
TOTAL	20,562.14	27,199.16

[*] The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the company is as under:

(a) (i) Principal amount remaining unpaid to any supplier	1,053.89	1,240.38
(ii) Interest due on above	19.81	2.55
(b) (i) The amount of principal paid beyond the appointed date	—	—
(ii) The amount of interest paid beyond the appointed date	—	—
(c) Amount of interest due and payable on delayed payments	—	—
(d) Amount of interest accrued and due as at September 30, 2014	19.81	2.55
(e) Total Outstanding dues to Micro, Small and Medium Enterprises.	1,073.70	1,242.93

(The above details have been given to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the Auditors)

10. OTHER CURRENT LIABILITIES

Current Maturities of Long-Term Borrowings (Refer Note No. 4)	4.19	2,512.32
Unclaimed dividend	54.97	54.07
Advance against orders and customers' credit balances	20,573.08	20,351.32
Employee Dues	918.32	840.68
Statutory Dues	458.51	346.68
Provision for Expenses / Others	4,835.59	2,649.37
Dues to Customers relating to contracts in progress (Refer Note No. 18.1)	2,546.63	—
TOTAL	29,391.29	26,754.44

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2014 (CONTD.)

11. FIXED ASSETS

₹ in Lakhs

Particulars	Gross Block				Cost / Book Value as at 30-Sep-14	Depreciation / Amortization				Net Block	
	Cost/Book Value as at 1-Oct-13	Additions during the year	Deductions Adjustments[**]	Additions due to Revaluation		Depreciation / Amortization as at 1-Oct-13	Depreciation/ Amortization for the year	Deductions / Adjustments	Additions due to Revaluation	Net book value as at 30-Sep-14	Net book value as at 30-Sep-13
TANGIBLE ASSETS											
1. a) Land (Free Hold)[#]	13,779.98	—	—	—	13,779.98	—	—	—	—	13,779.98	13,779.98
b) Lease Hold Land	1,359.38	—	—	—	1,359.38	58.00	13.73	—	—	1,287.65	1,301.38
2. Buildings[*]	43,527.90	34.79	172.30	—	43,390.39	16,749.65	1,001.43	17.84	—	25,657.15	26,778.25
3. Plant and Machinery	39,162.85	1,930.10	18.28	—	41,074.67	18,398.77	2,622.85	—	—	20,053.05	20,764.08
4. Furnitures, Fixtures and Electrical Fittings	1,533.98	10.18	3.03	—	1,541.13	1,204.11	84.46	2.96	—	255.52	329.87
5. Office Equipments	698.11	27.57	—	—	725.68	452.42	39.85	—	—	233.41	245.69
6. Vehicles	663.69	13.46	41.30	—	635.85	478.18	49.84	35.22	—	143.05	185.52
Total (A)	100,725.90	2,016.10	234.91	—	102,507.08	37,341.13	3,812.16	56.02	—	61,409.81	63,384.76
INTANGIBLE ASSETS											
7. Patents	11.05	—	—	—	11.05	11.05	—	—	—	—	—
8. Software	1,391.94	36.26	—	—	1,428.20	1,213.82	88.90	—	—	125.48	178.12
9. Technical Knowhow	805.68	—	—	—	805.68	542.93	94.27	—	—	168.47	262.75
Total (B)	2,208.67	36.26	—	—	2,244.93	1,767.80	183.17	—	—	293.95	440.86
Total (A)+(B)	102,934.56	2,052.36	234.91	—	104,752.01	39,108.94	3,995.33	56.02	—	61,703.76	63,825.63
Previous Year	66,725.11	954.99	255.96	[\$]35,510.41	102,934.56	36,613.82	2,857.14	218.95	[\$](143.07)	28,849.25	30,111.30
Capital Work-in-Progress										438.96	2,041.29
Intangible Assets under Development										—	—
[#] Includes certain land at Walchandnagar, costing ₹ 0.08 lakhs, acquired in earlier years by the State Government for which compensation of ₹ 281 Lakhs (Net) has been awarded. However as the matter is in appeal in the Supreme Court, the award has not been accounted as sale.											
[*] Includes cost of 25 shares of ₹ 50 each of 2 Co-operative Housing Societies against acquisition of flats.											
[\$] Also refer Note No. 32 on Revaluation Reserve.											
[**] Deductions in tangible assets includes deletion on account of Foreign Exchange Fluctuation capitalised ₹ 22.07 Lakhs (Previous Year ₹ 43.47 Lakhs)											

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2014 (CONTD.)**12 NON CURRENT INVESTMENTS (AT COST)**

	As at September 30, 2014	₹ in Lakhs As at September 30, 2013
INVESTMENT IN EQUITY INSTRUMENTS - QUOTED		
1,29,900 (Previous year 4,60,900 Equity shares of ₹ 2 each) equity shares of ₹ 2 each in Housing Development Finance Corporation Limited	507.70	1,010.21
600 (Previous year 600) Equity shares of ₹ 10 each in Bombay Cycle & Motor Agency Ltd.	0.10	0.10
2,500 (Previous year 2,500) Equity shares of ₹ 2 each in HDFC Bank Ltd.	0.05	0.05
12,000 (Previous year 12,000) Equity shares of ₹ 10 each in Bank of Baroda	10.36	10.36
Sub-Total (A)	518.21	1,020.72
INVESTMENT IN EQUITY INSTRUMENTS - UNQUOTED		
2 (Previous year 2) Equity shares of ₹ 50 each in Maharashtra State Co-operative Bank Limited	0.01	0.01
100 (Previous year 100) Equity shares of ₹ 100 each in Shushrusha Citizens Co-operative Hospital Limited	0.10	0.10
100 (Previous year 100) Equity shares of ₹ 25 each in Cooper Employee's Consumers Co-operative Society Limited	0.02	0.02
10 (Previous year 10) Equity shares of ₹ 50 each in Walchand Co-operative Housing Society Limited	0.01	0.01
481 (Previous year 481) Equity shares of ₹ 100 each in Walchand Foundries Private Limited	0.48	0.48
1,04,250 (Previous Year 1,04,250) Equity Shares of ₹ 10 each in Actis Biologics Private Limited	102.66	102.66
Less: Provision for diminution	(101.62)	(101.62)
Net Value	1.04	1.04
Sub-Total (B)	1.66	1.66
TOTAL (A)+(B)	519.87	1,022.38
Aggregate Value of Quoted Investments		
- At cost	518.21	1,020.72
- Market Value	1,509.06	3,596.24
Aggregate Provision for Diminution in the Value of Investments	—	—
Aggregate Value of Unquoted Investments		
Book Value and/ or at cost	103.28	103.28
Aggregate Provision for Diminution in the Value of Investments	101.62	101.62

13 LOANS AND ADVANCES

	Non Current		Current	
	As at September 30, 2014	As at September 30, 2013	As at September 30, 2014	As at September 30, 2013
CAPITAL ADVANCES				
Unsecured, considered good	190.97	16.11	—	—
SECURITY DEPOSIT				
Unsecured, considered good	312.80	311.92	—	—
ADVANCES RECOVERABLE IN CASH OR IN KIND				
Unsecured, considered good	0.66	15.04	8,559.79	9,844.10

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2014 (CONTD.)

13 LOANS AND ADVANCES (Contd.)

₹ in Lakhs

	Non Current		Current	
	As at September 30, 2014	As at September 30, 2013	As at September 30, 2014	As at September 30, 2013
Unsecured, considered doubtful	17.60	—	—	17.60
Less: Provision for doubtful advance	17.60	—	—	17.60
Sub-Total	0.66	15.04	8,559.79	9,844.10
OTHER LOANS AND ADVANCES				
Advance Income Tax (net of tax provision)	1,799.72	0.58	—	—
Balances with Statutory/Government authorities				
Service Tax and input receivable	—	—	569.55	972.06
Excise/ Input Credit Receivable	—	—	1,887.57	1,521.73
Vat input receivable	—	—	1,575.74	1,027.51
Octroi duty Receivable	—	—	40.79	33.14
Others	—	—	275.65	492.24
Sub-Total	1,799.72	0.58	4,349.30	4,046.68
TOTAL	2,304.15	343.65	12,909.09	13,890.78

14 TRADE RECEIVABLE AND OTHER ASSETS

₹ in Lakhs

14.1 TRADE RECEIVABLES

	Non Current		Current	
	As at September 30, 2014	As at September 30, 2013	As at September 30, 2014	As at September 30, 2013
Trade receivable outstanding for a period less than six months from the date they are due for payment				
Unsecured, considered good (Includes retention moneys of ₹ 21,368 Lakhs (Previous Year ₹ 19,663 Lakhs))	—	—	35,293.46	35,104.02
Sub-Total (A)	—	—	35,293.46	35,104.02
Trade receivable outstanding for a period more than six months from the date they are due for payment				
Unsecured, considered good [Refer Foot Note and Note No. 34 (a)(j)]	1,154.07	2,378.37	5,176.38	6,617.56
Unsecured, considered doubtful	1,970.12	872.00	207.63	661.30
Sub-Total	3,124.19	3,250.37	5,384.01	7,278.86
Less: Provision for Doubtful Debts	1,970.12	872.00	207.63	661.30
Sub-Total (B)	1,154.07	2,378.37	5,176.38	6,617.56
TOTAL (A)+(B)	1,154.07	2,378.37	40,469.84	41,721.58

Foot Note- The non current trade receivables considered good of ₹ 1154.07 Lakhs includes ₹ 921.27 Lakhs (Previous year ₹ 921.27 Lakhs) from parties against whom the company has initiated legal/ arbitration proceedings.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2014 (CONTD.)

₹ in Lakhs

14.2 OTHER ASSETS

	Non Current		Current	
	As at September 30, 2014	As at September 30, 2013	As at September 30, 2014	As at September 30, 2013
Non-Current Bank Balances (Refer Note No. 17)	137.00	137.00	—	—
Other Current Assets	—	—	1,556.03	1,770.80
TOTAL	137.00	137.00	1,556.03	1,770.80

15 CURRENT INVESTMENTS

(at lower of cost or fair value)

₹ in Lakhs

	As at September 30, 2014	As at September 30, 2013
QUOTED MUTUAL FUNDS, FULLY PAID-UP		
Templeton India Ultra Short Bond Fund Super Institutional Daily Dividend Plan Current year Nil (Previous year 61,93,269.38 units at ₹ 10.02 per unit)	—	620.58
ICICI Prudential Flexible Income Regular Plan Daily Dividend Current year Nil (Previous year 4,90,216.83 units at ₹ 105.73 per unit)	—	518.33
IDFC Banking Debt Fund - Regular Plan - Fortnightly dividend Current year Nil (Previous year 3,87,968.32 units at ₹ 10.07 per unit)	—	39.05
SBI Premier Liquid Fund - Regular Plan - Growth 61,097.39 units at ₹ 2061.19 per unit (Previous year 46,712.08 units at ₹ 1907.94 per unit)	1,259.34	891.24
HDFC Cash Management Fund - Savings Plan - Growth 2,430,967.34 units at ₹ 27.74 per unit (Previous year Nil)	674.35	—
TOTAL	1,933.69	2,069.20
Market value of quoted investments	1,966.22	2,078.14

16 INVENTORIES

(Valued at lower of cost or net realizable value)

₹ in Lakhs

	As at September 30, 2014	As at September 30, 2013
Raw Materials and Components	7,163.38	6,094.43
Stores and Spares	1,285.92	1,396.43
Dies, Jigs, Tools Moulds & Patterns	758.00	543.75
Work-in-Progress	18,097.58	18,182.92
Finished Products	138.89	28.55
Finished Goods-in-Transit	31.97	21.25
TOTAL	27,475.74	26,267.33

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2014 (CONTD.)

17 CASH AND BANK BALANCES

₹ in Lakhs

	Non Current		Current	
	As at September 30, 2014	As at September 30, 2013	As at September 30, 2014	As at September 30, 2013
(a) Balances with Banks				
On Current accounts				
i) in Indian Rupees	—	—	4,268.57	202.01
ii) in Foreign Currency	—	—	135.59	214.69
Deposits	—	—	135.61	593.25
On unpaid dividend account	—	—	54.97	54.07
(b) Cheques/ Drafts-on-hand	—	—	57.52	139.87
(c) Cash-on-hand	—	—	33.31	22.63
(d) Margin money deposit	137.00	137.00	—	—
Amount disclosed under Non-Current Assets (Refer Note No. 14.2)	(137.00)	(137.00)	—	—
TOTAL	—	—	4,685.57	1,226.52

18 REVENUE FROM OPERATIONS

Change in Accounting Policy: With effect from October 01, 2013, in case of certain long term contracts involving design, supply, erection and commissioning of complex machinery, the company has changed to Accounting Standard 7 (Construction Contracts) from Accounting Standard 9 (Revenue Recognition) notified under the Companies (Accounting Standards) Rules, 2006 (as amended), for recognizing revenue, being a more appropriate method of accounting, considering the nature of the activity. As a result of this change, revenue from operations for the year is higher by ₹ 1,770.38 Lakhs and loss for the year is lower by an equivalent amount.

₹ in Lakhs

	For the year ended September 30, 2014	For the year ended September 30, 2013
(a) Sale of Products	22,441.96	61,053.77
(b) Contract Revenue	35,833.27	-
Add: Closing Contracts-in-progress	1,770.38	-
Less: Opening Contracts-in-progress	-	-
	37,603.65	-
(c) Erection, Job work and Services	4,660.95	12,700.22
(d) Other Operating Revenues	1,057.18	896.33
TOTAL	65,763.74	74,650.32

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2014 (CONTD.)**18.1 DISCLOSURES PURSUANT TO ACCOUNTING STANDARD 7 - CONSTRUCTIONS CONTRACTS**

	₹ in Lakhs	
	As at September 30, 2014	As at September 30, 2013
Contract Revenue recognized during the year	37,603.65	—
Aggregate amount of contract cost incurred and recognised profits (less recognised losses) during the year	37,603.65	—
Customer advances outstanding for contracts in progress	9,957.00	—
Retention money due from customers for contracts in progress	3,068.00	—
Gross amount due from customers for contract work (presented as Contracts-in-progress)	4,317.01	—
Gross amount due to customers for contract work (presented as Dues to Customers relating to Contracts in progress under Other Current Liabilities - Refer Note No. 10)	2,546.63	—

18.2 PARTICULARS OF SALE OF PRODUCTS & SERVICES (NET OF EXCISE DUTY)

	For the year ended September 30, 2014	For the year ended September 30, 2013
(a) Sugar Mill Machinery	5,088.40	11,202.20
(b) High speed Centrifugals	866.78	637.78
(c) Gear Boxes	2,587.95	3,313.02
(d) Special Products	13,473.59	10,123.72
(e) Water Tube Boilers	8,566.35	20,668.46
(f) Cement Making Plant	9,947.15	7,598.39
(g) Mineral Processing	15.07	92.63
(h) Castings	4,898.78	4,560.13
(i) Pressure Guages	1,168.85	858.47
(j) Erection, Jobwork, Services	14,382.62	12,700.22
(k) Contracts-in-progress (Net)	1,770.38	-
TOTAL	62,765.92	71,755.02

18.3 OTHER OPERATING REVENUE

	₹ in Lakhs	
	For the year ended September 30, 2014	For the year ended September 30, 2013
(a) Export Drawback	192.83	364.10
(b) Sale Of Scrap	376.19	247.75
(c) Other Incentives (FMS)	488.15	137.06
(d) LD Recovered	-	147.42
TOTAL	1,057.17	896.33

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2014 (CONTD.)

19. OTHER INCOME

	For the year ended September 30, 2014	For the year ended September 30, 2013
(a) Interest Income	37.18	65.37
(b) Dividend	29.72	174.25
(c) Rent	30.02	27.33
(d) Occupation fees	3.63	5.55
(e) Profit on sale of Investments	88.53	-
(f) Profit on sale of Fixed Assets	324.29	0.78
(g) Recovery of Bad Debts written off in earlier years	1.80	30.53
(h) Provision no longer required, written back	86.37	68.50
(i) Miscellaneous Income	90.41	46.07
(j) Sundry Creditors Written Back	93.02	43.02
(k) Prior Period Income	-	101.95
TOTAL	784.97	563.35

20. COST OF MATERIALS CONSUMED

	For the year ended September 30, 2014	For the year ended September 30, 2013
(A) Raw Materials consumed		
(a) Plates, Sheets, Beams & Steel Materials	913.39	1,878.10
(b) Steel Scrap	1,593.33	1,487.46
(c) Castings	2,672.02	4,420.16
(d) Pig Iron	143.60	115.68
(e) Ferro Alloys	392.74	327.22
(f) Bought out Components etc.	23,668.05	31,496.62
(g) Material Consumed at Sites	123.52	332.38
	29,506.65	40,057.62
(B) Stores and Spares consumed	2,041.40	2,128.19
TOTAL	31,548.05	42,185.81

20.1 PARTICULARS OF RAW MATERIALS CONSUMED

	For the year ended September 30, 2014	For the year ended September 30, 2013
	₹ in Lakhs	₹ in Lakhs
Imported	761.89	680.54
Indigenous	28,744.75	39,377.08
TOTAL	29,506.65	40,057.62

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2014 (CONTD.)**20.2 PARTICULARS OF STORES & SPARES CONSUMED**

	For the year ended September 30, 2014		For the year ended September 30, 2013	
	₹ in Lakhs	%	₹ in Lakhs	%
Imported	145.62	7.13	114.75	5.39
Indigenous	1,895.78	92.87	2,013.44	94.61
TOTAL	2,041.40	100.00	2,128.19	100.00

21 SUB-CONTRACTING EXPENSES, PROCESSING CHARGES AND OTHER DIRECT COSTS

	For the year ended September 30, 2014	For the year ended September 30, 2013
	₹ in Lakhs	₹ in Lakhs
(a) Sub-contracting Expenses and Processing Charges	11,909.70	9,352.82
(b) Forwarding, Selling and Service	2,460.88	5,404.50
TOTAL	14,370.58	14,757.32

22 CHANGES IN INVENTORIES OF FINISHED GOODS & WORK-IN-PROGRESS

	For the year ended September 30, 2014	For the year ended September 30, 2013
	₹ in Lakhs	₹ in Lakhs
Stock at close:		
(a) Finished Products	138.89	28.55
(b) Work-in-Progress	18,097.58	18,182.92
(c) Finished Goods in Transit	31.97	21.25
SUB-TOTAL (A)	18,268.44	18,232.72
Stock at Commencement:		
(a) Finished Products	28.55	27.57
(b) Work-in-Progress	18,182.92	17,818.09
(c) Finished Goods in Transit	21.25	152.23
SUB-TOTAL (B)	18,232.72	17,997.89
TOTAL (B) - (A)	(35.72)	(234.83)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2014 (CONTD.)

23 EMPLOYEES BENEFITS EXPENSES

	For the year ended September 30, 2014	₹ in Lakhs For the year ended September 30, 2013
(a) Salaries, Wages, Bonus	8,572.96	8,897.85
(b) Contribution to Provident Fund, Gratuity and Other Funds	644.73	692.88
(c) Staff Welfare Expenses	25.50	56.30
TOTAL	9,243.19	9,647.03

24 FINANCE COST

Interest Expenses:

(i) Term Loans	638.27	274.05
(ii) Working Capital Loans	2,346.31	1,605.10
(iii) Others	312.25	804.01
Other Borrowing Costs	1,502.06	1,392.82
TOTAL	4,798.89	4,075.98

25 DEPRECIATION AND AMORTISATION EXPENSES

Depreciation and amortisation

Less: Transferred from Revaluation Reserve

	3,995.33	2,857.13
	2,269.84	1,041.75
TOTAL	1,725.49	1,815.38

26 OTHER EXPENSES

(a) Power and Fuel	1,119.01	1,108.88
(b) Repairs & Maintenance:		
(i) Buildings	63.97	133.87
(ii) Machinery	99.98	60.76
(iii) Other Assets	240.03	129.35
(c) Rent	350.23	385.21
(d) Rates and taxes	284.34	237.63
(e) Insurance	372.74	346.76
(f) Travelling and Conveyance	602.47	624.42
(g) Legal and Professional Fees	642.90	586.43
(h) Bank Charges	118.85	92.72
(i) Electricity Charges	140.26	168.32
(j) Site Office Expenses	442.38	407.36
(k) Telephone, Postage, Printing Expenses	188.43	231.40
(l) Administrative and Other Expenses	1,098.24	1,041.10
(m) BG Invocation	-	207.40
(n) Selling Commission	534.30	443.92
(o) Bad debts written-off	16.26	0.89
(p) Provision for Doubtful debts	644.45	964.44
(q) Donations	-	0.14
(r) Provision for Diminution in the Value of Long-Term Investments	-	101.62
(s) Royalty and Patent fee	85.19	69.20
(t) Loss on Sale of Assets	0.01	3.38
(u) Loss on sale of Investments	-	40.01
(v) Prior Period Expenses	-	41.66

TOTAL	7,044.04	7,426.87
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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2014 (CONTD.)

₹ in Lakhs

26.1 PAYMENT TO AUDITORS (EXCLUDING SERVICE TAX)

Administrative and Other Expenses includes payment made to Auditor as under:

	For the year ended September 30, 2014	For the year ended September 30, 2013
(a) Audit Fees	10.00	10.00
(b) Taxation, Limited Review and Others	15.00	13.00
(c) In Other Capacity	1.25	0.17
(d) Reimbursement of out of pocket expenses	1.52	0.96
TOTAL	27.77	24.13

26.2 EARNINGS IN FOREIGN CURRENCY

Export of goods calculated on FOB basis

Others

Overseas Site - Ethiopia

Overseas Site - Zambia

	7,868.91	19,841.00
	637.30	3,951.38
	32.99	1,836.73
	169.77	-
TOTAL	8,708.97	25,629.11

26.3 VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF

Raw Materials

Components & Spare parts

Capital goods

	1,750.74	620.67
	62.45	228.95
	-	81.76
TOTAL	1,813.19	931.38

26.4 EXPENDITURE IN FOREIGN CURRENCY

Technical Fees (Net of Tax)

Travelling Expenses

Commission and Others

Overseas Site - Ethiopia

Overseas Site - Zambia

	-	25.94
	111.15	109.65
	204.25	373.86
	742.97	5,225.99
	41.29	34.15
TOTAL	1,099.66	5,769.59

27 EXCEPTIONAL ITEMS

Profit on Sale of Non-Current Investments - Sale of 4,73,600 shares of HDFC Limited (Previous year 5,00,000 shares) [Net of expenses incurred on sale]

	2,445.36	4,174.54
TOTAL	2,445.36	4,174.54

28 Consequent to the proceedings under section 132 of the Income Tax Act, 1961 initiated by the Department in the month of December, 2012, the Company has filed an application before the settlement commission, which has been admitted for further hearings and the proceedings are in progress. The income tax liability arising thereof, relating to the earlier years, has been provided for in the books of accounts and included under tax for earlier years in the previous year.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2014 (CONTD.)

29 EARNINGS PER SHARE (BASIC AND DILUTED)

	For the year ended September 30, 2014	₹ in Lakhs For the year ended September 30, 2013
(i) Net Profit after Tax as per Statement of Profit and loss attributable to Equity Shareholders	(1,236.63)	(3,828.17)
(ii) Weighted average no. of equity shares of ₹ 2 each outstanding during the year	38,070,205	38,070,205
(iii) Earning per Share of face value of ₹ 2 each	(3.25)	(10.06)

30 RELATED PARTY DISCLOSURES

Related party disclosures as required under Accounting Standard 18 (Related Party Disclosures), notified under the Companies (Accounting Standards) Rules, 2006 (as amended) are given below:

- (i) Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise and relatives of any such individual:
- | | |
|-------------------------|--------------------------|
| Name of the individual | : Designation / Relation |
| Mr. Chakor L. Doshi | : Chairman |
| Mrs. Champa C. Doshi | : Wife |
| Mr. Chirag C. Doshi | : Son |
| Mrs. Kanika G. Sanger | : Daughter |
| Mrs. Tanaz Chirag Doshi | : Daughter-in-law |
- (ii) Key Management personnel and relatives:
- | | |
|------------------------|---|
| Name of the individual | : Designation / Relation |
| Mr. G. K. Pillai | : Managing Director & CEO |
| Mr. Chirag C. Doshi | : Managing Director |
| Mr. Hiren Buch | : Chief Financial Officer |
| Mr. G. S. Agrawal | : Vice President (Legal & Taxation) & Company Secretary |
- (iii) Enterprises over which any person described in (i) or (ii) above are able to exercise significant influence:
- | | |
|---|-----------------------------------|
| Bombay Cycle & Motor Agency Ltd. (BCMA) | Olsson Holdings Inc. |
| Walchand Great Achievers Pvt. Ltd. | Vinod Shashank Chakor Pvt. Ltd. |
| Walchand Kamdhenu Commercials Pvt. Ltd. | Chirag Enterprises |
| Walchand Chiranika Trading Pvt. Ltd. | Walchand Engineers Pvt. Ltd. |
| Chakor Doshi HUF | Walchand Projects Pvt. Ltd. |
| Chirag Doshi HUF | Walchand Power Systems Pvt. Ltd. |
| Chiranika Enterprises | Walchand Oil & Gas Pvt. Ltd. |
| Chiranika Corporation | Walchand Leisure Realty Pvt. Ltd. |
| Chiranika Properties | Walchand BMH Pvt. Ltd. |
| Walchand Botanicals Pvt. Ltd. | Walchand Solar Pvt. Ltd. |
| Rodin Holdings Inc. | Trust Finlease Pvt. Ltd. |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2014 (CONTD.)**30 RELATED PARTY DISCLOSURES (CONTD.)**

Details of transactions relating to the individuals / enterprises referred to in item (i), (ii) and (iii) above are as follows. The same are in the ordinary course of business.

Particulars	Individuals mentioned in (i) above	Key Management Personnel as mentioned in (ii) above	Relatives of Key Management Personnel as mentioned in (ii) above	Enterprises mentioned in (iii) above	₹ in Lakhs Total
	Current Year Previous Year	Current Year Previous Year	Current Year Previous Year	Current Year Previous Year	Current Year Previous Year
Purchase of Goods					
Indpro Electronic Systems (India) Pvt. Ltd.	—	—	—	—	—
	—	—	—	25.81	25.81
SUB-TOTAL	—	—	—	—	—
	—	—	—	25.81	25.81
Receiving of Services					
Mrs. Champa C. Doshi	—	—	21.47	—	21.47
	—	—	21.34	—	21.34
Mrs. Tanaz C. Doshi	—	—	20.11	—	20.11
	—	—	20.10	—	20.10
Mr. Chakor L. Doshi	131.47	—	—	—	131.47
	133.60	—	—	—	133.60
Mr. Chakor L. Doshi (Director Fees)	3.40	—	—	—	3.40
	2.80	—	—	—	2.80
Bombay Cycle & Motor Agency Ltd.	—	—	—	97.17	97.17
	—	—	—	76.91	76.91
Walchand Chiranika Trading Pvt. Ltd.	—	—	—	0.36	0.36
	—	—	—	0.36	0.36
SUB-TOTAL	134.87	—	41.58	97.53	273.98
	136.40	—	41.44	77.27	255.11
Managerial Remuneration					
Mr. J. L. Dehsmukh	—	—	—	—	—
(MD & CEO upto 24.11.2012)	—	32.62	—	—	32.62
Mr. Chirag C. Doshi	—	96.04	—	—	96.04
	—	98.41	—	—	98.41
Mr. G. K. Pillai	—	99.44	—	—	99.44
	—	85.43	—	—	85.43
SUB-TOTAL	—	195.48	—	—	195.48
	—	216.46	—	—	216.46
Leasing or Hire Purchase Arrangements					
Mr. J. L. Dehsmukh	—	—	—	—	—
	—	5.78	—	—	5.78
Mr. Chirag C. Doshi (HUF)	—	5.34	—	—	5.34
	—	5.06	—	—	5.06
Mrs. Champa C. Doshi	—	—	—	—	—
	—	—	1.10	—	1.10
Mrs. Kanika G. Sanger	—	—	10.61	—	10.61
	—	—	10.03	—	10.03

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2014 (CONTD.)

Particulars	₹ in Lakhs				
	Individuals mentioned in (i) above	Key Management Personnel as mentioned in (ii) above	Relatives of Key Management Personnel as mentioned in (ii) above	Enterprises mentioned in (iii) above	Total
	Current Year Previous Year	Current Year Previous Year	Current Year Previous Year	Current Year Previous Year	Current Year Previous Year
Mr. Chakor L. Doshi	7.69	—	—	—	7.69
	7.29	—	—	—	7.29
Mr. Chakor L. Doshi (HUF)	—	—	3.42	—	3.42
	—	—	—	—	—
Walchand Great Achievers Pvt. Ltd.	—	—	2.57	—	2.57
	—	—	—	—	—
SUB-TOTAL	7.69	5.34	16.60	—	29.63
	7.29	10.84	11.13	—	29.26
Outstanding Payable					
Mr. Chakor L. Doshi	55.20	—	—	—	55.20
	32.80	—	—	—	32.80
Indpro Electronic Systems (India) Pvt. Ltd.	—	—	—	—	—
	—	—	—	1.18	1.18
Bombay Cycle & Motor Agency Ltd.	—	—	—	20.11	20.11
	—	—	—	14.00	14.00
Walchand Chiranika Trading Pvt. Ltd.	—	—	—	0.09	0.09
	—	—	—	0.09	0.09
Mr. Chirag C. Doshi (HUF)	—	0.93	—	—	0.93
	—	—	—	—	—
Mr. Chakor L. Doshi	1.32	—	—	—	1.32
	—	—	—	—	—
Mr. Chakor L. Doshi (HUF)	—	—	0.44	—	0.44
	—	—	—	—	—
Walchand Great Achievers Pvt. Ltd.	—	—	0.33	—	0.33
	—	—	—	—	—
Mrs. Kanika G. Sanger	—	—	5.34	—	5.34
	—	—	5.06	—	5.06
SUB-TOTAL	56.52	0.93	6.11	20.20	83.76
	32.80	—	5.06	15.27	53.13

31 REVALUATION RESERVE AND FIXED ASSETS

The Company has a practice of revaluing its certain assets at certain intervals. On the basis of valuation reports submitted by approved valuers, M/s. D. K. Nagarseeth & Associates, certain fixed assets comprising of Land, Building and Plant and Machineries were further revalued at Market Value/ Current Replacement Costs as at September 30, 2013 as follows:

	₹ in Lakhs				
	Cost/Book Value as at 30-Sep-13	Market Value/ Replacement cost as at 30- Sep-13	Gross Amount Written up as at 30-Sep-13	Accumulated Depreciation on Value Written Up as at 30-Sep-13	Net Appreciation credited to Revaluation Reserve as on 30-Sep-13
Land	3,776.98	13,762.24	9,985.26	—	9,985.26
Buildings	23,961.35	43,450.35	19,489.00	3,676.85	15,812.15
Plant & Machinery	32,760.51	38,796.66	6,036.15	(3,819.92)	9,856.07
TOTAL	60,498.84	96,009.25	35,510.41	(143.07)	35,653.48

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2014 (CONTD.)**32 EMPLOYEE BENEFITS (REFER NOTE NO. 7)**

The Disclosure in terms of Accounting Standard 15 (Revised) - Employee Benefits, notified under the Companies (Accounting Standards) Rules, 2006 (as amended), has been given on the basis of Actuarial Valuation Certificate for the year ended September 30, 2014 as below:

₹ in Lakhs					
Sr. No.	Particulars	Gratuity (Funded)	Gratuity (Funded)	Leave Encashment (Unfunded)	Leave Encashment (Unfunded)
		October, 2013 to September, 2014	October, 2012 to September, 2013	October, 2013 to September, 2014	October, 2012 to September, 2013
I.	Expense recognised in the Statement of Profit and Loss for the year ended September 30, 2014				
	(a) Current Service Cost	115.42	122.56	85.77	96.71
	(b) Interest Cost	132.89	131.43	10.43	10.44
	(c) Actual return on plan assets	(101.07)	(108.50)	N.A.	N.A.
	(d) Actuarial Loss/(Gain)	(20.76)	33.04	30.94	(23.51)
	(e) Total Expense recognized in the Statement of Profit and Loss	126.48	178.53	127.14	83.64
II.	Net Liability recognized in the Balance Sheet as at September 30, 2014				
	(a) Present Value of Defined Benefit Obligation as on 30.09.2014	1,615.58	1,661.14	167.68	130.36
	(b) Fair Value of Plan Assets as at 30.09.2014	1,023.84	1,185.89	N.A.	N.A.
	(c) Net Assets/(Liabilities) as at 30.09.2014	(591.74)	(475.25)	(167.68)	(130.36)
III.	Change in Defined Benefit Obligation (DBO) during the year ended September 30, 2014				
	(a) Present Value of Defined Benefit Obligation at the beginning of the period	1,661.14	1,642.90	130.36	130.52
	(b) Current Service Cost	115.42	122.56	85.77	96.71
	(c) Interest Cost	132.89	131.43	10.43	10.44
	(d) Actuarial Loss/(Gain)	(20.76)	33.04	30.94	(23.51)
	(e) Benefits Paid	273.11	268.78	90.71	83.80
	(f) Present Value of Defined Benefit Obligation at the year end	1,615.58	1,661.15	166.79	130.36
IV.	Change in the Fair Value of Plan Assets during the year ended September 30, 2014				
	(a) Plan Assets at the beginning of the year	1,185.89	1,346.17	N.A.	N.A.
	(b) Actual Return on Plan Assets	101.07	108.50	N.A.	N.A.
	(c) Actual Company Contributions	10.00	—	N.A.	N.A.
	(d) Benefits paid	(273.11)	(268.78)	N.A.	N.A.
	(e) Fair Value of Plan Assets as at 30.09.2014	1,023.85	1,185.89	N.A.	N.A.
V.	Actuarial Assumptions				
	(a) Discount Rate (per annum)	8.00%	8.00%	8.00%	8.00%
	(b) Expected Rate of Return on Assets (per annum)	8.52%	8.06%	N.A.	N.A.
	(c) Rate of Increase in Compensation Levels (per annum)	5.00%	5.00%	4.00%	5.00%
	(d) Mortality Table	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult	N.A.	N.A.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2014 (CONTD.)

33 SEGMENT REPORTING

₹ in Lakhs

I. PRIMARY SEGMENTS									
Particulars	Heavy Engineering		Foundry and Machine Shop		Others		Total		
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	
Revenue:									
Net Revenue	57,702.91	67,163.81	5,002.92	4,754.27	1,194.21	921.78	63,900.04	72,839.86	
Less: Inter-segment Revenue	-	-	62.65	163.43	14.29	25.08	76.94	188.51	
	<u>57,702.91</u>	<u>67,163.81</u>	<u>4,940.27</u>	<u>4,590.84</u>	<u>1,179.92</u>	<u>896.70</u>	<u>63,823.10</u>	<u>72,651.35</u>	
Results:									
Segment Result	2,050.89	(2,322.23)	(794.17)	(287.96)	15.78	33.91	1,272.50	(2,576.28)	
Unallocable Expenses							1,186.92	1,307.46	
Unallocable Income							409.32	207.90	
Operating Profit							494.90	(3,675.84)	
Finance Cost							4,798.89	4,075.98	
Profit from ordinary activities							(4,303.99)	(7,751.82)	
Add: Exceptional Items							2,445.36	4,174.54	
Profit Before Tax							(1,858.63)	(3,577.28)	
Taxes on Income							(622.00)	250.89	
Profit from ordinary activities							<u>(1,236.63)</u>	<u>(3,828.17)</u>	
Other information:									
Segment Assets	138,857.72	135,880.86	7,731.72	8,064.37	4,346.71	4,276.35	150,936.15	148,221.58	
(including revaluation)									
Unallocated Corporate Assets							10,569.64	10,373.96	
Total Assets							<u>161,505.79</u>	<u>158,595.54</u>	
Segment Liabilities	86,979.72	80,761.55	2,383.74	1,036.33	228.51	207.21	89,591.97	82,005.09	
Unallocated Corporate Liabilities							4,878.92	5,947.48	
Total Liabilities							<u>94,470.89</u>	<u>87,952.57</u>	
Capital Expenditure	396.35	604.44	51.04	65.30	2.52	12.12	449.91	681.86	
Unallocated Capital Expenditure							-	9.44	
							<u>449.91</u>	<u>691.30</u>	
Depreciation	1,503.09	1,582.86	105.65	103.62	12.46	6.92	1,621.20	1,693.40	
(Net of Revaluation)									
Unallocated Depreciation							104.29	121.98	
Total Depreciation							<u>1,725.49</u>	<u>1,815.38</u>	

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2014 (CONTD.)

₹ in Lakhs

II. SECONDARY SEGMENTS									
Particulars	Heavy Engineering		Foundry and Machine Shop		Others		Total		
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	
External Revenue by Location of Customers							9,029.04	26,071.41	
Total Carrying Amount of Segment Assets (to the extent allocable)							9,578.21	10,910.38	
Capital expenditure							48.35	38.71	

34 CONTINGENT LIABILITIES AND COMMITMENTS

(a) Claims against the company not acknowledged as debt

- (a) Demand of Non Agricultural (NA) Tax of ₹ 161.37 Lakhs is raised by Tahshildar, Indapur (Previous year ₹ 161.37 Lakhs) out of which ₹ 20 Lakhs is paid under protest by the Company. No provision has been made in the accounts as the company has not accepted the liability and the matter is sub-judice.
- (b) Demand on account of fixation of Annual Rateable Value of Property at Pune, amounting to ₹ 325.07 Lakhs (for the period 1.4.2008 to 31.3.2012) was raised by the local authorities (Previous Year ₹ 325.07 Lakhs). No provision has been made in the books of accounts. The Company has not accepted the liability and the same is sub-judice.
- (c) The Central Excise Authorities have raised a demand of ₹ 266.19 Lakhs (Previous Year ₹ 266.19 Lakhs) (Net of Cenvat Reversal and Payment) denying the exemption from the excise duty on non-conventional energy devices/ systems supplied by the Company. The Company has disputed the demand and has preferred an appeal which is pending before CESTAT, Mumbai. On the basis of legal opinion, the Company does not accept any liability.
- (d) The Central Excise Authorities have raised a demand of ₹ 82.73 Lakhs (Previous Year ₹ 82.73 Lakhs) on bought out items supplied for Centrifugals, which has already suffered duty at manufacturers' end. The Company has disputed the demand and has preferred an appeal which is pending before the Supreme court. Company has discharged a liability of ₹ 29.45 Lakhs by reversal of CENVAT availed and paid ₹ 10 Lakhs under protest (included under the head loans and advances). On the basis of legal opinion, the Company does not expect any liability.
- (e) The sales Tax Authority, Maharashtra has raised demand of ₹ 159.83 Lakhs (Previous Year ₹ 159.83 Lakhs) as per section 6(2) of the Central Sales Tax Act, 1956. The Company has disputed the demand and has preferred an appeal before The Sales Tax Appellate Commissioner. Company has paid ₹ 30.00 Lakhs under protest (included under the head loans and advances). On the basis of legal opinion the Company does not expect any liability.
- (f) Service Tax demand of ₹ 362.65 Lakhs on sale of bought out items has been raised by the concerned authorities. The company has discharged liability of ₹ 28.76 Lakhs by way of CENVAT reversal under protest and has preferred an appeal which is pending before the CESTAT.
- (g) Company has received a demand of ₹ 50.68 Lakhs from Employee's Provident Fund office. The company has contested the demand raised, and filled a writ petition with Mumbai High Court. No provision is being made against the same based on the legal advise.
- (h) Certain cases filed against the company by the Ex-employees of Heavy Engineering Division and Foundry Division for compensation are pending before the labour courts - Amounts unascertained.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2014 (CONTD.)

- (i) The Central Excise Authorities have raised demand of ₹ 2.47 Lakhs (Previous Year Nil) on bought out items supplier for centrifugals, which has already suffered duty at manufacturers end. The company had disputed demand of ₹ 2.47 Lakhs before CESTAT against order passed by Commissioner (Appeals). The Stay order has been granted and ₹ 0.50 Lakhs paid as ordered by CESTAT.
- (j) Certain customers of the Company have deducted Liquidated Damages amounting to ₹ 1,311.29 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.

	As at September 30, 2014	As at September 30, 2013
(b) Guarantees		
Counter Gurantees by the company in respect of guarantees given by banks (including guarantee on account of erstwhile Machine Tool Division of ₹ 3.55 Lakhs)	29,103.18	31,004.83
(c) Commitments		
Estimated amount of Contracts remaining to be executed on Capital Accounts not provided for (Net of advance)	608.50	75.36

35 Previous year's figures have been regrouped/ reclassified / rearranged wherever necessary, to conform to current year's presentation.

As per our report attached

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

Hiren Buch
Chief Financial Officer

G. K. Pillai
Managing Director & C.E.O.

Chakor L. Doshi
Chairman

Satish K. Kelkar
Partner
Membership No: 38934

G. S. Agrawal
Vice President (Legal & Taxation) &
Company Secretary

Chirag C. Doshi
Managing Director

Dilip J. Thakkar
Director

Date : November 29, 2014
Place : Mumbai

Important Statistical Data from 1908-09 to 2013-2014

Year	Paid up Capital		Reserves & Surplus	Debentures	Fixed Assets		Sales	Net Profit	Dividend paid on Pref. and Equity Shares	Equity Dividend	₹ in Lakhs
	Equity	Preference			Gross Block	Net Block					
1908-1909	2.50	2.83	—	—	3.50	3.50	10.14	0.28	0.93	4%	
1909-1910	2.50	3.48	—	—	3.81	3.70	2.06	0.53	0.37	5%	
1910-1911	2.50	3.50	—	—	4.08	3.95	2.11	0.71	0.39	6%	
1911-1912	2.50	3.50	—	—	4.45	4.28	1.60	0.25	0.39	6%	
1912-1913	2.50	3.50	—	—	4.34	4.18	1.58	0.34	0.24	—	
1913-1914	2.50	3.50	—	—	4.88	3.90	2.71	1.10	0.39	6%	
1914-1915	2.50	3.50	0.25	6.00	5.29	3.82	1.98	0.46	0.34	4%	
1915-1916	2.50	3.50	0.25	5.75	5.17	3.60	2.35	0.82	0.34	4%	
1916-1917	2.50	3.50	0.39	5.50	5.16	3.41	2.62	1.10	0.39	6%	
1917-1918	2.50	3.50	0.64	5.25	5.33	3.34	1.97	0.40	0.24	—	
1918-1919	2.50	3.50	0.64	4.75	5.31	2.88	2.03	0.44	0.12	—	
1919-1920	2.50	3.50	0.64	4.75	5.31	2.88	2.03	0.44	0.12	—	
1920-1921	2.50	3.50	0.91	4.50	5.61	3.27	3.53	1.56	0.64	6%	
1921-1922	2.50	3.50	1.21	4.25	5.97	3.17	5.56	3.12	0.92	20%	
1922-1923	2.50	3.50	2.16	4.00	6.11	3.01	3.32	1.32	0.42	7%	
1923-1924	2.50	3.50	2.95	3.75	6.33	3.03	3.14	1.11	0.42	7%	
1924-1925	2.50	3.50	3.27	3.50	5.98	2.19	3.42	1.17	0.48	8%	
1925-1926	2.50	3.50	3.42	3.25	6.12	1.76	2.68	1.04	0.48	8%	
1926-1927	2.50	3.50	3.41	—	6.60	1.96	1.85	0.47	0.24	—	
1927-1928	2.50	3.50	3.76	—	6.75	1.94	1.27	0.23	0.24	—	
1928-1929	2.50	3.50	3.75	—	6.89	2.08	0.55	0.02	—	—	
1929-1930	2.50	3.50	3.38	—	6.16	1.61	0.14	-1.11	0.49	—	
1930-1931	2.50	3.50	1.92	—	6.21	1.72	0.25	-0.01	0.24	—	
1931-1932	2.50	3.50	1.97	—	5.86	1.37	0.32	-0.24	0.24	—	
1932-1933	2.50	3.50	1.83	—	5.80	1.31	0.26	-0.01	0.24	—	
1933-1934	2.50	3.50	2.01	4.00	13.37	8.88	0.07	-0.08	0.24	—	
1934-1935	2.50	3.50	1.86	4.00	16.68	11.19	0.70	-0.12	0.24	—	
1935-1936	2.50	3.50	1.06	4.00	17.19	17.19	1.38	0.01	0.24	—	
1936-1937	2.50	3.50	1.09	3.67	19.16	19.16	15.66	0.26	—	—	
1937-1938	2.50	3.50	1.57	3.20	19.74	19.49	19.67	0.73	0.53	—	
1938-1939	10.00	3.50	3.99	3.03	22.89	15.19	20.55	3.14	2.24	20%	
1939-1940	10.00	3.50	8.46	2.82	44.51	33.81	31.15	8.24	2.42	20%	
1940-1941	10.00	3.50	12.56	23.22	51.11	36.66	54.61	6.52	2.82	24%	
1941-1942	10.00	3.50	13.33	30.02	64.79	45.89	39.88	3.58	2.82	24%	
1942-1943	10.00	3.50	25.87	30.02	71.09	47.94	54.89	15.38	4.02	36%	
1943-1944	10.00	3.50	44.30	30.00	77.01	49.36	83.32	22.42	4.02	36%	
1944-1945	23.50	3.50	51.72	48.26	83.19	51.54	78.12	14.13	6.45	36%	
1945-1946	23.50	3.50	80.06	50.00	92.20	56.55	85.98	5.72	5.36	21%	
1946-1947	50.50	3.50	51.68	50.00	107.09	66.94	75.50	0.70	0.24	—	
1947-1948	101.00	3.50	28.27	50.00	128.27	78.12	151.55	40.07	10.47	10%	
1948-1949	101.00	3.50	36.60	50.00	135.46	75.37	133.24	10.44	17.92	17.5%	
1949-1950	101.00	3.50	33.62	50.00	157.64	89.23	147.72	14.72	12.36	12%	
1950-1951	101.00	3.50	45.50	45.00	165.03	86.81	185.38	23.48	14.38	14%	
1951-1952	101.00	3.50	59.20	45.00	177.67	91.12	216.26	25.52	14.38	14%	
1952-1953	101.00	3.50	68.09	45.00	185.81	89.24	190.50	23.03	14.38	14%	
1953-1954	101.00	3.50	79.40	45.00	190.33	85.90	196.24	25.47	16.40	16%	
1954-1955	101.00	3.50	91.72	45.00	204.70	89.38	189.72	27.95	18.42	18%	
1955-1956	101.00	3.50	110.22	25.76	228.81	129.62	214.63	33.00	21.46	21%	
1956-1957	101.00	3.50	128.00	25.00	271.48	165.02	246.90	38.98	21.46	21%	
1957-1958	101.00	3.50	122.12	25.00	295.28	177.60	354.05	27.96	21.46	21%	
1958-1959	101.00	50.00	125.94	25.00	347.35	218.28	403.17	19.01	23.97	20%	
1959-1960	101.00	50.00	135.33	100.00	426.90	280.79	390.72	19.92	20.15	15%	
1960-1961	150.94	50.00	135.11	100.00	460.83	277.21	402.82	16.34	22.04	15%	
1961-1962	151.49	50.00	128.43	100.00	498.28	288.76	538.39	14.38	23.12	12%	
1962-1963	151.50	50.00	162.44	100.00	510.73	274.82	575.63	25.34	23.18	12%	
1963-1964	151.50	50.00	72.36	100.00	520.54	268.37	550.69	30.21	26.21	14%	
1964-1965	151.50	50.00	188.12	75.00	535.57	270.25	463.39	19.72	26.21	14%	
1965-1966	151.50	50.00	226.65	75.00	592.61	354.43	510.47	16.76	23.18	12%	
1966-1967	181.80	50.00	203.15	75.00	624.84	357.01	559.21	10.33	23.18	10%	
1967-1968	181.80	50.00	238.75	75.00	850.16	357.03	788.52	50.72	26.82	12%	
1968-1969	181.80	50.00	231.56	75.00	667.18	342.72	1041.56	16.38	23.18	10%	
1969-1970	181.80	50.00	110.85	75.00	714.09	392.12	1074.80	-95.32	—	—	
1970-1971	181.80	50.00	182.61	75.00	729.20	379.12	997.74	7.17*	—	—	
1971-1972	181.80	50.00	208.36	75.00	762.77	335.97	1300.06	64.47	10.00	—	

Important Statistical Data from 1908-09 to 2013-2014 (Contd.)

Year	Paid up Capital		Reserves & Surplus	Debentures	Fixed Assets		Sales	Net Profit	Dividend paid on Pref. and Equity Shares	Equity Dividend
	Equity	Preference			Gross Block	Net Block				
1972-1973	181.80	50.00	306.46	75.00	801.21	333.03	1649.72	86.62	31.62	12%
1973-1974	181.80	50.00	331.70	75.00	873.04	357.31	2184.57	48.71	19.00	7.70%
1974-1975	181.80	50.00	393.41	75.00	959.60	395.57	2453.00	58.15	26.82	12%
1975-1976	181.80	50.00	423.49	75.00	1058.21	423.44	2421.71	96.07	32.27	15%
1976-1977	182.98	50.00	423.04	73.82	1081.47	379.54	1970.06	40.83	32.33	15%
1977-1978	200.30	50.00	572.12	98.79	1772.72	1017.81	3615.05	195.77	33.75	15%
1978-1979	200.30	50.00	808.57	98.79	1920.74	1087.31	5031.11	263.06	37.05	16%
1979-1980	200.30	50.00	898.16	94.13	2131.56	1189.78	5572.98	121.30	37.05	16%
1980-1981	200.30	50.00	1104.94	69.46	2307.98	1248.17	5958.51	203.11	37.05	16%
1981-1982	200.30	50.00	1175.52	54.75	2441.32	1260.11	5754.26	111.63	41.05	18%
1982-1984										
(18 Months)	300.45	50.00	**5401.27	40.14	11118.29	@5446.17	12715.01	230.15	79.61	24%
1984-1985	300.45	50.00	4735.39	20.00	11233.15	5169.87	10763.79	125.64	53.07	16%
1985-1986	300.45	50.00	**4833.16	20.00	\$12388.57	\$56322.02	9132.83	797.64*	-	-
1986-1987										
(18 Months)	300.45	50.00	3538.79	20.00	10104.10	4915.55	10720.82	288.05*	-	-
1987-1988	300.45	50.00	3425.37	20.00	10074.99	4874.42	6140.79	0.94*	-	-
1988-1989	300.45	50.00	2819.95	20.00	9319.14	4306.41	7595.22	16.14*	-	-
1989-1990	300.45	50.00	**5647.33	20.00	(i)12893.64	(ii)6995.49	7129.48	35.57*	-	-
1990-1991	300.45	50.00	5132.30	20.00	13003.87	6094.85	8892.12	202.29	***68.55	12%
1991-1992	300.45	50.00	**11174.24	8.00	(iii)20403.10	(iv)11308.30	8871.05	849.60	65.09	20%
1992-1993	300.45	-	1059.55	-	20399.72	10203.16	9214.26	516.21	63.37	20%
1993-1994	300.45	-	10363.94	-	20423.66	9283.57	11361.56	705.72	60.09	20%
1994-1995	300.45	-	10677.14	-	20746.33	8636.18	16492.32	1195.74	75.11	25%
1995-1996	300.45	-	11283.01	-	21304.33	8306.83	18899.01	1452.15	82.62	27.5%
1996-1997	300.45	-	18822.30	-	(v)30470.60	(vi)15925.70	16600.58	979.22	82.62	27.5%
1997-1998	300.45	-	18291.16	-	30730.43	14650.54	17466.30	795.01	82.62	27.5%
1998-1999	300.45	-	17504.50	-	30983.72	13221.69	21006.70	738.52	90.14	30%
1999-2000	300.45	-	17089.64	-	31264.84	12037.02	22021.88	894.19	99.15	33%
2000-2001	300.45	-	14376.07	-	31466.54	10875.89	22883.70	-723.29	99.15	33%
2001-2002	300.45	-	21147.74	-	(vii)37089.76	17350.72	17951.34	249.73	75.11	25%
2002-2003	300.45	-	20255.68	-	37134.92	16059.72	15216.82	349.80	75.11	25%
2003-2004	300.45	-	19527.54	-	37438.77	15207.04	21618.25	398.72	82.62	27.5%
2004-2005	300.45	-	19297.32	-	38315.75	14945.35	25279.95	772.39	90.14	30%
2005-2006	300.45	-	19533.81	-	40188.42	15801.12	35855.63	1329.43	135.20	45%
2006-2007	300.45	-	21976.64	-	42849.96	17381.79	63279.94	3556.33	300.45	100%
2007-2008	760.90	-	41424.52	-	(viii)57879.57	31956.79	69604.31	3976.93	380.45	50%
2008-2009	761.40	-	41960.83	-	62639.64	34311.67	51261.53	2340.13	380.70	50%
2009-2010	761.40	-	40340.96	-	64902.96	33996.72	67237.11	2228.91	380.70	50%
2010-2011	761.40	-	39934.99	-	67521.53	33823.03	95767.35	1279.78	380.70	50%
2011-2012	761.40	-	39346.16	-	69030.04	32416.23	88147.09	1212.64	380.70	50%
2012-2013	761.40	-	69881.57	-	(ix) 104975.85	65866.93	72651.35	-3828.17	152.28	20%
2013-2014	761.40	-	66273.50	-	105190.97	62142.72	63823.10	-1236.63	152.28	20%

NOTES:

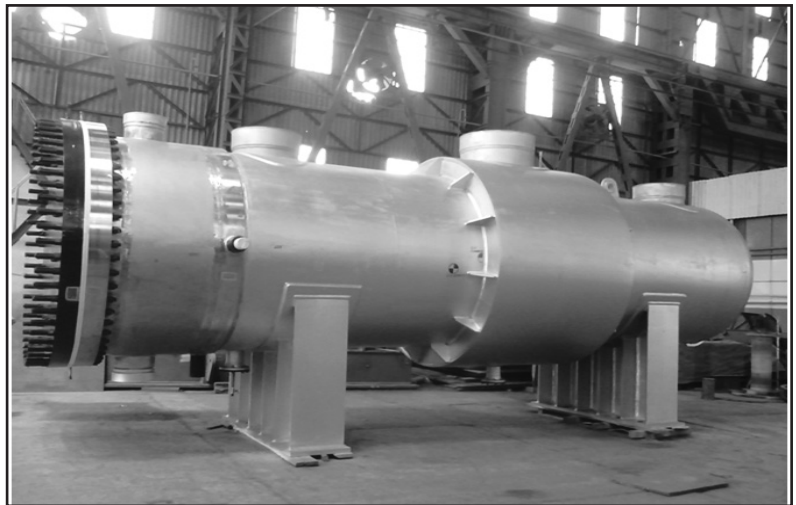
- * Subject to Depreciation.
- ** Including the effect of Revaluation of certain fixed assets.
- Including the effect of Revaluation of certain fixed assets as at 30-09-90.
@ Gross amount written up ₹ 8432.67 Lakhs.
@ Accumulated Depreciation written up ₹ 3775.62 Lakhs.
- Including the effect of Revaluation of certain fixed assets as at 31-03-86.
\$ Gross amount written up ₹ 906.89 Lakhs.
\$\$ Accumulated Depreciation written up ₹ 11.21 Lakhs.
- Including the effect of Revaluation of certain fixed assets as at 30-09-90.
(i) Gross amount written up ₹ 3556.43 Lakhs.
(ii) Accumulated Depreciation written up ₹ 334.16 Lakhs.
- *** Includes Preference Dividend for the years. 1985-86, 1986-87, 1987-88, 1988-89, 1989-90.
- Including the effect of Revaluation of certain fixed assets as at 30-09-92.
(iii) Gross amount written up ₹ 7526.25 Lakhs.
(iv) Accumulated Depreciation written up ₹ 1618.56 Lakhs.
- Including the effect of Revaluation of certain fixed assets as at 01-10-96.
v) Gross amount written up ₹ 7985.90 Lakhs.
(vi) Accumulated Depreciation written up ₹ 20.30 Lakhs.
- Including the effect of Revaluation of certain fixed assets as on 01-10-96 ₹ 7965.60 Lakhs.
- Including the effect of Revaluation of certain fixed assets as on 01-04-2002 (vii) Gross Amount written up ₹ 5449.30 Lakhs.
- Including the effect of Revaluation of certain fixed assets as on 01-10-2007 (viii) Gross Amount written up ₹ 11263.32 Lakhs.
- Including the effect of Revaluation of certain fixed assets as on 30-09-2013 (ix) Gross Amount written up ₹ 35510.41 Lakhs.

[illegible]

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Mr. G. K. Pillai, MD & CEO, Walchandnagar Industries Limited delivers memorial lecture at VSSC, Thiruvananthapuram on the occasion of Dr. Vikram Sarabhai's 95th Birth Anniversary



Moderator Heat exchanger equipment No.2 for 700 MWe Nuclear power plant of NPCIL despatched from Walchandnagar Manufacturing Facility



Walchandnagar Industries Limited signs an agreement with UBE, Japan for partial manufacturing and supply of the UBE make Vertical Roller Mills in India and other neighbouring countries



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